

Elopak ASA

Full Rating Report

LONG-TERM RATING

BBB-

OUTLOOK

Stable

SHORT-TERM RATING

N3

PRIMARY ANALYST

Anine Gulbrandsen
+4797501657
anine.gulbrandsen@nordiccreditrating.com

SECONDARY CONTACTS

Geir Kristiansen
+4790784593
geir.kristiansen@nordiccreditrating.comElisabeth Adebäck
+46700442775
elisabeth.adeback@nordiccreditrating.com

RATING RATIONALE

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

The rating is constrained by Elopak's small size compared with its main peers, Swedish multinational Tetra Pak and Swiss multinational SIG Group AG (SIG). The company has a relatively small share of the aseptic carton packaging market, which accounts for the bulk of the wider market for carton packaging of liquid products. A further rating constraint is the cyclical nature of the raw materials market, although contract stipulations and pricing mechanisms partially offset this cyclicity.

STABLE OUTLOOK

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

POTENTIAL POSITIVE RATING DRIVERS

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

POTENTIAL NEGATIVE RATING DRIVERS

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

Figure 1. Key credit metrics, 2022–2028e

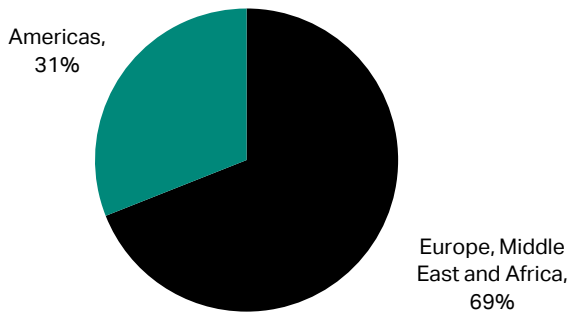
NOKm	2022	2023	2024	2025	2026e	2027e	2028e
Revenues	1,024	1,132	1,157	1,206	1,230	1,353	1,447
EBITDA	116	161	171	181	184	205	222
EBITDA margin (%)	11.3	14.2	14.8	15.0	15.0	15.2	15.3
FFO	95	123	125	139	141	158	171
Net debt	452	398	435	426	468	470	452
Total assets	956	963	1,055	1,064	1,091	1,118	1,133
Net debt/EBITDA (x)	3.9	2.5	2.5	2.4	2.5	2.3	2.0
EBITDA/net interest (x)	14.0	7.3	9.3	9.8	8.7	9.9	11.0
FFO/net debt (%)	21.1	30.9	28.8	32.5	30.2	33.6	37.8
FOCF/net debt (%)	-3.5	27.8	4.9	16.6	3.5	13.2	19.2

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

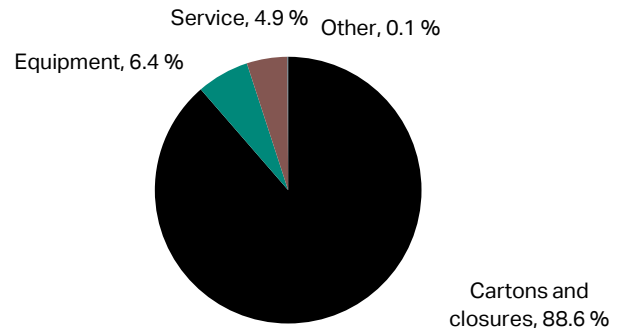
Elopak is a Norway-based carton packaging manufacturer and distributor. Since its establishment in 1957 as a licensee of Pure-Pak, the company has been majority-owned by family-owned investment holding company Ferd AS. With operations in more than 70 countries, 3,000 employees and manufacturing facilities in 12, the company produces and distributes about 16bn items of carton packaging per year. In addition to the production and distribution of carton packaging, Elopak manufactures aseptic filling machinery, sells and distributes new machinery for packaging fresh products from partners, and provides service and maintenance support.

Figure 2. Revenue by area, 2025



Source: company.

Figure 3. Revenue by segment, 2025



Source: company.

BUSINESS RISK ASSESSMENT

Global packaging industry benefits from increasing environmental focus

The global carton packaging industry generally experiences stable demand, with consumption linked to economic conditions and urbanisation levels. However, key commodity inputs such as paperboard, polyethylene, aluminium foil and energy are highly cyclical. The industry is fragmented, and economies of scale are important for resource availability and sustainable margins, particularly when serving multinational clients. Barriers to entry include stringent health and safety requirements and reliable access to raw materials. Operators typically establish long-term customer relationships, often supported by significant customer investments in filling machinery and the lengthy process required to replace these systems.

Elopak operates in the liquid packaging segment, which accounts for approximately 40% of the global packaging market, estimated at around USD 1,100bn. The company focuses primarily on fresh dairy and aseptic milk and juice, where consumer demand has shown lower price sensitivity. Packaging producers and distributors have generally been able to pass on costs and maintain operating margins. Elopak derives 76% of its revenue from fresh packaging products and 20% from aseptic packaging products, which offer a longer shelf life. While the aseptic market is larger and more concentrated, the fresh market has lower barriers to entry, though some patents exist. Margins are typically higher in the aseptic segment.

We expect the overall liquid packaging market to continue growing, supported by underlying economic fundamentals. In the liquid packaging sector, polyethylene terephthalate (PET) packaging has historically gained market share at the expense of carton packaging. This trend has been driven primarily by growth in emerging markets, which tend to favour plastic, and the increasing market share of bottled water. However, we note the increasing global focus on environmental issues such as emissions reduction, waste management and recycling. In our view, carton packaging could become the preferred choice, buoying market share for carton packaging companies. The EU's Single-Use Plastics Directive and Packaging and Packaging Waste Directive could also drive this expected shift to carton packaging from plastic.

Elopak remains exposed to geopolitical uncertainty, trade tensions, and supply chain risks. In Q1 2026, the company experienced softer demand in certain markets, including lower aseptic juice demand in

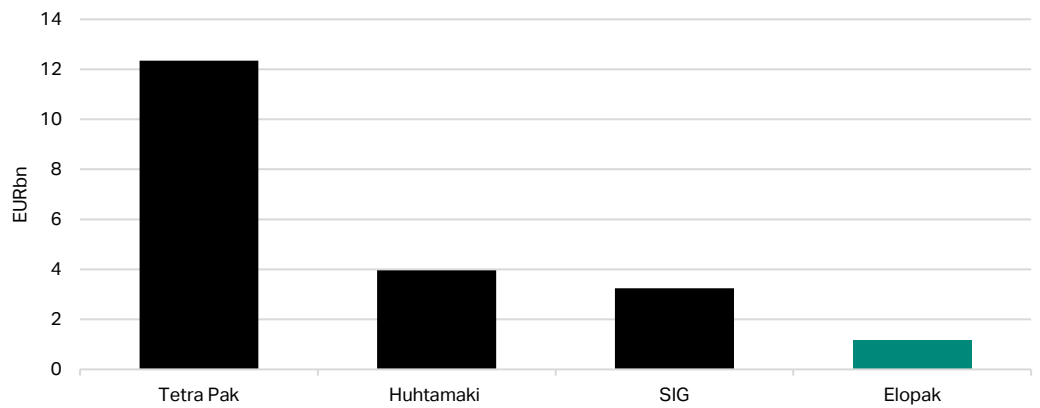
Europe and weaker demand for plant-based product in the Americas. Despite these challenges, we expect Elopak's strategic initiatives and favourable long-term demand trends for fibre-based packaging to support future growth.

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

The global carton packaging market is dominated by a few companies, with privately owned Tetra Pak being the largest, specialising in aseptic carton packaging and packaging for fresh products. Elopak holds a leading position in the European market for carton packaging for fresh products, having focused on this segment since initiating its Pure-Pak licence agreement in 1957. However, the aseptic carton market is significantly larger than the market for carton packaging of fresh products. Elopak's markets in Europe and the US favour fresh food packaging, which we expect will continue to support Elopak's position in these markets.

Elopak's strong market position allows it to secure long-term sourcing contracts for inputs such as paperboard at competitive prices, providing stability against price fluctuations. Its position is further supported by the well-established Pure-Pak brand. However, Elopak remains a small player in the larger, higher-growth aseptic carton market. To capture market share, Elopak introduced roll-fed carton packaging in 2014, compatible with installed filling machinery worldwide.

Figure 4. Peer group by revenues, 2025



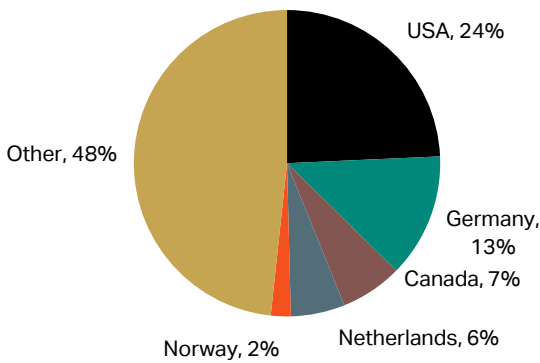
Source: companies.

Elopak presented its 2030 strategy in Sep. 2024, announcing its ambition to achieve EUR 2bn in revenue through growth initiatives and market expansion. The acquisition of Naturepak Beverage Packaging and entry into the Indian market via a joint venture have expanded the company's regional footprint and diversified its revenues and customer base. The US plant supports Elopak's growth and market position and contributes positively to profitability and margins. The facility enables Elopak to better serve both existing and new customers and to support revenue growth. The company also continues to promote the shift from plastic to carton packaging, including expansion into non-food packaging. To achieve its growth targets, Elopak is also considering inorganic growth in adjacent food segments and new vertical markets over time.

Elopak's long-term relationships with clients, to which it supplies packaging machinery, support its market position. Due to the significant upfront investments required for machinery, customers tend to remain loyal to the distributor. Machinery is either sold or leased to clients, supporting subsequent sales of compatible carton packaging for an average of 15 years. Contracts are often entered into on a shorter-term basis, but clients typically renegotiate prior to expiry.

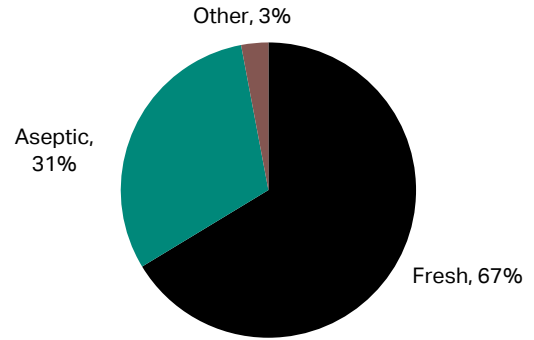
The company's top 10 clients generated 28% of sales volumes in 2025. These clients were both European and American, reducing revenue concentration risk. Elopak's proprietary Pure-Pak carton packaging can be filled only on machinery that the company distributes, although the risk of losing clients increases with the age of machinery. The company has further diversified revenues through joint ventures and licensing agreements across multiple regions.

Figure 5. Revenue by country, 2025



Source: company.

Figure 6. Revenue by end-markets, 2025



Source: company.

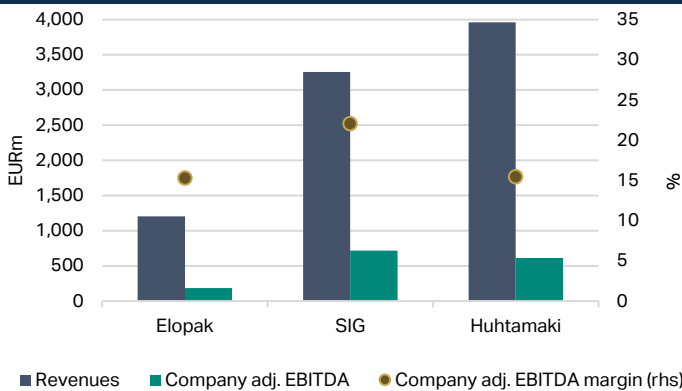
Elopak depends on raw materials sourced from third parties. While the company has demonstrated resilience to market fluctuations, such as the recent spike in raw materials prices, its reliance on third-party inputs remains a risk.

Margins in line with medium-term targets

Although input factors in Elopak's production operations are cyclical and volatile, the company mitigates some volatility risk by entering multi-year, CPI-linked fixed-price contracts for raw board in the European market. This approach, along with other hedging activities, has reduced the company's sensitivity to sharp price increases in recent years. In addition, we expect customers to absorb most additional costs, supporting relatively stable operating margins. In the Americas, Elopak's revenues are linked to raw material price indexes, providing an effective hedge against price increases.

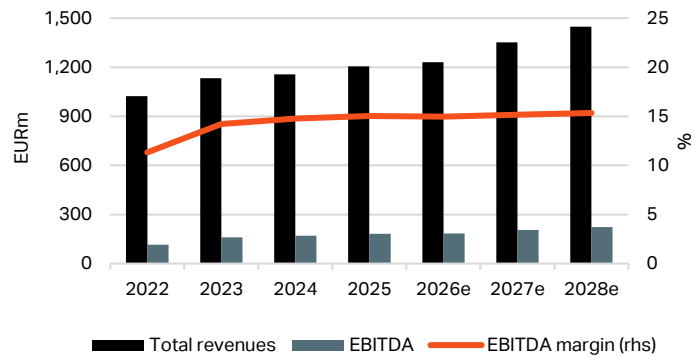
Elopak has improved its EBITDA margin in recent years, supported by price and volume increases. In 2025, the margin widened, driven by strong revenue growth and continued expansion in the Americas. However, profitability softened in Q1 2026 due to weaker demand in several markets. We expect the company's EBITDA margin to remain at the lower end of its medium-term target of 15–17%. Elopak reported an EBITDA margin of 15.3% in 2025.

Figure 7. NCR-adjusted peer group EBITDA margin, 2025



Source: companies.

Figure 8. NCR-adjusted revenues, EBITDA and EBITDA margin, 2022–2028e



Source: company nad NCR. e-estimate.

We expect Elopak's EBITDA margin to remain well below that of most close peers. SIG's operations differ materially from Elopak's, with a greater focus on North Africa, Asia and the Pacific region, and a higher use of machinery leasing agreements, resulting in above-industry-average operating margins. Tetra Pak is also expected to report higher margins than Elopak, reflecting its stronger market position. Huhtamaki, a Finnish packaging company, has margins comparable to Elopak's.

FINANCIAL RISK ASSESSMENT

Moderate financial leverage despite high capital spending

Elopak's financial leverage has remained stable in recent years, supported by strong cash flow generation despite elevated investment requirements. Its leverage ratio is comparable to Huhtamaki and significantly stronger than that of SIG. In 2025, investment costs totalled EUR 86m, including spending on the new US plant and efficiency upgrades in core production lines. We expect annual investments to range from EUR 80–100m through end-2028, driven by continued US plant development and ongoing modernisation. We also anticipate that stronger EBITDA, as growth investments become operational, will support improved credit metrics over time.

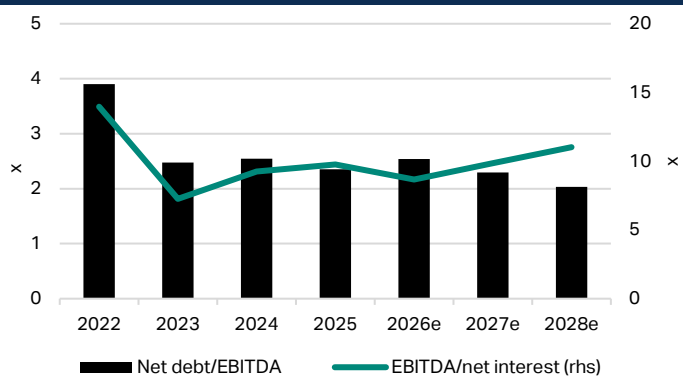
We include dividends from joint ventures in EBITDA. Our calculation of the company's net debt incorporates factoring and reverse factoring (supply chain finance) when these extend payment terms beyond normal conditions. We adjust cash holdings to reflect cash trapped in countries where the company lacks centralised cash control, estimated at approximately EUR 2.0m globally.

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

	2026e	2027e	2028e
Revenue growth (%)	2.0	10.0	7.0
EBITDA margin (%)	15.0	15.2	15.3
Capital expenditure (NOKm)	100	95	80
Dividend payment ([CCY]m)	46	44	49
Net debt/EBITDA (x)	2.5	2.3	2.0
EBITDA/net interest (x)	8.7	9.9	11.0
FFO/net debt (%)	30.2	33.6	37.8
CFO/net debt (%)	24.4	33.0	36.5
FOCF/net debt (%)	3.5	13.2	19.2
DCF/net debt (%)	-6.3	3.9	8.3

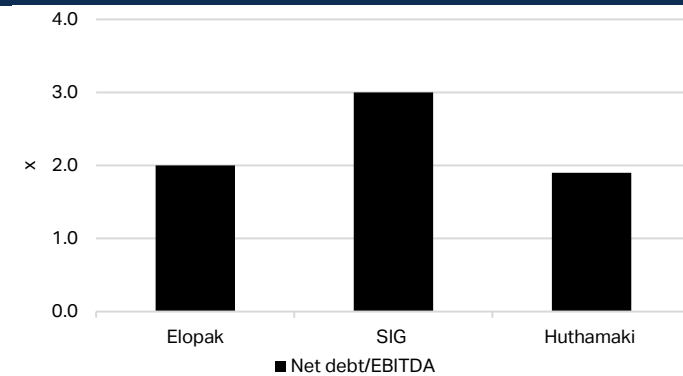
Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology.

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



Source: company and NCR. e–estimate.

Figure 11. Peer group reported Net debt/EBITDA, 2025



Source: companies.

We view Elopak's risk appetite as consistent with our assessment of its financial ratios. We expect the company to maintain its acquisitive strategy, while taking a prudent approach to future acquisitions. Elopak targets net debt/EBITDA of 2.0x over time (2.0x as of 31 Dec. 2025), excluding off-balance-sheet financing, and we expect leverage to remain near this level in 2026 and 2027.

The company is primarily funded through senior unsecured bonds, equity, bank debt and factoring. Elopak employs interest rate hedging to mitigate exposure to interest rate fluctuations. As of 31 Mar. 2026, senior unsecured debt totalled EUR 308m. Approximately 57% of Elopak's long-term debt was hedged with interest rate swaps, with an average duration of about three years.

By end-2023, Elopak had achieved all targets set at its 2021 initial public offering (IPO). In 2024, Elopak announced new 3–5-year targets: leverage of 2.0x, an EBITDA margin of 15–17%, and annual organic

growth of 4–6%. Elopak aims to pay dividends of 50–60% of adjusted net profit. We expect the company to suspend dividends if its financial position requires. The company acquires shares under its buyback programme to meet obligations to employees participating in Elopak's long-term incentive plan.

ADJUSTMENT FACTORS

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

We assess Elopak's liquidity position as adequate supported by net sources/uses of 2.3x for the 12 months to 31 Mar. 2027.

Figure 12. Liquidity analysis (stressed scenario) 31 Mar. 2026–31 Mar. 2027

Liquidity, next 12 months	AMOUNT (EURM)
Cash and cash equivalents (100%)	39
Adjusted FFO (75%)	104
Unutilised credit facilities	210
Total sources	354
Committed capital expenditure	100
Dividend payment	46
Total uses	153
Sources/uses (x)	2.3
Sources - uses (EURm)	201

Source: company and NCR.

OWNERSHIP ANALYSIS

Since its IPO in 2021, Elopak has remained majority owned by Ferd AS, a family-owned investment holding company. We expect Ferd AS to remain a long-term owner and note that it has previously provided financial support to Elopak. We do not typically consider family-owned firms as parent companies within a group structure.

Figure 13. Ownership structure

Owner	Share of capital and votes
Ferd AS	40.1%
DNB Asset Management AS	5.3%
Nippon Paper Industries co	5.1%
Folketrygdfondet	4.6%
Nordea Funds	3.9%
Alfred Berg Kapitalforvaltning	3.8%
Pareto Asset Management	3.4%
Artic Asset Management	3.4%
Fidelity International (FIL)	1.5%
ODIN	1.4%
Others	27.5%
Total	100%

Source: company.

ISSUE RATINGS

Figure 14. 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.

SHORT-TERM RATING

Figure 15. Short-term issuer rating

Short-term issuer rating	Rationale
N3	Adequate for the long-term rating due to committed sources covering uses by 2.3x.

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 Elopak.

Figure 16. Priority ESG factors

Issue/area	Risk/opportunity	Impacted subsections (impact on credit assessment*)
Sustainability requirements and packaging regulations.	Increasing sustainability requirements and packaging regulation may require additional investments and product adaptation. However, the same trends are expected to support demand for fibre-based packaging and strengthen competitive position.	Operating environment (+) Market position (+) Operating efficiency (0)
Access to fiber-based raw materials	Alternative uses of raw materials could affect the availability and cost of key inputs in the value chain.	Size and diversification (0) Operating efficiency (-)
CO ₂	Carbon regulation, emissions requirements and environmental taxation could increase costs, although lower-carbon packaging solutions may strengthen competitiveness and stakeholder support.	Operating efficiency (0) Risk appetite (+)
Health and safety	Workplace incidents, food safety failures or issues related to filling equipment could result in reputational damage, operational disruption and loss of customers.	Market position (0) Operating efficiency (0)

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 17. NCR's adjustments to credit metrics, 2022–2028e

EURm	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	110	164	166	178	181	202	219
Dividends from JV		2	10	5	5	5	5
Capitalised development expenses		-5	-5	-2	-2	-2	-2
Other EBITDA adjustments	6						
NCR-adj. EBITDA	116	161	171	181	184	205	222
Net interest	3	-15	-10	-11	-14	-14	-13
Financial costs from leases	-4	-7	-8	-8	-7	-7	-7
Other interest adjustments	-8						
NCR-adj. net interest	-8	-22	-18	-19	-21	-21	-20
NCR-adj. EBITDA	116	161	171	181	184	205	222
NCR-adj. net interest	-8	-22	-18	-19	-21	-21	-20
Current tax	-12	-16	-27	-24	-22	-26	-31
NCR-adj. FFO	93	95	123	125	148	158	174
Changes in working capital	-70	27	0	16	-27	-3	-6
Capital spending	-42	-41	-109	-86	-100	-95	-80
Capitalised development expenses		5	5	2	2	2	2
Other cash flow from operations	1	-4					
NCR-adj. FOCF	-16	111	21	71	16	62	87
Cash and cash equivalents	26	13	28	62	14	11	28
Restricted cash	-2	-2	-2	-2	-2	-2	-2
NCR-adj. cash and equivalents	24	12	27	61	13	10	26
Gross interest-bearing debt	326	244	291	326	326	326	326
Lease liabilities	91	102	107	101	94	87	80
Retirement benefit obligations	3	3	2	3	3	3	3
Adjustments due to factoring	42	45	45	40	41	45	49
Adjustments due to reversed factoring	16	17	17	17	17	19	20
NCR-adj. total debt	477	410	462	487	481	480	478
NCR-adj. cash and equivalents	-24	-12	-27	-61	-13	-10	-26
NCR-adj. net debt	452	398	435	426	468	470	452

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

METHODOLOGIES USED

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

Figure 18. Elopak 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	1,023.9	1,132.2	1,156.6	1,205.6
EBITDA	109.9	164.1	166.4	177.8
EBIT	41.8	102.8	99.4	108.4
Net interest expense	3.2	-15.5	-10.5	-10.8
Pre-tax profit	46.4	84.8	88.8	85.5
Net profit	10.6	68.0	61.5	61.4
BALANCE SHEET				
Property, plant and equipment	202.0	202.9	265.0	282.2
Intangible assets and goodwill	176.3	168.4	160.5	150.1
Other non-current assets	153.7	161.9	165.2	153.5
Total non-current assets	532.0	533.1	590.7	585.7
Cash and equivalents	25.9	13.3	28.0	62.2
Other current assets	398.6	416.2	436.7	416.2
Total assets	956.5	962.6	1,055.4	1,064.1
Total equity	268.0	315.3	352.7	347.8
Gross debt	325.7	243.8	290.5	326.0
Other liabilities	362.8	403.5	412.6	390.4
Total equity and other liabilities	956.5	962.6	1,055.8	1,064.1
CASH FLOW STATEMENT				
Pre-tax profit	46.4	84.8	88.8	85.5
Cash flow before changes in working capital	94.8	130.0	139.7	155.1
Changes in working capital	-69.7	27.2	0.1	16.0
Operating cash flow	25.1	157.2	139.8	171.1
Capital expenditure	-42.5	-40.8	-109.1	-85.7
Other investing activities	-83.5	8.8	12.2	4.9
Cash from investing activities	-126.0	-32.0	-96.9	-80.7
Dividends	-19.6	-19.6	-34.4	-43.3
Share repurchases	-	-	-	-3.3
Other financing activities	122.2	-117.8	4.2	1.3
Cash from financing activities	102.6	-137.5	-30.2	-45.4
Cash and equivalents beginning of year	24.3	25.9	13.3	28.0
Cash flow for year	1.7	-12.3	15.2	34.2
Cash and equivalents at end of year	25.9	13.3	28.0	62.2

Source: company. FY–full year.

Figure 19. Elopak rating scorecard

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

Figure 20. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB-

DISCLAIMER

Disclaimer © 2026 Nordic Credit Rating AS (NCR, the agency). All rights reserved. All information and data used by NCR in its analytical activities come from sources the agency considers accurate and reliable. All material relating to NCR's analytical activities is provided on an "as is" basis. The agency does not conduct audits or similar warranty validations of any information used in its analytical activities and related material. NCR advises all users of its services to carry out individual assessments for their own specific use or purpose when using any information or material provided by the agency. Analytical material provided by NCR constitutes only an opinion on relative credit risk and does not address other forms of risk such as volatility or market risk and should not be considered to contain facts of any kind for the purpose of assessing an issuer's or an issue's historical, current or future performance. Analytical material provided by NCR may include certain forward-looking statements relating to the business, financial performance and results of an entity and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. Forward-looking statements contained in any analytical material provided by NCR, including assumptions, opinions and views either of the agency or cited from third-party sources are solely opinions and forecasts which are subject to risk, uncertainty and other factors that could cause actual events to differ materially from anticipated events. NCR and its personnel and any related third parties provide no assurance that the assumptions underlying any statements in analytical material provided by the agency are free from error, nor are they liable to any party, either directly or indirectly, for any damages, losses or similar, arising from use of NCR's analytical material or the agency's analytical activities. No representation or warranty (express or implied) is made as to, and no reliance should be placed upon, any information, including projections, estimates, targets and opinions, contained in any analytical material provided by NCR, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained in any analytical material provided by the agency. Users of analytical material provided by NCR are solely responsible for making their own assessment of the market and the market position of any relevant entity, conducting their own investigations and analysis, and forming their own view of the future performance of any relevant entity's business and current and future financial situation. NCR is independent of any third party, and any information and/or material resulting from the agency's analytical activities should not be considered as marketing or a recommendation to buy, sell, or hold any financial instruments or similar. Relating to NCR's analytical activities, historical development and past performance does not safeguard or guarantee any future results or outcome. All information herein is the sole property of NCR and is protected by copyright and applicable laws. The information herein, and any other information provided by NCR, may not be reproduced, copied, stored, sold, or distributed without NCR's written permission.

NORDIC CREDIT RATING AS

nordiccreditrating.com