



ISSUER RATING  
Long term

OUTLOOK  
Stable

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## Rating Action and Rationale

- EthiFinance Ratings downgrades Mowi ASA's long-term rating from BBB to BBB-, maintaining a Stable outlook.
- Headquartered in Norway, Mowi ASA (Mowi) is the world's largest producer of farmed salmon.
- Our rating downgrades is a consequence of the deterioration in Mowi's credit metrics in FY24. In FY24, Mowi's revenues amounted to €5.6bn, a 1.8% increase compared to FY23. Despite a significant improvement in volumes, with a 5.7% growth at 501k tonnes (vs FY23), price achievement was lower, impacted by a decrease of quality in Norway. In addition, feed costs were higher due to the cost inflation of raw materials. These translated into lower profitability, with an adjusted EBITDA margin of 22.3% (vs 25.9% in FY23), and an adjusted EBITDA of €1,250m (vs €1,426m in FY23). Adjusted net financial debt slightly deteriorated to €2.4bn at YE24 (vs €2.3bn at YE23), leading to an adjusted net leverage of 1.9x (vs 1.6x at YE23). Over our forecast period (2025-27), we expect the adjusted net leverage to improve progressively to c. 1.7x in average.
- In addition, the rating remains constrained by the limited diversification in products, as Mowi's activities are focused on salmon. Biological risks, such as fish diseases and sea lice outbreaks, can lead to earning volatility. Spot salmon prices are also highly volatile, making the company sensitive to fluctuations. In that regard, the high volatility table has been applied when assessing the company's financial profile.
- However, the rating is supported by Mowi's position as the worldwide leader in farmed salmon production. In 2024, Mowi accounted for c. 20% of the world's production of salmon, being the leader in Norway. The group is vertically integrated, being active in feed production, breeding, processing, and branding. Finally, Mowi's capitalisation ratio is excellent, with a ratio of c. 150% at YE24, and expected to be above 170% in average over our forecast period.
- The agribusiness industry has medium-to-high ESG risks under our methodology (sector heatmap score between 3.5 and 3.9). This results in a sector rating that is downgraded one notch by industry-related ESG considerations. Regarding environmental factors, agribusiness has a high impact on resources as a major user of land and water, and also on pollution with the contamination of soils and water basins through intensive use of chemicals. The sector also has an impact on climate through the use of carbon-intensive processes, and it significantly impacts biodiversity. Moreover, consumers are highly concerned about issues linked to food safety and quality. The sector has a medium impact on communities, as access to good food is an essential part of social stability and contributes to a population's health.
- Our assessment of the company's ESG policy is good (company ESG score of between 1 and 1.5), positively impacting our financial assessment. Regarding governance factors, Mowi stands out with a good level of independence in its board, the separation of the roles of chairman and CEO, and the prioritization of ESG issues. Social indicators are good with a high number of women in its workforce, the improvement of training hours, despite a limited number of women holding a managerial position, and only partial certification of its plants on management quality and health. However, environmental factors deteriorated in 2024, with an increase of direct GHG emissions (scope 1 & 2) and energy consumption.

## Issuer Description

Headquartered in Norway, Mowi ASA is the world's largest producer of farmed salmon with 501k tonnes produced in 2024 (c. 20% of world production). The group has breeding farms in Norway, Scotland, Chile, Canada, Ireland, the Faroes, and Iceland. Most of its production is sold in Europe (c. 70% in FY24).

For FY24, Mowi generated revenues of €5.6bn, a 1.8% growth vs FY23, with an adjusted EBITDA of €1,250m (EBITDA margin of 22.3%). Adjusted net leverage stood at 1.9x at year-end. Listed on the Oslo Stock Exchange, its total capitalization was c. €8.3bn, as of 22 April 2025.

## Modifiers

### Controversies

Mowi has experienced some salmon escapes. In February 2025, c. 27k salmon (equivalent c. 148.5 tonnes) escaped in Norway. This incident, despite having an impact on marine biodiversity, remains limited and has no impact on our rating, but it will remain monitored.

## Main Financial Figures

Main financial figures. millions of EUR						
	FY23	FY24	FY25E	FY26E	FY27E	24vs23
Turnover	5 506	5 604	5 940	6 653	6 786	1,8%
EBITDA (1)	1 426	1 250	1 485	1 663	1 696	-12,3%
EBITDA Margin (1)	25,9%	22,3%	25,0%	25,0%	25,0%	-3,6pp
EBIT	981	759	970	1 088	1 110	-22,7%
EBIT Margin	17,8%	13,5%	16,3%	16,4%	16,4%	-4,3pp
EBT	899	632	817	928	966	-29,7%
Total Assets	8 239	8 555	9 351	9 847	10 098	3,8%
Equity	3 755	4 006	4 568	4 957	5 334	6,7%
Total Financial Debt	2 568	2 676	2 907	2 951	2 814	4,2%
Net Financial Debt (2)	2 280	2 399	2 630	2 776	2 585	5,3%
Equity/TFD	146,2%	149,7%	157,1%	168,0%	189,6%	3,5pp
NFD/EBITDA (1) (2)	1,6x	1,9x	1,8x	1,7x	1,5x	0,3x
Adj Funds From Operations	1 056	824	1 105	1 245	1 285	-21,9%
Adj FFO/NFD (2)	46,3%	34,4%	42,0%	44,8%	49,7%	-12,0pp
EBITDA/Interest (1)	12,6x	8,7x	9,7x	10,3x	11,8x	-3,9x

<sup>(1)</sup> EBITDA adjusted for net fair value biomass, onerous contract provisions, restructuring costs, results from disposals of fixed assets, income/loss from associated companies, and non operational items

<sup>(2)</sup> Net debt adjusted for pensions and restricted cash

## Credit Rating

Credit Rating	
<b>Business Risk Profile</b>	<b>BBB-</b>
<i>Industry risk assessment</i>	<i>BBB-</i>
<i>Industry's ESG</i>	<i>Negative</i>
<i>Competitive Positioning</i>	<i>BB+</i>
<i>Governance</i>	<i>BBB-</i>
<b>Financial Risk Profile</b>	<b>BBB-</b>
<i>Cash flow and leverage</i>	<i>BB+</i>
<i>Capitalisation</i>	<i>A-</i>
<i>Company's ESG</i>	<i>Positive</i>
<b>Anchor Rating</b>	<b>BBB-</b>
<i>Modifiers</i>	<i>No</i>
<b>Rating</b>	<b>BBB-</b>

## Rating Sensitivity

Factors that may (individually or collectively) impact the rating:

- Long-term rating positive factors (↑)

A rating upgrade could be possible with additional product diversification, or a sustained improvement in Mowi's financial profile. In particular, for the same business risk profile, a decline in the group's adjusted net leverage ratio to below 1.5x could entail a long-term rating upgrade to BBB.

- Long-term rating negative factors (↓)

A rating downgrade could result from a deterioration in the business environment, such as restrictive business measures for salmon farming in certain regions, or other biological issues that could impact the financial risk profile. For the same business risk profile, an adjusted net leverage ratio above 2.5x for a sustained period of time could entail a long-term rating downgrade to BB+.

## Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

## Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
  - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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