S&P Global Ratings

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Statkraft AS

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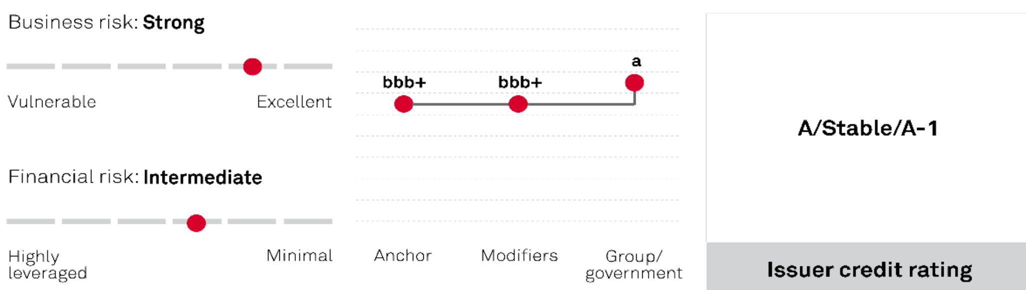
Ratings Score Snapshot



Credit Highlights

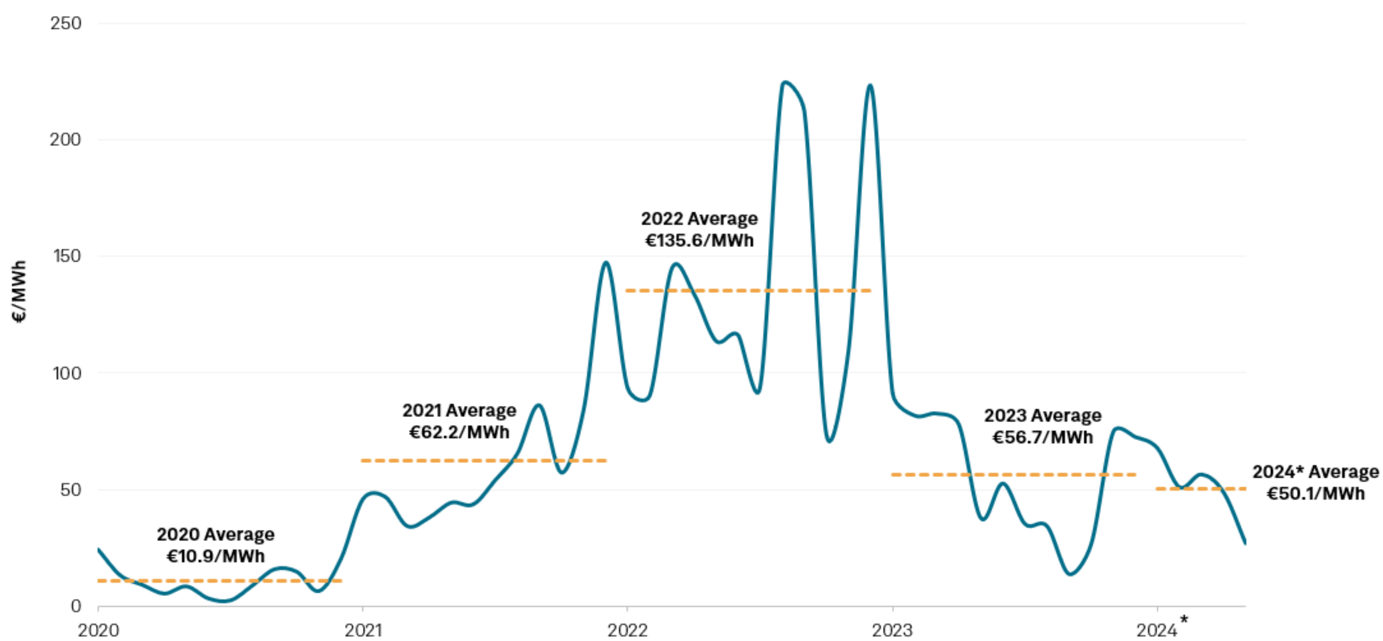
Overview

Key strengths	Key risks
Very strong position as Europe's largest producer of renewable energy, mainly stemming from hydro, with large reservoirs.	Lower power prices and increasing investment will weaken credit metrics over 2024-2025; we now forecast funds from operations (FFO) to debt of around 50%-60% and 30-40% in 2024 and 2025, respectively, compared with 118% in 2023.
Hydro generation has a very low production cost and is highly flexible. This translates into healthy margins and higher achieved prices (premium) to the market price, typically about 5%-10%.	High exposure to volatile Nord Pool power prices, given that 65%-70% of production is unhedged.
Two notches of ratings uplift stemming from supportive ownership by the government of Norway.	Hydrological balance in the Nordic region strongly influences power generation and cash flow generation.
High profitability and free cash flow will support the ambitious 2.0-2.5 gigawatts (GW) annual renewable additions target during 2026-2030.	Cash conversion is lower than international peers due to high taxes. As taxes and dividends are paid in arrears, cash flow could also prove volatile in the coming years.

We forecast Statkraft's credit metrics to weaken in 2024-2025 from exceptionally strong levels, using most of its rating headroom, because of a decline in power prices. During 2024, power prices have softened from the extreme highs of 2022-2023. We now anticipate an average Nord Pool system price of about €40-€50 per megawatt hour (/MWh) for 2024. As the clear majority of Statkraft's earnings and cash flow generation comes from spot sales in the Nordic region, we expect this will send S&P Global Ratings-adjusted EBITDA well below the record high of NOK56.9 billion in 2022 and likely slightly below the NOK43.3 billion achieved in 2023.

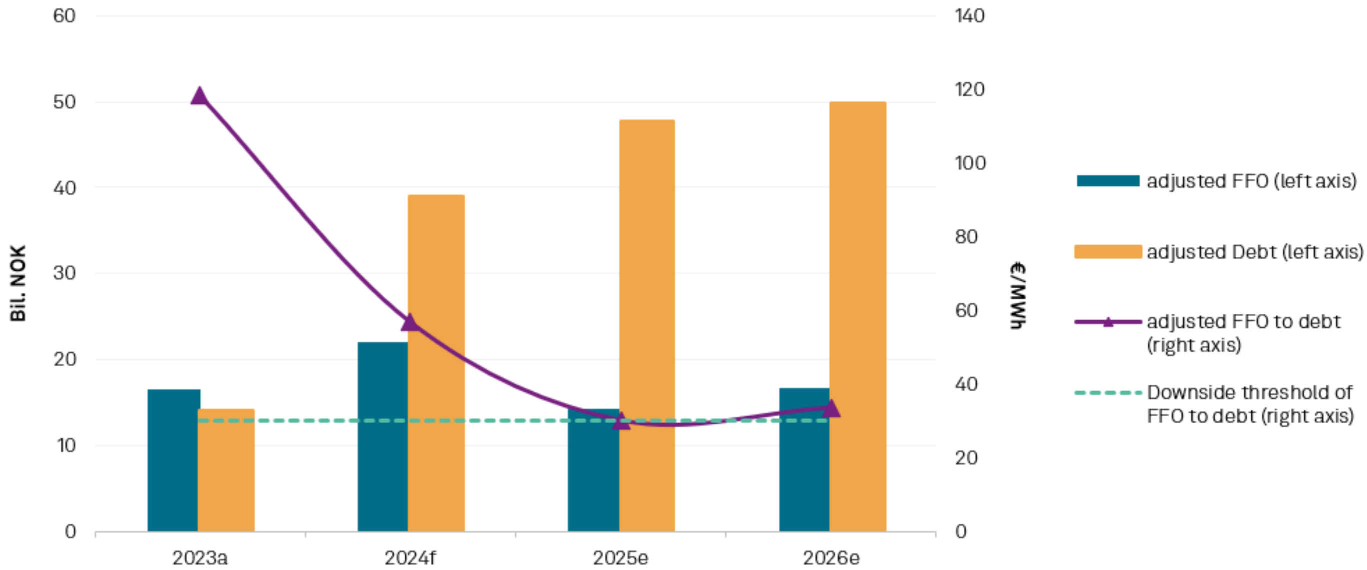
In our updated base case, we project underlying adjusted EBITDA of NOK39 billion-NOK44 billion for 2024 and NOK30 billion-NOK35 billion for 2025. We forecast volatile power prices, combined with a lag in tax payments, will reduce adjusted FFO to NOK20 billion-NOK23 billion for 2024 and NOK14 billion-NOK17 billion in 2025 and 2026. Given high capital expenditure (capex) and a recent NOK21 billion (€1.8 billion) acquisition, we expect FFO to debt of about 50%-60%, down from above 118% in 2023. We believe that Statkraft's credit ratios will continue to deteriorate due to high spending and lower power prices. For 2025 we expect adjusted FFO to debt to trend closer to 30%, which is close to our threshold for the 'bbb+' stand-alone credit profile (SACP) and our 'A' rating. From the second half of 2024 and into 2025 we therefore think rating headroom will be limited. If power prices are lower than assumed, or capex is higher capex, or disposals are delayed, ratings pressure could build. We estimate that if power prices moved below €30/MWh on average, FFO to debt would weaken to about 20%, which would not be consistent with the current rating.

Evolution of Nord Pool System Price



*2024 data is until May 2024. Source: Nord Pool Group

We anticipate Statkraft credit metrics to weaken towards our downside threshold of 30% for 'bbb+' SACP



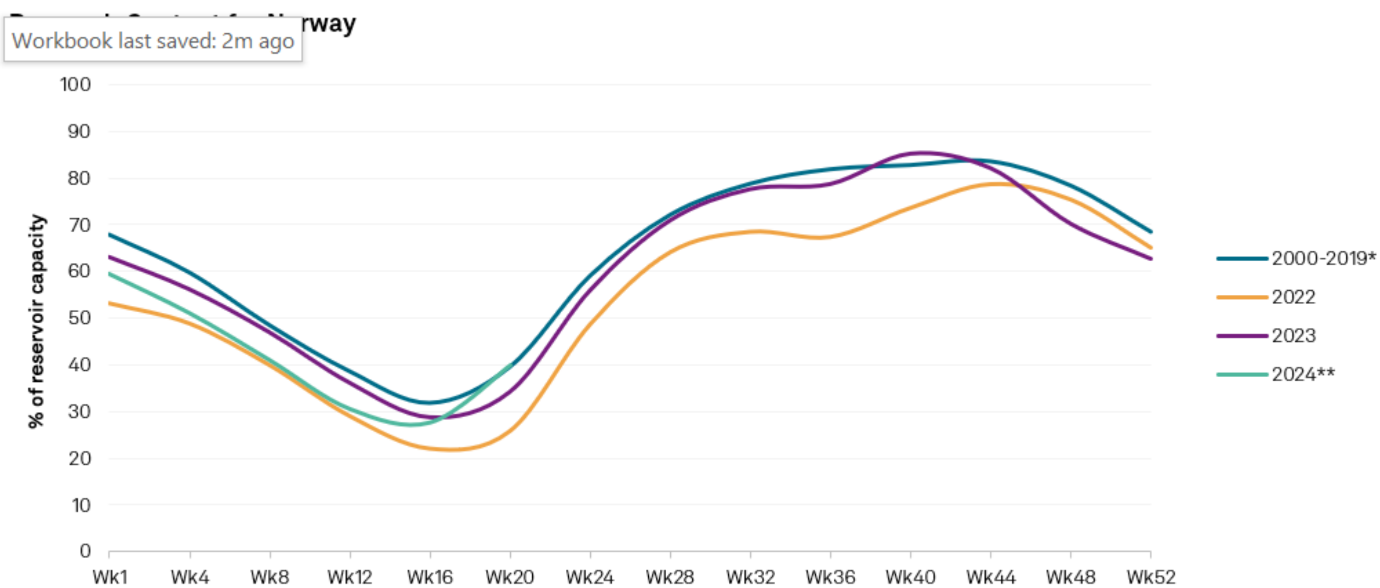
*a--adjusted, f--forecast, e--estimate. NOK--Norwegian krone. FFO--Funds from operations. MWh--Megawatt-hour. Source: S&P Global Ratings.

Statkraft refined its strategy in June 2024 by reducing its growth ambitions for 2026-2030. We view this update as prudent and akin to a strategic recalibration to protect its balance sheet strength in a rapidly changing operating environment over the last year. Lower power prices, higher costs--for material and capital--and new regulations mean that projects are taking longer to complete.

A new CEO and CFO took up their positions earlier this year. They reset the expected growth rate for solar, onshore wind, and battery storage to 2.0-2.5 GW annually from 2026 and onward (the previous target was 2.5-3.0 GW from 2025 and 4.0 GW from 2030) with a focus on the capacity upgrade of the existing hydropower project in Norway by 2030. The new management will also focus more on profitability. Despite the revised strategy we view management's growth aims as ambitious. Including the NOK21 acquisition of Enerfin, Statkraft will spend more than NOK35 billion in 2024 up from NOK17 billion in 2023. As part of the strategy, we expect management will make some disposals over the coming years, which should enable capex to be directed to the most profitable projects. The group has, for example, announced that its entire district heating operations are up for sale (NOK1.1 billion in revenue during 2023; reported profit of NOK42 billion in the same year). At this stage sales of NOK3 billion are contracted but we believe that additional divestments and farm downs are likely, and we therefore assume total proceeds of NOK5 billion-NOK10 billion during 2024 to 2025.

Highly efficient and flexible hydro assets with very low operating costs are Statkraft's key rating strength. It has very low operating costs, we estimate at around €11-13/MWh, which is significantly better than most peers. It also has high flexibility in terms of production volumes. We view its strong domestic position in Norway as the key strength of its business model, and a factor that compensates for its relative low hedging. With only about one-third of production being hedged, this exposes Statkraft to spot price developments more so than peers—power prices therefore have a greater impact on its profitability and cash flow than peers.

The company hedges about 30%-35% of its electricity generation. It does this mainly via industrial contracts, but these tend to be fairly long. This means it is more exposed to market prices than peers, resulting in more volatile earnings and cash flows. We note that hydropower, which represents about 75% of installed capacity and 89% of total generation at 55 terawatt-hours (TWh) in 2023 (out of the total 61.9 TWh) is highly flexible, which partly compensates for this risk. This flexibility allows the company to adjust production quickly, within minutes, provided that reservoir levels remain above the critical threshold. As power price volatility increases, we believe this inbuild flexibility will be more important and should help Statkraft to continue to deliver achieved power prices above market price. As of March 2024, Statkraft's realized prices (measured over the last 60 months) were 10.1% higher than the average spot price in the Nordics.



*Median of 2000-2019. **2024 data is until Week20. Source: Nord Pool Group

Our rating on Statkraft factors in two notches of uplift for extraordinary government support. The group is 100% owned by Norway (AAA/Stable/A-1+). We see the risk of privatization as remote, given the law stipulates that hydro assets should remain at least two-thirds publicly owned.

Outlook

The stable outlook reflects our expectation that Statkraft will continue to benefit supporting power prices, resulting in FFO to debt above 30% in 2024 and 2025, even with significant investments and acquisitions worth NOK30 billion-NOK35 billion annually through 2024.

Downside scenario

We could take a negative rating action if Statkraft undertook another large acquisition or project that could not be funded by operating cash flows, or if a material cost overrun occurred. We could also take negative rating action if electricity prices in the Nordic region were to soften sustainably below our expectations, resulting in FFO to debt unexpectedly returning to the 20%-30% range.

In addition, we could take a negative rating action if government support weakened, for example if the government privatized a significant part of its ownership in Statkraft this could lead to a downgrade. However, we consider this unlikely over the near-to-medium term.

Upside scenario

Prospects for a higher rating are constrained by the company's capex program and lack of clarity regarding investments and potential M&A activity, including the long-term impact on Statkraft's financial ratios.

Our Base-Case Scenario

Assumptions

- The Norwegian economy to achieve real GDP growth of 1.0% in 2024, then averaging about 1.6%-1.7% over 2025-2026.
- Nord Pool system price to average about €40-€50/MWh in 2024, and the same in 2025.
- Statkraft's total annual European production volume of about 55-60 TWh, of which about 65%-70% exposed to Nordic spot prices and about 4-5 TWh from the rest of the word.
- Limited margin calls related to trading and hedging.
- Long-term contracts with fixed prices for about one-third of estimated production.
- Capex of about NOK18 billion-NOK19 billion in 2024, and about NOK10 billion-NOK12 billion annually for 2025 and 2026.
- Dividends based on net profit previous year: 85% of earnings related to Norwegian hydro; and 35% of earning from other activities.
- Hydro generation tax in Norway being paid the following year.
- After the acquisition (not in our capex numbers) of Enerfit that was competed in Q2 2024 (about NOK21 billion), we do not include any other larger M&A transactions in our base case.
- Divestment and farm down over 2024-2025; with expected proceeds of about NOK5 billion-NOK10 billion.

Key metrics

Period ending	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026
(Bil. NOK)	2022a	2023a	2024e	2025f	2026f
EBITDA	56.9	43.3	40-45	30-35	30-35
Funds from operations (FFO)	41.4	16.6	20-23	14-17	14-17
Capex	8.0	9.0	18-19	10-12	10-12
Dividends	10.2	17.2	12-15	12-15	8-11
Debt	0.0	14.0	35-50	45-50	45-50
Adjusted ratios					
Debt/EBITDA (x)	NM	0.3	0.8-1.2	1.3-1.7	1.3-1.7

FFO/debt (%)	NM	118.5	50-60	30-40	30-40
DCF/debt (%)	NM	-124	(-35)-(-25)	(-30)-(-20)	(-10)-0

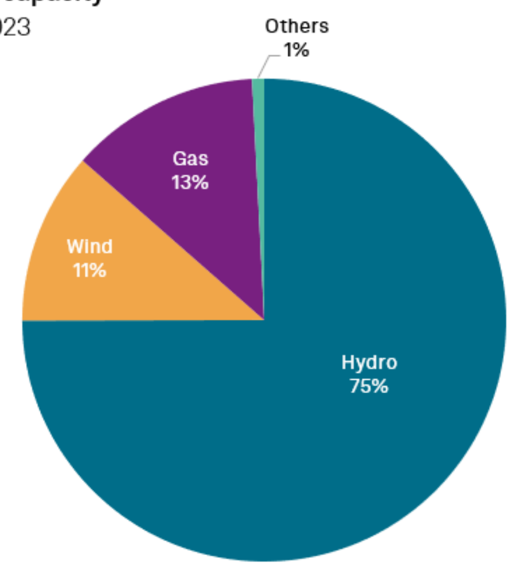
Under our base case, credit ratios weaken over 2024 and 2025 as a direct consequence of lower power prices. We also anticipate debt to gradually build up due to capex and acquisitions, particularly the NOK21 billion acquisition of Spain-based Elecnor's renewables subsidiary, Enerfin, completed in second-quarter 2024. The acquisition included a portfolio of 1.5 GW of wind and solar power projects in operation and under construction, as well as a pipeline of projects under development.

Company Description

Norwegian-based Statkraft is the largest renewable hydro energy producer in Europe, with about 62 TWh of generation in 2023. Its EBITDA stems from power generation, with the vast majority from hydro production in Norway, but also to a large extent from market operations, including trading and risk optimization, origination, and market access for smaller generators. About 80% of EBITDA stems from its Nordic activities. Other generation sources are onshore wind, solar, and district heating (see chart). Statkraft is present in other markets outside the Nordic countries such as the rest of Europe, South America, India, and Nepal. The company is pursuing expanding its renewable portfolio in Europe, South America, and India. Over time, around 75% of net investment capacity is expected to be deployed in Nordic and European activities, with some yearly variations.

Statkraft's installed capacity

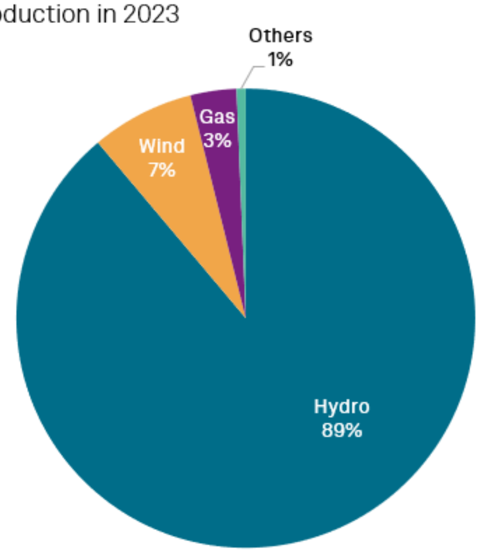
Production split in 2023



Source: S&P Global Ratings

Hydro generation dominates output

Terawatt hours of production in 2023



Source: S&P Global Ratings

Peer Comparison

In our view, Statkraft has a stronger business risk profile than Orsted and Fortum, but slightly weaker than Vattenfall.

- Orsted's satisfactory business risk profile factors in the significant construction risk associated with the offshore wind industry, despite its strong record as a wind farm developer. Recent impairments and cancellation costs for some of its U.S. assets show the inherent risks in the offshore wind industry.
- Fortum's business risk profile is satisfactory, reflecting merchant and power price exposures.
- Vattenfall is a more integrated operator than Statkraft, and its operations include regulated activities such as distribution and district heating, which has proved more stable over recent years. But Vattenfall's offshore wind activities have resulted in impairments and divestments.

All four Nordic operators have very low carbon emissions--Statkraft and Fortum have the lowest. Statkraft has a more dominant position in its home market than Fortum, thanks to its Nordic hydropower assets being better placed in the merit order (in other words the electricity Statkraft sells is competitive compared with that of other generators, even when market prices are low). Statkraft still has the strongest balance sheet in the peer group, followed by Fortum, Vattenfall, then Orsted. As Statkraft's investments increases, though, Fortum's balance will likely become the strongest.

Statkraft AS--Peer Comparisons

	Statkraft AS	Orsted A/S	Fortum Oyj	CEZ a.s.	Vattenfall AB
Foreign currency issuer credit rating	A/Stable/A-1	BBB/Stable/A-2	BBB+/Stable/A-2	A-/Stable/--	BBB+/Stable/A-2
Local currency issuer credit rating	A/Stable/A-1	BBB/Stable/A-2	BBB+/Stable/A-2	A-/Stable/--	BBB+/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual

Statkraft AS--Peer Comparisons

Period ending	2023-12-31	2023-12-31	2023-12-31	2023-12-31	2023-12-31
Mil.	NOK	NOK	NOK	NOK	NOK
Revenue	103,630	119,182	75,218	152,633	292,580
EBITDA	43,339	19,728	21,452	58,142	41,197
Funds from operations (FFO)	16,697	4,402	13,808	27,802	32,159
Interest	2,067	7,189	3,945	4,496	569
Cash interest paid	1,220	11,241	2,555	2,973	4,302
Operating cash flow (OCF)	8,789	42,524	19,166	62,204	(24,614)
Capital expenditure	9,041	57,449	6,456	20,108	41,033
Free operating cash flow (FOCF)	(252)	(14,925)	12,710	42,096	(65,647)
Discretionary cash flow (DCF)	(17,465)	(24,488)	3,553	6,960	(70,617)
Cash and short-term investments	45,090	59,499	46,884	7,963	49,109
Gross available cash	45,090	59,499	46,884	7,963	49,109
Debt	14,089	103,464	19,563	90,691	122,259
Equity	144,579	102,617	95,258	111,440	151,169
EBITDA margin (%)	41.8	16.6	28.5	38.1	14.1
Return on capital (%)	28.8	3.5	16.0	20.1	9.9
EBITDA interest coverage (x)	21.0	2.7	5.4	12.9	72.4
FFO cash interest coverage (x)	14.7	1.4	6.4	10.4	8.5
Debt/EBITDA (x)	0.3	5.2	0.9	1.6	3.0
FFO/debt (%)	118.5	4.3	70.6	30.7	26.3
OCF/debt (%)	62.4	41.1	98.0	68.6	(20.1)
FOCF/debt (%)	(1.8)	(14.4)	65.0	46.4	(53.7)
DCF/debt (%)	(124.0)	(23.7)	18.2	7.7	(57.8)

Business Risk

As the third-largest power generation company in the Nordic region and Europe's largest hydro generator based on production, Statkraft's output is proven and stable, with very high operational efficiency. It has a dominant position in Norway and generates about 40% of power in the country.

Statkraft's low operating costs and operating flexibility are a key credit strength, placing it in the most credit-supportive area of the merit order. Its hydro production has a very low cash cost of NOK13.4 øre/KWh (about €11.5-€12.5/MWh) including depreciation in 2023, and also has limited maintenance costs. This is about one-half of the operating cost for efficient nuclear operations and implies Statkraft's operations are cash-flow positive even under extreme low-price scenarios. This was demonstrated in 2020, when, despite record low system prices of €11/MWh, Statkraft generated a healthy underlying EBITDA of NOK10.7 billion. Under these market conditions, most other merchant generators in the region had higher costs than Statkraft and recorded EBITDA losses. In a high price environment, such as in 2022, Statkraft's hydro operations became very profitable. Furthermore, the fleet has a long life expectancy and very low CO2 emissions. With 2023 average emissions around 12g Co2/KWh, of those we rate, Statkraft has the lowest emissions in EMEA (Fortum 14.4g CO2/KWh; Orsted 38g; Vattenfall 69g; and EDF 37g). Thanks to its flexibility--production can be switched on and off within minutes--Statkraft captures stronger prices, typically about 5% higher than spot prices. We expect this to increase because power price volatility has increased in the region.

Financial Risk

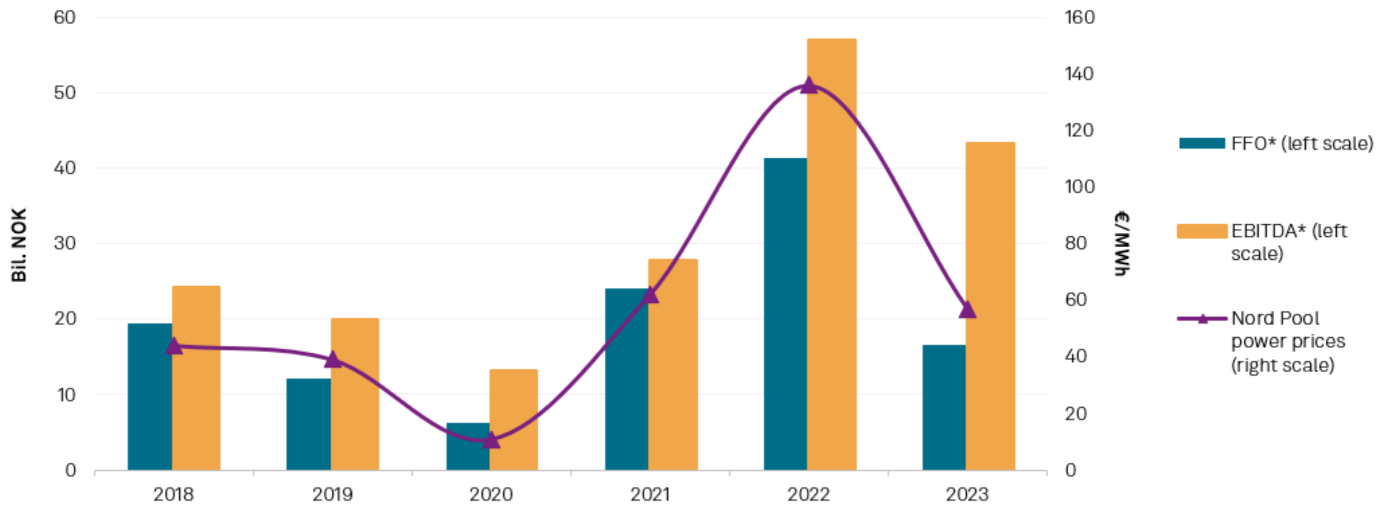
In our base-case scenario, we assume credit metrics commensurate with an intermediate financial risk profile, using our standard volatility table, with FFO to debt above 30% over the next three years. We analyze Statkraft's financial risk using a three-year average FFO to debt ratio because cash flow volatility stems from the one-year lag of its payment of tax and dividends. Taxes for utility operators are material in Norway, and cash flow conversion is therefore lower compared with international peers. Resource rent taxes of 45% comes on top of corporate taxes of 22%, paid in arrears. During periods of volatile power prices, like 2022-2024, the discrepancy between EBITDA and FFO increases further. Losses on financial hedges are taxed at 22%, which effectively lowers the incentive for utility companies to use financial hedges.

Statkraft's policy is to pay dividends equivalent to 85% of its profit from Norwegian hydropower business and 35% from other business activities. Therefore, we expect it to distribute NOK13 billion-NOK14 billion in 2024, and NOK14 billion-NOK15 billion in 2025, before this narrows in 2026.

Statkraft issues debt predominantly under its Euro Medium Term Note program. Therefore, about 70%-75% of debt is denominated in euros. However, most of its debt is currency-hedged, so currency risk is low. The majority of its revenue is in euros and krone.

Historically the share of subsidiaries' unsecured debt in relation to total debt has been low, at or below 10%, but following the acquisition of Enerfin we foresee that the ratio will increase, likely to 20%-30% (proforma expected disposals). This is still, however, well below our 50% threshold for notching and we therefore don’t foresee any notching of the debt.

Statkraft's Credit Metrics has a High correlation to Power Prices

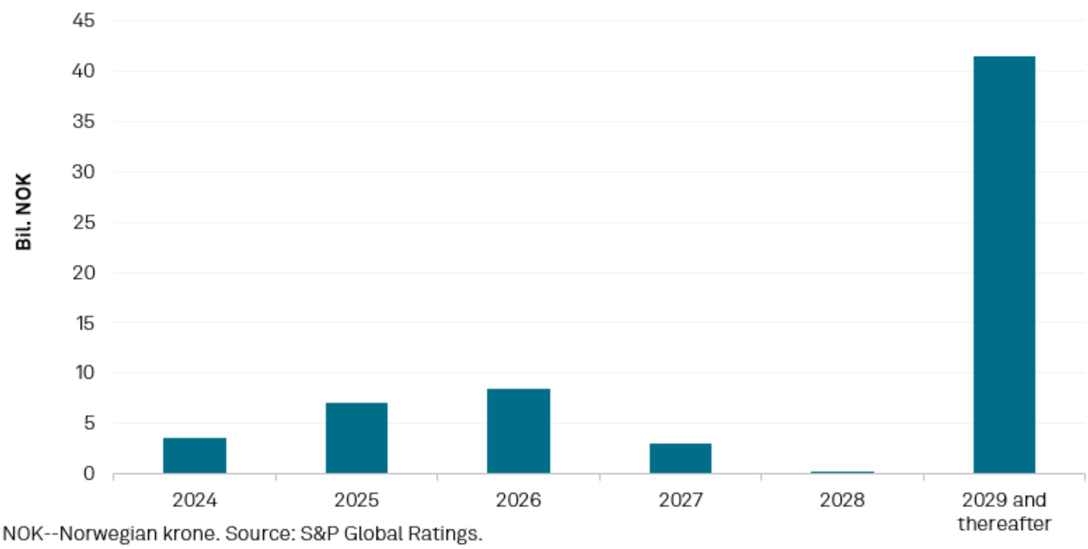


*S&P Global Ratings-adjusted. NOK--Norwegian krone. FFO--Funds from operations. MWh--Megawatt-hour. Source: S&P Global Ratings.

Debt maturities

Debt Maturity Profile

As of Mar 30, 2024



NOK--Norwegian krone. Source: S&P Global Ratings.

Statkraft AS--Financial Summary

Period ending	**Dec-31-2018**	**Dec-31-2019**	**Dec-31-2020**	**Dec-31-2021**	**Dec-31-2022**	**Dec-31-2023**
Reporting period	2018a	2019a	2020a	2021a	2022a	2023a
Display currency (mil.)	NOK	NOK	NOK	NOK	NOK	NOK
Revenues	57,930	44,217	34,560	86,212	159,014	103,630

Statkraft AS--Financial Summary

EBITDA	24,224	19,975	13,148	27,748	56,956	43,339
Funds from operations (FFO)	19,426	12,117	6,377	24,139	41,407	16,697
Interest expense	1,151	647	325	318	776	2,067
Cash interest paid	1,193	958	509	567	1,030	1,220
Operating cash flow (OCF)	14,642	11,443	11,414	25,820	40,204	8,789
Capital expenditure	4,703	5,781	7,535	7,464	8,038	9,041
Free operating cash flow (FOCF)	9,939	5,662	3,879	18,356	32,166	(252)
Discretionary cash flow (DCF)	3,846	(2,887)	(2,621)	14,683	21,952	(17,465)
Cash and short-term investments	23,718	16,637	11,730	37,481	59,199	45,090
Gross available cash	23,718	16,637	11,730	37,481	59,144	45,090
Debt	15,653	17,431	24,916	6,061	0	14,089
Common equity	98,004	100,764	98,028	107,775	131,691	144,579
Adjusted ratios						
EBITDA margin (%)	41.8	45.2	38.0	32.2	35.8	41.8
Return on capital (%)	18.0	14.9	7.9	20.8	41.8	28.8
EBITDA interest coverage (x)	21.1	30.9	40.5	87.3	73.4	21.0
FFO cash interest coverage (x)	17.3	13.6	13.5	43.6	41.2	14.7
Debt/EBITDA (x)	0.6	0.9	1.9	0.2	0.0	0.3
FFO/debt (%)	124.1	69.5	25.6	398.3	NM	118.5
OCF/debt (%)	93.5	65.6	45.8	426.0	NM	62.4
FOCF/debt (%)	63.5	32.5	15.6	302.9	NM	(1.8)
DCF/debt (%)	24.6	(16.6)	(10.5)	242.3	NM	(124.0)

Reconciliation Of Statkraft AS Reported Amounts With S&P Global Adjusted Amounts (Mil. NOK)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2023									
Company reported amounts	53,546	140,200	103,630	51,553	48,515	1,432	43,339	7,913	17,213	9,118
Cash taxes paid	-	-	-	-	-	-	(25,422)	-	-	-
Cash interest paid	-	-	-	-	-	-	(1,220)	-	-	-
Lease liabilities	2,738	-	-	-	-	-	-	-	-	-
Postretirement benefit obligations/ deferred compensation	990	-	-	76	76	53	-	-	-	-
Accessible cash and liquid investments	(45,090)	-	-	-	-	-	-	-	-	-
Capitalized interest	-	-	-	-	-	582	-	-	-	-

Reconciliation Of Statkraft AS Reported Amounts With S&P Global Adjusted Amounts (Mil. NOK)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Capitalized development costs	-	-	-	(77)	(77)	-	-	(77)	-	(77)
Dividends from equity investments	-	-	-	1,704	-	-	-	-	-	-
Asset-retirement obligations	1,668	-	-	-	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	5,535	-	-	-	-	-
Reclassification of interest and dividend cash flows	-	-	-	-	-	-	-	953	-	-
Noncontrolling/ minority interest	-	4,379	-	-	-	-	-	-	-	-
Debt: Guarantees	91	-	-	-	-	-	-	-	-	-
Debt: Contingent considerations	145	-	-	-	-	-	-	-	-	-
EBITDA: Derivatives	-	-	-	(8,184)	(8,184)	-	-	-	-	-
EBITDA: Business divestments	-	-	-	(1,733)	(1,733)	-	-	-	-	-
D&A: Impairment charges/ (reversals)	-	-	-	-	(2,354)	-	-	-	-	-
Total adjustments	(39,457)	4,379	-	(8,214)	(6,737)	635	(26,642)	876	-	(77)
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	14,089	144,579	103,630	43,339	41,778	2,067	16,697	8,789	17,213	9,041

Liquidity

We assess Statkraft's liquidity as strong. We expect the company will maintain liquidity sources that exceed uses by about 2.1x over the next 12 months and 1.8x in the subsequent 12 months from March 31, 2024. We also assume liquidity sources will exceed uses even if EBITDA were to decrease by 30%. We understand Statkraft's credit facilities are free from onerous financial covenants. We view the company as having solid relationships with its banks and a high standing in the credit markets; it has repeatedly demonstrated market access both internationally and domestically. Its main back up is its revolving €1.3 billion credit facility, which matures in March 2028, and is currently undrawn. We expect the state ownership to further increase access to bank financing. We view its risk management as very prudent overall.

Principal liquidity sources

- Cash and cash equivalents of NOK54 billion;
- Access to about unused committed facility of NOK15 billion;
- Cash FFO, which we expect to be about NOK22 billion; and
- Contracted asset sales of about NOK3 billion.

Principal liquidity uses

- Debt maturities of NOK9.6 billion;
- Working capital outflows of NOK3 billion-NOK4 billion;
- Capex of about NOK16 billion; and
- Dividends of NOK13 billion.

Environmental, Social, And Governance

We believe that Statkraft is among the best-positioned power generators in Europe, given that it is the continent's largest renewable producer with the lowest carbon footprint per produced electricity unit among our rated utilities in Europe. Statkraft's carbon footprint in terms of CO2 emissions per MWh of power generation (across operations, including wind and gas) was 13 kilograms during 2023. This allows Statkraft to focus fully on growth, and not on transitioning its generation fleet, unlike other generators that have thermal generation that needs to be phased out or transformed into using renewable sources of fuel. Social and governance factors are a neutral consideration in the credit rating.

Group Influence

We view Statkraft SF and Statkraft Energi AS as core entities within the Statkraft group. Statkraft SF is the parent company of Statkraft AS and has virtually no other assets outside of it. Therefore, we use Statkraft AS' consolidated numbers when assessing the group's financial risk profile. Statkraft Energi carries the group's core Nordic hydropower assets and is operationally and financially integrated with Statkraft AS. We also believe all three Statkraft entities would receive extraordinary government support in a financial stress scenario. We therefore assess the supported group credit profile at 'a', two notches above Statkraft's SACP, and we rate all entities 'A'. We do not assign an SACP to either Statkraft SF or Statkraft Energi AS.

Government Influence

Statkraft is 100% owned by Norway (AAA/Stable/A-1+). We assess that there is a moderately high likelihood the Norwegian government would provide timely and sufficient extraordinary support to the company in the event of financial distress. The ratings benefit from two notches of uplift from the SACP, based on our assessment of Statkraft's:

- Important role for the government, in light of its vast domestic hydropower resources, which we view as highly strategic to Norway's power supply. Another of Statkraft's strategic objectives is to secure and develop the country's renewable energy sector; and
- Strong link with the government, based on full ownership.

We believe the risk of privatization is remote as, by law, hydropower assets should remain at least two-thirds publicly owned. Although the company's board of directors is formally independent, and management is relatively autonomous, we believe the government retains a strong influence on high-level strategic decision-making.

Issue Ratings--Subordination Risk Analysis

Capital structure

Statkraft's reported debt stood at NOK53.3 billion in December 2023. Essentially all the debt is issued by the parent company, Statkraft AS.

Analytical conclusions

The issue rating on Statkraft's senior unsecured debt is 'A', in line with the issuer credit rating, because no significant elements of subordination risk are present in the capital structure.

Rating Component Scores

Foreign currency issuer credit rating	**A/Stable/A-1**
Local currency issuer credit rating	**A/Stable/A-1**
Business risk	**Strong**
Country risk	Very Low
Industry risk	Moderately High
Competitive position	Excellent
Financial risk	**Intermediate**
Cash flow/leverage	Intermediate
Anchor	**bbb+**
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	**bbb+**

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Industrials: Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- ARCHIVE | Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- ARCHIVE | Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010

Related Research

Ratings Detail (as of July 16, 2024)*	
Statkraft AS	
Issuer Credit Rating	A/Stable/A-1
Senior Unsecured	A
Issuer Credit Ratings History	
16-Jun-2022	A/Stable/A-1
03-Jul-2017	A-/Stable/A-2
26-Feb-2016	A-/Negative/A-2
Related Entities	
Statkraft Energi AS	
Issuer Credit Rating	A/Stable/A-1
Statkraft SF	
Issuer Credit Rating	A/Stable/A-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings credit ratings on the global scale are comparable across countries. S&P Global Ratings credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.