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CREDIT OPINION
8 April 2022

Update

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RATINGS

Norsk Hydro ASA

Domicile	Oslo, Norway
Long Term Rating	Baa3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Norsk Hydro ASA

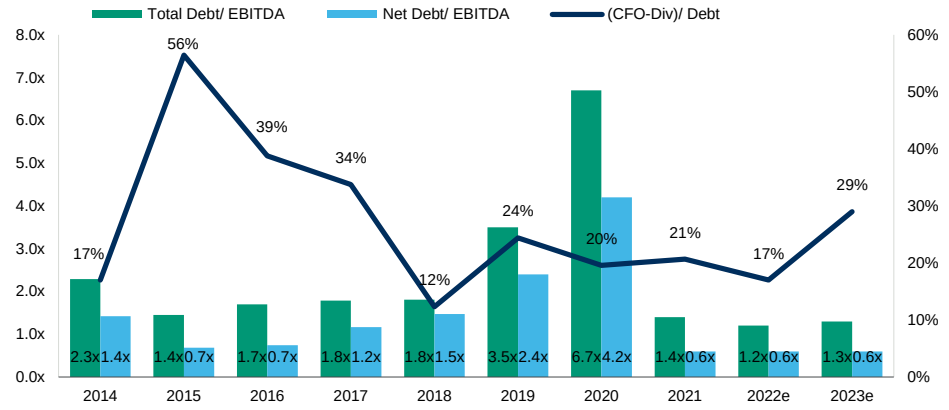
Update to credit analysis

Summary

The Baa3 rating for Norsk Hydro ASA continues to reflect the company's cost-competitive upstream operations, market leadership position in extruded solutions, conservative financial framework and strong liquidity profile. Norsk Hydro is a major and integrated player in the aluminium markets, including into key raw materials and partly into energy. On the back of a currently high aluminium prices, we expect financial metrics to remain strong. The rating also considers the company's concentration on a single metal, the significant disruptions in its operations that led to weakening metrics, especially in 2019 (although fully resolved), and the volatile nature of the aluminium market at times and related profit exposure. The sector is also capital- and energy-intensive and Norsk Hydro is further exposed to exchange rates mostly US dollar and Brazilian real relative to the Norwegian krone.

We expect 2022 to be another strong year for Norsk Hydro at this stage given elevated aluminium prices that offset other challenges, but there is a degree of uncertainty given the market environment. While the company does not have large exposure to Russia, it is exposed to some inputs from the country and to rising energy costs. Norsk Hydro has reduced its aluminium production in its Slovakia smelter due to energy costs. However, Norsk Hydro's is also integrated into energy for its Norwegian operations and uses mostly electricity in its downstream operations in Europe with ca. 70% gas price-hedged for 2022. Nevertheless, positive pressure could rise if the company maintains metrics at the level achieved in 2021.

Exhibit 1
Leverage and cash flow generation metrics likely to remain solid



Source: Company Annual Report, Moody's Estimates

Credit Strengths

» Competitive upstream business benefiting from favourable position on industry's cost curves and stable access to low cost energy sources

» Leading market position in extruded solutions

» Resilient cash flow generation despite exposure to volatile aluminium market

» Conservative financial framework, solid metrics and robust liquidity profile

Credit Challenges

» Exposure to a single metal, aluminium, and a capital and energy intensive sector

» High sensitivity of EBITDA to aluminium prices and exchange rates such as NOK-USD and BRL-NOK

» Persistent challenging operating environment in the global aluminium markets

Rating Outlook

The stable outlook reflects that the rating is solidly positioned and positive pressure could rise if the company maintains metrics at the level achieved in 2021. However, it also reflects a currently volatile and challenging environment, including high prices, supply chain challenges and cost inflation such as energy. We currently expect metrics to remain solid with high prices offsetting these challenges.

Factors that Could Lead to an Upgrade

The rating is solidly positioned and positive pressure could rise if the company maintains metrics at the level achieved in 2021. More specifically, an upgrade would require maintaining an EBIT margin at least in the high single digits as well as Moody's adjusted total debt to EBITDA maintained below 2.0x on a sustained basis, CFO minus dividends to total debt rising above 30% and consistent positive FCF generation.

Factors that Could Lead to a Downgrade

Negative pressure on the Baa3 would result from a prolonged deterioration in operating profitability and cash flow generation resulting in negative FCF, weakening liquidity and deterioration in leverage metrics leaving CFO minus dividends to total debt ratio around 20% and/or total debt to EBITDA rising above 3.0x times for a sustained period of time. Any weakening of the company's conservative financial policy would also likely pressure the ratings.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Key Indicators for Norsk Hydro ASA[1][2][3]

	12/31/2018	12/31/2019	12/31/2020	12/31/2021	2022F	2023F
Revenues (USD Billion)	$19.6	$17.0	$12.2	$17.4	$20.2	$18.6
Business Profile	Baa	Baa	Baa	Baa	Baa	Baa
EBIT Margin (EBIT /	6.2%	2.1%	0.1%	12.7%	13%	12%
EBIT / Interest Expense	7.0x	2.5x	0.1x	13.6x	16x	14x
Debt / EBITDA	1.8x	3.5x	6.7x	1.4x	1.2x	1.3x
Debt / Total Capital	24.5%	31.4%	37.7%	29.2%	29%	29%
(CFO - Dividends) / Debt	12.3%	24.4%	19.6%	20.7%	17%	29%
Financial Policy	Baa	Baa	Baa	Baa	Baa	Baa

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments.
[2]Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
[3] Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer.
Metrics reflect Moody's assumption of 1.3 USD/lb for 2022 and mid-point of 1.0-1.3 USD/lb for 2023. Current market prices are significantly higher.
Source: Moody's Investors Service

Profile

Headquartered in Oslo, Norway, Hydro is a fully integrated aluminum producer with operations throughout the aluminium value chain, including bauxite and alumina production. In 2021, Hydro reported revenues of NOK150 billion and company-adjusted EBITDA of NOK28 billion.

The company produced 2.2 million metric tonnes (mt) of primary aluminium in 2021, including the contribution from Hydro's 50% interest in Qatalum (co-owned by Qatar Petroleum (branded as QatarEnergy), Aa3 stable, and Qatar Aluminum Manufacturing Company), a low-cost smelter in Qatar, which has its own gas-based power production.

In 2021, Norsk Hydro completed the disposal of its rolled products division to KPS Capital Partners for EUR1,380 million.

Excluding rolled products, Hydro's business is divided in five operating segments including:

» Bauxite & Alumina includes the group's bauxite mining activities comprised of the Paragominas mine and a 5% interest in Mineracao Rio de Norte (MRN), both located in Brazil, as well as Hydro's 92% interest in the Brazilian alumina refinery, Alunorte. These activities also include Hydro's long-term sourcing arrangements and alumina commercial operations;

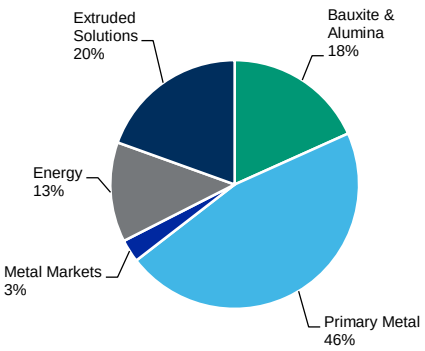
» Aluminium Metal consists of the group's primary aluminium production, remelting and casting activities at its wholly owned smelters located in Norway, and Hydro's share of the primary production in partly-owned companies located in Slovakia, Qatar, Australia, Canada and Brazil;

» Metal Markets includes all sales and distribution activities relating to products from the group's primary metal plants, the operations of seven stand-alone remelters, as well as metal sourcing and trading activities;

» Extruded Solutions division produces extruded aluminum products like the aluminum building systems and precision tubing activities mainly used in construction, transportation and engineering industries; and

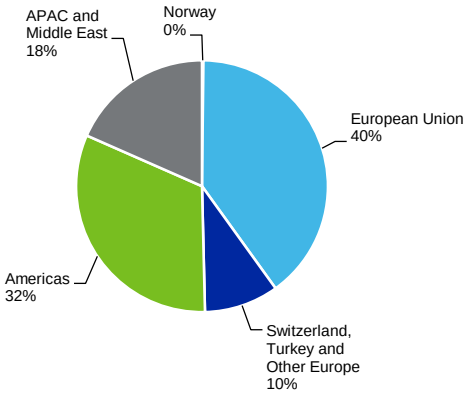
» Energy segment is responsible for managing Hydro's captive hydropower production in Norway, external power sourcing arrangements to the aluminium business, which requires high energy consumption and identifying and developing competitive energy solutions for Hydro worldwide. The segment also includes a range of new initiatives including Rein (renewable energy), Havrand (hydrogen) and Batteries (storage solutions).

Exhibit 3
2021 Underlying EBITDA by Business Segment



Source: Company's Data

Exhibit 4
2021 Revenues by Customer Location



Source: Company's Data

Hydro is listed on the Oslo stock exchange with a market capitalization of approximately NOK181 billion as of 29 March 2022. Hydro is 34.3%-owned by the Government of Norway (Aaa, stable), and accordingly falls within the scope of Moody's rating methodology for Government Related Issuers (GRIs).

Detailed Credit Considerations

Integrated business profile positive, but also constrained by single exposure of upstream business to the volatile aluminium market

Hydro's operations are fully integrated and span the entire value chain of the aluminium sector. The group's competitive position has improved in recent years, benefiting from various restructuring and efficiency initiatives. Hydro's primary smelter portfolio holds a low second-quartile cost position benefiting from its cost-efficient primary aluminium facilities, which includes the Sunndal plant in Norway, which is the largest and most modern primary metal plant in Europe, and the Qatalum smelter in Qatar, which sits in the first quartile of the industry's cost curve.

Hydro's cost position is further underpinned by the first quartile cost position of its integrated Alunorte refinery and Paragominas bauxite mine (70% of bauxite requirements). Additional bauxite volumes are sourced under off-take agreements for Vale's 40% interest in MRN, while alumina is also purchased from a number of external sources including a long-term supply contract with Rio Tinto Alcan for 900,000 mt of alumina p.a. until 2030. When operating at full production capacity, Hydro has a long position in bauxite of 3-4 million mt and in alumina of approximately 2-3 million mt. Any excess bauxite and alumina not used internally is sold to third parties.

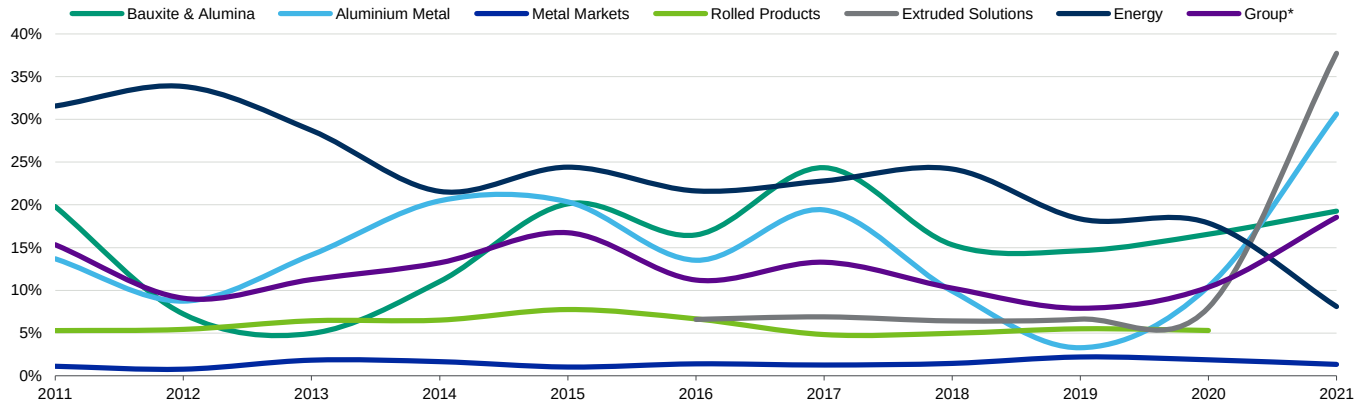
Backward integration into energy production, which typically accounts for 25-35% of Hydro's primary metal cost base, benefits upstream activities. Hydro is the third largest power plant operator in Norway, where its hydropower plants cover nearly 80% of the energy requirements of its domestic aluminum smelters (representing slightly less than 40% of its global smelting capacity). In 2020, Norsk Hydro completed the merger of its RSK hydroelectric assets into Lyse, forming a new company, Lyse Kraft and avoiding that the RSK assets revert to state ownership in 2022. Hydro owns 25.6% of the combined entity, which will be accounted as an associate.

However, Hydro's business profile is constrained by its exposure to the highly cyclical, capital and energy-intensive commodity sector with a focus on a single metal, aluminium. Despite its integrated business model, Hydro generally derives the majority of its earnings from its upstream Bauxite & Alumina and Primary Metal, businesses, which typically yield EBITDA margins in the 15-20% range.

Exhibit 5

Most segments contribute meaningfully to profits

Company-adjusted EBITDA margin by business segment



* based on pro forma information for 2016-2018

Source: Company's Annual Reports

Downstream, Hydro is the world's largest extruded solutions provider, enjoying market leadership in North America and Europe. Peers include Arconic Corporation (Ba3 stable), Novelis Inc. (Ba3 stable) and Constellium SE (B2 stable).

The acquisition of SAPA in October 2017, rebalanced Hydro's business profile towards the downstream end of the aluminium value chain and, to some extent, reduced the relative weight of its more volatile, LME price exposed upstream business in its overall earnings.

Disposal of the rolled products division was credit positive

In 2021, Norsk Hydro disposed its rolled products division to KPS Capital Partners for EUR1,380 million. The consideration of €1,380 million can be broken down in a cash consideration of EUR 435 million, the transfer of a pension liability of EUR856 million and EUR90 million to cover for asset retirement obligations. We view positively the disposal as it results in a reduction in adjusted leverage and it frees up NOK 1 billion per year of capital investments that Norsk Hydro can redirect towards more profitable investment opportunities.

The rolled products division contributed around NOK 24 billion in revenue (17% of Hydro's total) and NOK 1.3 billion underlying EBITDA (9% of Hydro's total) in 2020. The low profitability of the division was already mitigated by NOK500 million of cost improvements and also affected by the antidumping measures that the US and China had put in place with respect to certain EU rolled products.

The restructuring and strategic review of the rolled operations was initiated in 2019, following several years of weak profitability and cash flow generation. The division failed for several years to deliver a Return on average Capital employed in line with the company's targets.

Norsk Hydro has entered into agreements for the continued supply of sheet ingot, liquid metal and raw materials, thus there would be a limited impact, if any, on Norsk Hydro's other businesses. Given the reduction in the pension deficit, the transaction will result in an approximate 0.4x reduction in Moody's adjusted Debt/EBITDA.

Aluminium market volatile with high prices currently offsetting rising uncertainty from energy costs and given Russia is a major industry player

Generally the coronavirus outbreak had a significant impact on the company's operations and on the wider aluminum market. However, after the trough seen in Q2 2020, the market has also recovered well. For what concerns the downstream markets, the automotive and building and construction sectors typically account for around 50% of global aluminum demand.

Markets are currently very tight as supply chain challenges and rebounding demand cause elevated LME prices. Into 2022 we expect prices to remain elevated with some potential for moderation thereafter. However, supply and demand balances also depend on a number of factors outside the company's control including China and Russia, both important players in the market. High energy prices further

curtail some industry production given its energy-intensive nature. For example, Norsk Hydro has reduced its aluminium production in its Slovakia smelter.

We expect 2022 to be another strong year for Norsk Hydro at this stage given very elevated aluminium prices that offset the other challenges, there is a degree of uncertainty given the market environment. While the company does not have large exposure to Russia, it is exposed to some supply from the country and generally to rising energy costs. However, Norsk Hydro's integration includes energy for its Norwegian operations and it uses mostly electricity in its downstream operations in Europe with ca. 70% gas price-hedged downstream for 2022.

Rebound in 2021 results in strong position from a metrics perspective, will help to manage the 2022 uncertainties

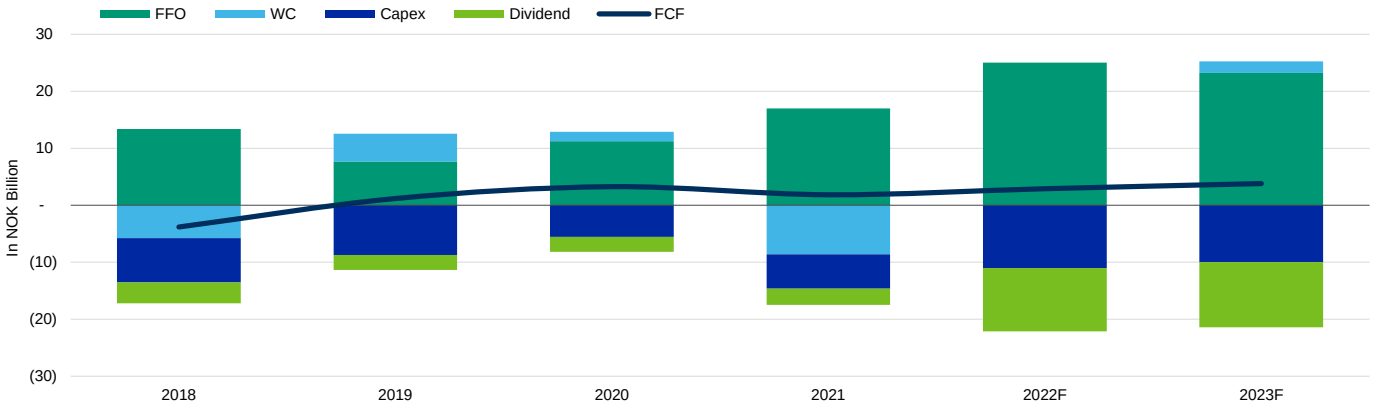
In 2018-2019, Hydro's financial performance came under pressure primarily because of the 50% production curtailment imposed at the Alunorte alumina refinery, but also the more challenging operating conditions prevailing in the global aluminium sector. Following allegations that flooding caused by two days of extreme rainfall might have led to harmful spills into the surrounding areas, the Brazilian authorities ordered a 50% production curtailment at the Alunorte alumina refinery in February 2018. Consequently, Hydro's 100%-owned Paragominas mine, which is Alunorte's primary source of bauxite, and its part-owned Albras aluminium plant also reduced their production by 50%. During the 15-month embargo that was eventually lifted in May 2019, Hydro had to source alumina from third parties, which led to some significant increase in raw material costs, strongly impacting the profitability margin.

In 2020, Hydro's revenue and EBITDA were moderately affected by the coronavirus pandemic. However, the underlying EBITDA grew by NOK2.5 billion to NOK14.3 billion, as 2019 was a very weak comparable given the operational issues at Alunorte. In addition, Norsk Hydro was affected by a cyber-attack in March 2019, that had an impact of approximately NOK400-500 million after having accounted for insurance compensation. The growth in EBITDA was also supported by the achievement of its improvement target of NOK4.2 billion in 2020. In November 2021, Hydro raised its improvement target to NOK8.5 billion by 2025 from the previous one of NOK7.3 billion by 2023, of which NOK6.3 billion were achieved at year-end 2021.

In 2021, the company-adjusted EBITDA rebounded to NOK28 billion from NOK13.1 billion in 2020. The company's Moodys-adjusted funds from operations (FFO) increased to NOK17 billion from NOK11.3 billion, a multi-year high. Mostly driven by the reduced pension deficit after the sale of the rolled products segment, Moody's-adjusted debt improved to NOK38 billion from NOK48.7 billion. On the back of strong performance and reduced debt Moody's-adjusted debt/EBITDA reduced to 1.4x, a strong level for the rating. While Moody's (CFO-dividends)/debt also improved slighty to 20.7% from 19.6%, cash flow from operations (CFO) was held back by a large working capital outflow in the context of stronger activity and rising prices. Nevertheless the company's strong metrics in 2021 alongside very high cash balances position support its ability to weather the current challenges.

For 2022, we currently expect the company to retain strong metrics notwithstanding rising shareholder remuneration, investments and external challenges as prices offset headwinds. The company plans to pay NOK11.1 billion of dividends in 2022, up from NOK2.8 billion in 2021. The company has an earnings-based dividend policy at 50% of adjusted net income over the cycle with a floor of NOK1.25 per share (ca. NOK2.6 billion), but is paying out 80% for 2021. Its financial policy further includes "maintaining investment-grade credit rating" and an adjusted net debt to adjusted EBITDA of below 2.0x over the cycle, but we note that the company is currently well below at 0.4x for 2021 (1.9x in 2020 and 2.3x in 2019). The company is also accelerating investments and has raised its capex guidance to NOK11 billion for 2022 (previously NOK9-10 billion expectation up from NOK7 billion actual capex in 2021) and NOK10 billion in 2023-25. Half of the capex relates to sustaining the business, 20% for growth and 30% return-seeking. The latter includes REIN and Havrand. REIN is the company's renewable energy venture and Havrand its hydrogen venture. For both the company currently seeks external equity injection (ie a listing) or project finance to fund growth, and they are not included in the capex guidance.

Exhibit 6
Historical and Projected Evolution of Cash Flow Composition



Source: Moody's Financial Metrics™

ESG considerations

NORSK HYDRO ASA's ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 7
ESG Credit Impact Score

CIS-3
Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

CIS 3 (Moderately Negative). Norsk Hydro's CIS score reflects very high environmental risks, in line with the average of mining companies, and high social ones. This is mitigated by strong corporate governance and risk management policies, low financial leverage and a well-defined dividend policy.

Exhibit 8
ESG Issuer Profile Scores

ENVIRONMENTAL
E-5
Very Highly Negative

SOCIAL
S-4
Highly Negative

GOVERNANCE
G-2
Neutral-to-Low

Source: Moody's Investors Service

Environmental

E-5 (very highly negative). Consumption of soil and water resources is impactful, as it is typical of mining companies with open-pit mines. The company is also exposed to negative waste & pollution risks given that the company operates a bauxite mine, upstream

residue tailings dams, alumina refineries and smelters. More positively, we note the substantial use of hydroelectric energy (70% of its energy requirements) in the production, leading to emissions that are much lower than those of its peers, and the strategic objective to reduce greenhouse gas emissions, waste and protect biodiversity in the areas in which Norsk Hydro operates.

Social

S-4 (highly negative). The score reflects high exposure to Health & Safety and responsible production. We also highlight the presence of a highly unionized workforce, although this has not impacted production and performance in recent years. Its injury frequency rate is far below the industry average. Norsk Hydro also runs several initiatives to promote the wellbeing and the developments of the communities in which it operates.

Governance

G-2 (neutral to low) This score reflects Norsk Hydro's prudent financial policy and the substantial track record of its management team. The board composition is fully independent and it is aligned with best practices for the industry. Compliance and reporting are considered among best in class in the industry, as confirmed for instance by the handling of the cyberattack in 2019, as Norsk Hydro reaction is often reported as an exemplary one.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity Analysis

Hydro's liquidity position is robust. At the end of 2021, Hydro had cash balances of NOK22.9 billion and NOK6.8 billion of short-term investments. Its $1.6 billion revolving multi-currency credit facility maturing in December 2026 was fully undrawn.

The company also had NOK600 million of short-term bank loans and overdrafts and NOK5.9 billion of long-term debt coming due in 2022, including some bonds.

Rating methodology and scorecard factors

The principal methodology used in these ratings was Mining. We also use the Government Related Issuers methodology. The scorecard-indicated outcome is above the actual rating given the company's solid metrics and high aluminium prices. Current market prices are above Moody's price assumptions.

Exhibit 9

Mining Industry Scorecard [1][2]	Current FY 12/31/2021		Moody's 12-18 Month Forward View As of Apr 2022 [3]	
Factor 1 : Scale (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenues (USD Billion)	$17.4	Baa	$17 - $20	Baa
Factor 2 : Business Profile (25%)				
a) Business Profile	Baa	Baa	Baa	Baa
Factor 3 : Profitability and Efficiency (10%)				
a) EBIT Margin (EBIT / Revenue)	12.7%	Ba	12% - 14%	Ba
Factor 4 : Leverage and Coverage (30%)				
a) EBIT / Interest Expense	13.6x	A	13x - 15x	Aa
b) Debt / EBITDA	1.4x	A	1.2x - 1.3x	A
c) Debt / Total Capital	29.2%	Aa	28% - 30%	Aa
d) (CFO - Dividends) / Debt	20.7%	Ba	17% - 29%	Baa
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
a) Scorecard-Indicated Outcome		Baa2		Baa1
b) Actual Rating Assigned				Baa3
Government-Related Issuer	**Factor**			
a) Baseline Credit Assessment	baa3			
b) Government Local Currency Rating	Aaa			
c) Default Dependence	Low			
d) Support	Low			
e) Actual Rating Assigned	Baa3			

All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Ratings

Exhibit 10

Category	Moody's Rating
NORSK HYDRO ASA	
Outlook	Stable
Issuer Rating -Dom Curr	Baa3
Senior Unsecured	Baa3

Source: Moody's Investors Service

Appendix

Exhibit 11

Moody's-Adjusted Debt Reconciliation for Norsk Hydro ASA[1][2]

(in NOK Millions)	2017	2018	2019	2020	2021
As Reported Debt	**17,257**	**18,715**	**25,015**	**29,559**	**28,418**
Pensions	14,745	10,832	15,534	17,602	9,621
Operating Leases	2,110	2,486	0	0	0
Non-Standard Adjustments	0	0	0	0	0
Moody's-Adjusted Debt	**34,112**	**32,033**	**40,549**	**47,161**	**38,039**

[1] All figures are calculated using Moody's estimates and standard adjustments.
[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™

Exhibit 12

Moody's-Adjusted EBITDA Reconciliation for Norsk Hydro ASA[1][2]

(in NOK Millions)	2017	2018	2019	2020	2021
As Reported EBITDA	**17,906**	**14,789**	**9,087**	**15,979**	**27,787**
Pensions	26	63	-34	-34	-20
Operating Leases	311	657	0	0	0
Interest Expense – Discounting	-216	-122	-129	-129	-146
Unusual	-1,839	1,886	2,849	-1,383	622
Non-Standard Adjustments	720	454	-19	0	-1,340
Moody's-Adjusted EBITDA	**16,908**	**17,727**	**11,754**	**14,433**	**26,903**

[1] All figures are calculated using Moody's estimates and standard adjustments.
[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™

Exhibit 13

Selected rated peers

	Norsk Hydro ASA Baa3 Stable			Alcoa Netherland Holding B.V. Ba1 Stable			Howmet Aerospace Inc. Ba2 Stable			Kaiser Aluminum Corporation Ba3 Stable		
(in US millions)	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	FYE Dec-21
Revenue	$17,031	$12,182	$17,415	$10,433	$9,286	$12,152	$7,098	$5,259	$4,972	$1,514	$1,173	$2,622
EBITDA	$1,337	$780	$3,131	$1,540	$1,062	$2,896	$1,863	$1,199	$1,281	$215	$152	$192
Total Debt	$4,615	$5,691	$4,314	$3,511	$4,110	$2,253	$7,475	$6,514	$5,492	$567	$878	$1,105
EBIT Margin	2.1%	0.1%	12.7%	7.3%	3.7%	17.8%	17.6%	16.4%	19.2%	10.6%	8.1%	3.5%
EBIT / Int. Exp.	2.5x	0.1x	13.6x	3.5x	1.4x	10.7x	2.6x	2.3x	3.1x	5.5x	2.2x	1.8x
Debt / EBITDA	3.4x	6.7x	1.4x	2.3x	3.9x	0.8x	8.3x	5.4x	4.3x	2.6x	5.8x	5.8x
Total Debt/Capital	31.4%	37.7%	29.2%	36.5%	44.1%	25.8%	54.3%	63.9%	60.0%	44.6%	54.0%	61.1%
(CFO - Dividends) / Debt	24.4%	19.6%	20.7%	11.3%	13.1%	58.1%	26.6%	11.4%	14.3%	34.8%	19.2%	3.8%

All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

Exhibit 14

Historical and projected Moody's-adjusted financial data

in NOK million	2017	2018	2019	2020	2021	2022F	2023F
INCOME STATEMENT							
Revenues	109,220	159,377	149,766	114,291	149,654	173,352	158,124
EBITDA	16,908	17,727	11,754	7,317	26,903	31,767	28,841
EBIT	10,516	9,814	3,181	142	19,059	22,799	19,330
Interest Expense	941	1,397	1,257	1,575	1,400	1,433	1,433
BALANCE SHEET							
Cash & Cash Equivalents	11,828	5,995	12,286	17,638	22,923	18,326	19,350
Total Debt	34,112	32,033	40,549	48,726	38,039	37,844	37,844
Net Debt	22,284	26,038	28,263	31,088	15,116	19,518	18,494
CASH FLOW							
Funds from Operations	14,749	13,367	7,711	11,264	16,960	22,453	21,659
Change in Working Capital items	(1,059)	(6,336)	5,609	1,622	-8,636	(5,000)	2,000
Cash Flow from Operations	14,583	7,569	12,550	12,170	10,680	17,453	23,659
Capital Expenditures (CAPEX)	(7,532)	(7,763)	(9,834)	(6,260)	(6,864)	(11,000)	(10,000)
Dividends	(3,069)	(3,622)	(2,649)	(2,628)	(2,822)	(11,100)	(12,685)
Retained Cash Flow (RCF)	11,680	9,745	5,062	8,636	14,138	11,353	8,974
Free Cash Flow (FCF)	3,982	(3,816)	67	3,282	994	(4,647)	974
RCF / Debt	34.2%	30.4%	12.5%	17.7%	37.2%	30.0%	23.7%
FCF / Debt	11.7%	-11.9%	0.2%	6.7%	2.6%	-12.3%	2.6%
(CFO - Dividends) / Debt	33.8%	12.3%	24.4%	19.6%	20.7%	16.8%	29.0%
PROFITABILITY							
EBIT Margin %	9.6%	6.2%	2.1%	0.1%	12.7%	13.2%	12.2%
EBITDA Margin %	15.5%	11.1%	7.8%	6.4%	18.0%	18.3%	18.2%
INTEREST COVERAGE							
EBIT / Interest Expense	11.2x	7.0x	2.5x	0.1x	13.6x	15.9x	13.5x
EBITDA / Interest Expense	18.0x	12.7x	9.4x	4.6x	19.2x	22.2x	20.1x
LEVERAGE							
Debt / EBITDA	2.0x	1.8x	3.4x	6.7x	1.4x	1.2x	1.3x
Net Debt / EBITDA	1.3x	1.5x	2.4x	4.2x	0.6x	0.6x	0.6x
Debt / Book Capitalization	26.2%	24.5%	31.4%	37.7%	29.2%	28.9%	29.1%

All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. This represents Moody's forward view; not the viewof the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Investors Service

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REPORT NUMBER 1319315

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