

Tear Sheet:

Statnett SF

June 15, 2026

This report does not constitute a rating action.

Transmission system operator Statnett benefits from the stable and supportive regulatory environment in Norway. The framework is a revenue cap model, with an annual updated pretax nominal weighted average cost of capital (WACC) and regulatory asset base (RAB). The model also includes solid cost coverage, with a relatively short time lag to recover costs. The nominal WACC for 2025 was set at 7.39%, which is high compared with Western European peers. S&P Global Ratings anticipates that the regulatory pillars will remain stable and predictable.

Statnett's relationship with the regulator seems to be constructive, based on the negotiation that led to it gaining compensation for higher ancillary costs. Although the framework allows the TSO to recover operating costs and volumes, the two-year lag is longer than that in Italy or the U.K. Nevertheless, we consider it to be in line with our expectations for a strong assessment.

Unlike its assessed peers, Statnett does not get fully remunerated when assets are under construction or are considered a work in progress. Although we regard this as a relative weakness, Statnett has been able to mitigate the cash flow gap by breaking up large projects into smaller stages. This incremental approach allows the company to add completed segments to its RAB more quickly, accelerating the generation of returns and enhancing earnings predictability. We forecast that revenue will expand by 4%-5% in 2026, and by about 14% in 2027.

Statnett is expected to increase debt to fund capital investments and thus boost EBITDA. The Norwegian government plans to invest in further electrification and decarbonization, and therefore we forecast annual capital expenditure (capex) of Norwegian krone (NOK) 15 billion-NOK18 billion over 2026-2029. That said, this represents a moderation of our previous forecast because there is increasing uncertainty related to the licensing process and we expect a decline in investment during 2028 and 2029 due to longer project lead times. Nevertheless, the high level of debt-funded capex will cause debt to rise by about 70% to NOK110 billion-NOK120 billion by 2030, from NOK69 billion in 2025. Over this period, we project that the RAB used in the regulatory formula will also increase by about 70%, to NOK130 billion-NOK135 billion by 2030, from NOK78.4 billion in 2025.

Including RAB under construction, total RAB is projected to reach NOK155 billion by 2030, from NOK90 billion in 2025. The increase in RAB, combined with higher congestion income, should enable permitted revenue to reach NOK20 billion-NOK30 billion by the end of 2030, so that underlying EBITDA rises by about 98% to NOK13 billion-NOK14 billion.

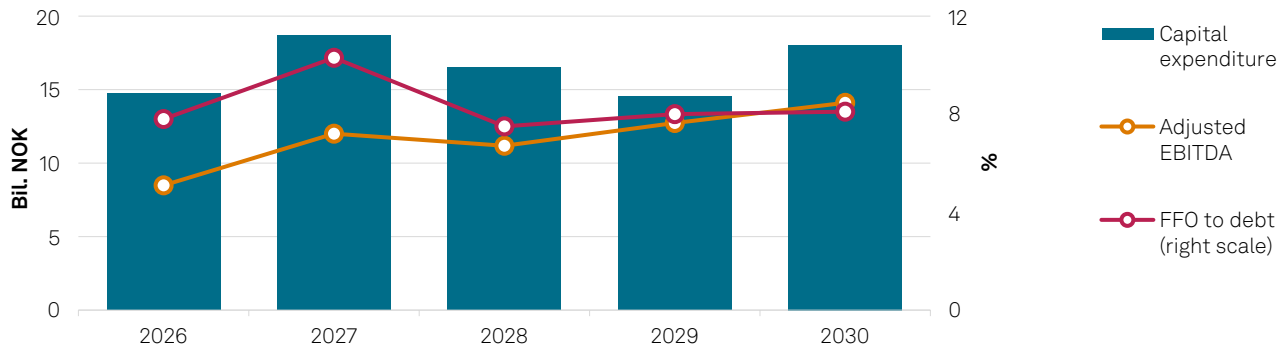
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Planned capital expenditure and EBITDA growth



Adjusted figures are as adjusted by S&P Global Ratings. FFO--Funds from operations. Source: S&P Global Ratings.

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Numbers reported under International Financial Reporting Standards (IFRS) are more volatile because of congestion income.

Congestion income results from discrepancies in price zones. Norway has both domestic congestion revenue, due to having several price zones, and also international congestion revenue, via the interconnectors to other countries. Congestion income within Norway has had a significant effect on Statnett. To balance the congestion revenue--the high inflow of income exceeded regulatory revenue--the company reduced its regulated tariff to close to zero. Congestion revenue was included in IFRS revenue. Statnett recorded NOK13 billion of congestion income in 2025, resulting in an accumulated revenue balance of NOK1.9 billion as of end-2025, down from the NOK4.5 billion reported at end-2024. We forecast that Statnett's congestion income will remain highly volatile and difficult to predict--it was €275 million as of April 30, 2026. The 50% discount on regulated tariffs is a method for balancing the congestion revenue.

Despite heavy investment in the transmission grid, we do not expect the bottlenecks and price differences, either domestically or via the interconnectors, to improve materially in the short term.

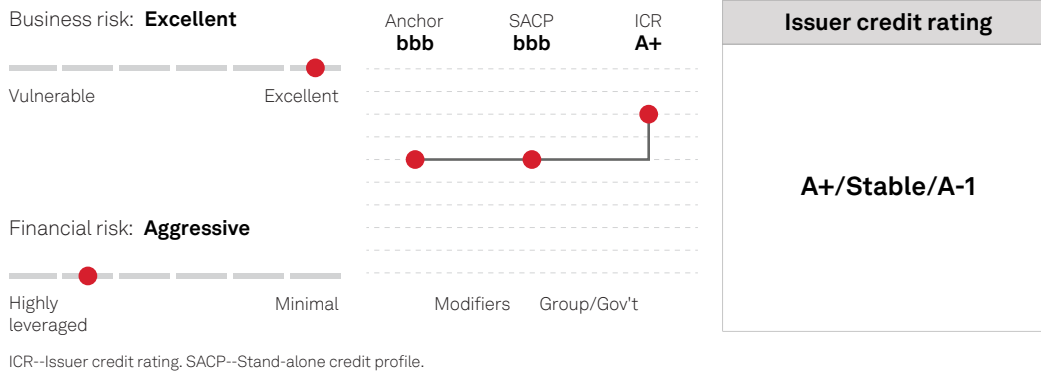
Nevertheless, in our view, Statnett and its regulator have found a way to handle the dilemma regarding congestion income. We anticipate that Statnett's five-year average reported funds from operations (FFO) to debt and its underlying FFO to debt will both average 7.5%-8.5%. (Reported FFO to debt is based on IFRS earnings, while underlying FFO to debt is based on regulated earnings.) Both metrics are within our 7%-10% threshold for Statnett's 'bbb' stand-alone credit profile (SACP).

Statnett is a state-owned enterprise and a critical component of Norway's national infrastructure.

Our 'A+' rating includes a four-notch uplift for government support. We expect ownership support to remain robust, given Statnett's role in national electrification and carbon neutrality targets, as demonstrated by the equity injections and dividend reductions Norway has previously offered to enable Statnett to fund investments. Furthermore, Statnett is subject to a statutory requirement that it remain under government ownership.

Ratings Score Snapshot

Statnett SF



Recent Research

- [Industry Credit Outlook 2026: EMEA Utilities](#), Jan. 14, 2026
- [Norwegian TSO Statnett 'A+/A-1' Ratings Affirmed; Outlook Stable](#), Oct. 3, 2025
- [Greening Up Without Blackouts: Boosting European Power Grids' Resilience May Dent Credit Quality](#), July 2, 2025

Company Description

Statnett is Norway's national electricity TSO. It also owns and operates the country's power transmission network across its five price zones, and connects the Norwegian power system to neighboring countries (Sweden, Denmark, Germany, the Netherlands, and the U.K.)

Statnett is fully owned by the Norwegian state through the Ministry of Energy. In 2025, Statnett reported EBITDA of NOK6.73 billion, and a regulatory asset base of NOK77 billion by the end of 2025.

Outlook

The stable outlook reflects our expectation that Norway's stable and predictable regulatory framework will continue to support Statnett's cash flow so that the company's underlying FFO to debt remains about 7.5%-8.5% over our forecast horizon.

Downside scenario

We would consider a downgrade to 'A' should the SACP decrease to 'bbb-'. This could occur if underlying FFO to debt drops below about 7%.

In addition, we could lower the rating if our assessment of the likelihood of extraordinary government support for Statnett were to weaken.

Upside scenario

We could raise the rating if Statnett's financial risk profile strengthened compared with our forecasts. This could occur if it reduced leverage or scaled down its investment, while also committing to maintaining stronger credit metrics, such that underlying FFO to debt was about 10%.

Key Metrics

Statnett SF--Forecast summary

Period ending	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. NOK)							
EBITDA		1,758	8,145	6,761	8,000-9,000	11,500-12,500	11,000-12,000
Less: Cash interest paid		(2,226)	(2,819)	(3,062)	3,000-4,000	3,500-4,500	4,000-5,000
Less: Cash taxes paid		(10)	(12)	(22)	--	--	--
Funds from operations (FFO)		(478)	5,314	3,677	4,500-5,500	7,500-8,500	6,000-7,000
Capital expenditure (capex)		5,527	7,506	10,436	13,000-14,000	16,000-18,000	14,000-16,000
Dividends		296	793	609	--	700-1,000	1,500-2,500
Debt		48,016	51,249	57,487	60,000-70,000	70,000-80,000	85,000-95,000
Adjusted ratios							
Debt/EBITDA (x)		27.3	6.3	8.5	7.5-8.5	6-7	7.5-8.5
FFO/debt (%)		(1.0)	10.4	6.4	7-8	9-10	7-8

Financial Summary

Statnett SF--Financial Summary

Period ending	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	NOK	NOK	NOK	NOK	NOK	NOK
Revenues	10,762	14,412	22,993	11,600	18,961	20,205
EBITDA	6,880	8,018	11,510	1,758	8,145	6,761
Funds from operations (FFO)	5,917	7,378	10,441	(478)	5,314	3,677
Interest expense	926	723	1,178	2,237	2,995	3,158
Cash interest paid	967	648	1,065	2,226	2,819	3,062
Operating cash flow (OCF)	6,336	8,141	9,105	(7)	6,004	1,788
Capital expenditure	8,505	6,533	4,926	5,527	7,506	10,436
Free operating cash flow (FOCF)	(2,169)	1,608	4,179	(5,534)	(1,502)	(8,648)
Discretionary cash flow (DCF)	(3,430)	569	3,442	(5,830)	(2,295)	(9,257)
Cash and short-term investments	2,674	3,088	3,613	3,247	11,262	7,704
Gross available cash	2,674	3,088	3,613	3,247	11,262	7,704
Debt	47,558	46,774	42,760	48,016	51,249	57,487
Common equity	18,938	21,467	26,978	24,119	25,483	25,542
Adjusted ratios						
EBITDA margin (%)	63.9	55.6	50.1	15.2	43.0	33.5
Return on capital (%)	6.3	7.2	12.4	(1.8)	6.8	4.4

Statnett SF

Statnett SF--Financial Summary

EBITDA interest coverage (x)	7.4	11.1	9.8	0.8	2.7	2.1
FFO cash interest coverage (x)	7.1	12.4	10.8	0.8	2.9	2.2
Debt/EBITDA (x)	6.9	5.8	3.7	27.3	6.3	8.5
FFO/debt (%)	12.4	15.8	24.4	(1.0)	10.4	6.4
OCF/debt (%)	13.3	17.4	21.3	(0.0)	11.7	3.1
FOCF/debt (%)	(4.6)	3.4	9.8	(11.5)	(2.9)	(15.0)
DCF/debt (%)	(7.2)	1.2	8.0	(12.1)	(4.5)	(16.1)

Peer Comparison

Statnett SF--Peer Comparisons

	Statnett SF	Fingrid Oyj	Elia Transmission Belgium SA/NV	TenneT Holding B.V.
Foreign currency issuer credit rating	A+/Stable/A-1	A+/Stable/A-1	BBB+/Stable/A-2	BBB+/Stable/A-2
Local currency issuer credit rating	A+/Stable/A-1	A+/Stable/A-1	BBB+/Stable/A-2	BBB+/Stable/A-2
Period	Annual	Annual	Annual	Annual
Period ending	2025-12-31	2025-12-31	2024-12-31	2025-12-31
Mil.	NOK	NOK	NOK	NOK
Revenue	20,205	15,016	14,793	38,822
EBITDA	6,761	4,526	4,556	21,755
Funds from operations (FFO)	3,677	3,367	2,555	11,718
Interest	3,158	549	1,370	12,570
Cash interest paid	3,062	902	1,047	14,097
Operating cash flow (OCF)	1,788	5,199	4,577	53,759
Capital expenditure	10,436	5,612	13,949	157,288
Free operating cash flow (FOCF)	(8,648)	(413)	(9,372)	(103,529)
Discretionary cash flow (DCF)	(9,257)	(2,015)	(9,852)	(116,431)
Cash and short-term investments	7,704	7,214	7,188	56,943
Gross available cash	7,704	7,214	7,188	56,943
Debt	57,487	14,296	53,186	466,582
Equity	25,542	7,617	37,393	145,683
EBITDA margin (%)	33.5	30.1	30.8	56.0
Return on capital (%)	4.4	15.1	2.4	3.1
EBITDA interest coverage (x)	2.1	8.2	3.3	1.7
FFO cash interest coverage (x)	2.2	4.7	3.4	1.8
Debt/EBITDA (x)	8.5	3.2	11.7	21.4
FFO/debt (%)	6.4	23.6	4.8	2.5
OCF/debt (%)	3.1	36.4	8.6	11.5
FOCF/debt (%)	(15.0)	(2.9)	(17.6)	(22.2)
DCF/debt (%)	(16.1)	(14.1)	(18.5)	(25.0)

Liquidity

Statnett SF

We assess Statnett's liquidity as adequate. This is supported by our view of available liquidity resources--including cash, FFO, and available credit facilities--which we estimate will cover expected cash outflow by 1.1x over the 12 months from March 31, 2026.

We also assume that liquidity sources will exceed uses, even if EBITDA were to drop by 10%. Statnett's solid relationships with banks and high standing in the credit markets further support the company's liquidity position. This was proven in May 2026, when Statnett extend the maturity and size of its revolving credit facility (RCF) to NOK12 billion.

Principal liquidity sources	Principal liquidity uses
<ul style="list-style-type: none"> NOK6.6 billion in unrestricted cash, including cash received from congestion income; Access to undrawn committed RCF totaling NOK12 billion; FFO of about NOK 6.5 billion; and 	<ul style="list-style-type: none"> Debt of about NOK3 billion maturing over the next 12 months; Investments of about NOK15 billion; and No dividends during 2026.

Rating Component Scores

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

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 6, 2025
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021

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- [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
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011
- [General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating](#), Sept. 30, 2010

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