21 June 2023

Corporates

TINE SA
Norway, Consumer Products

A- STABLE

Key metrics

			Scope estimates	
Scope credit ratios	2021	2022	2023E	2024E
Scope-adjusted EBITDA/interest cover	9.6x	7.8x	7.0x	6.8x
Scope-adjusted debt/EBITDA	1.0x	1.4x	1.2x	1.3x
Scope-adjusted funds from operations/debt	98%	65%	78%	68%
Scope-adjusted free operating cash flow/debt	49%	25%	40%	25%

Rating rationale

The rating affirmation reflects Tine's very strong financial risk profile assessed at A+ and its strong business risk profile of BBB. The financial risk profile continues to be driven by conservative credit ratios with Scope-adjusted debt/EBITDA in the 1.0-1.5x range and solid free operating cash flow. Considering the high stability in Tine's operating performance, Scope believes the main factor that could cause a deterioration of leverage is much higher growth investments than included in our base case scenario. At the same time, Tine has a strong track record of keeping high financial flexibility versus its established target of having net debt/EBITDA below 2.0x, which provides comfort that any material growth spending will be weighed against the credit profile. The business risk profile is mainly driven by Tine's strong market shares domestically in Norway within its core dairy segments, which are partly protected from import tariffs and agricultural regulations. It is further supported by sole exposure to non-durable consumer products industry which has low cyclicality. At the same time, it is constrained by modest geographical diversification (81% of revenues and close to 100% of EBIT generated in Norway) and lower profitability compared to some of its peers.

Outlook and rating-change drivers

The Stable Outlook reflects Scope's expectation that Tine will continue to hold strong market positions in its key segments and maintain good dairy product diversification. It also reflects a continuation of conservative Scope-adjusted leverage in the 1.0-1.5x range and strong cash flow metrics, driven by a stable financial performance and stable operating environment (i.e. with no adverse changes to agricultural protection and regulations), in the absence of any major new growth investment plans.

A positive rating action could occur if even more conservative financial targets were introduced in tandem with a move towards a net cash position, which would likely require reduced investment ambitions. Alternatively, a higher rating could also be warranted if the company materially improved its diversification and/or profitability.

A negative rating action could occur if Scope-adjusted debt/EBITDA moved to around or above 2.0x on a sustained basis. It could also be triggered by a deterioration of the business risk profile through weaker market shares and/or falling profitability (as measured by the EBITDA margin).

Rating history

Date	Rating action/monitoring review	Issuer rating & Outlook
21 Jun 2023	Affirmation	A-/Stable
16 Jun 2022	New	A-/Stable

Ratings & Outlook

Issuer	A-/Stable
Short-term debt	S-1
Senior unsecured debt	A-

Analysts

Per Haakestad
+47 9229 7811
p.haakestad@scoperatings.com

Michael-Marco Simonsen
+47 9443 5034
m.simonsen@scoperatings.com

Related Methodologies

General Corporate Rating Methodology; July 2022

Consumer Products Rating Methodology; November 2022

Related Research

European consumer goods: steady credit outlook for large FMCG firms despite volume, cost pressures, May 2023

Scope Ratings GmbH

Karenslyst allé 53
N-0279 Oslo
Phone +47 21 09 38 35

Headquarters

Lennéstraße 5
10785 Berlin

Phone +49 30 27891 0
Fax +49 30 27891 100

info@scoperatings.com
www.scoperatings.com

Bloomberg: RESP SCOP

Rating and rating-change drivers

Positive rating drivers	Negative rating drivers
• Long history of maintaining a conservative capital structure and generating solid free operating cash flow • Strong domestic market shares and strong brands within dairy products • Tine's role as market regulator in the Norwegian dairy sector paired with country-wide infrastructure for food processing and strong business relationships • Industry risk characterised by low cyclicality with some additional protection from import tariffs and domestic regulations • High focus on ESG initiatives in food production, which should support future cash flow and access to funding – particularly in the long term	• Profitability as measured by the EBITDA margin is below the peer group average – but partly mitigated by a strong record of low volatility of absolute EBITDA levels and margins • Some expected decline of dairy product consumption in the core market of Norway • More limited geographical diversification than some larger peers • Low profitability in foreign markets and some execution risks related to plans of more international growth, including expanding into new markets such as Asia • Lower amount spent on R&D and marketing compared to peers (as share of revenue)

Positive rating-change drivers	Negative rating-change drivers
• Even more conservative financial targets (compared to existing targets of keeping net debt/EBITDA below 2.0x and the equity ratio above 45%) • Reduced growth and investment ambitions while moving towards a net cash position • Improved business risk profile through improved profitability margins and/or increased diversification	• Scope-adjusted debt/EBITDA sustained at around 2.0x or above • Significant loss in market shares and/or falling profitability (as measured by the EBITDA margin)

Corporate profile

Tine is the largest processing company and exporter of dairy products in Norway with a cooperative history that goes back more than 160 years. The company has 29 dairies and a portfolio of more than 1,300 product lines. Through wholly and partially owned subsidaries (e.g. Diplom-Is and Fjordland), it is also involved in the production of non-dairy food products such as juice and fresh ready meals. The core market is Norway (81% of revenue in 2022). In addition, Tine has sizeable international activities with subsidaries in the UK, Ireland, Sweden and the US, with Jarlsberg cheese as the biggest export commodity. A total of 1,351m litres of cow milk and 18m litres of goat milk was delivered to Tine last year, and 2022 revenue was NOK 24.9bn. Tine has a cooperative structure composed of 8,291 owners and processes milk from almost 7,000 cooperative farms. In addition, the company acts as market regulator for milk on behalf of the Norwegian governement[1].

[1] As market regulator, Tine is responsible for balancing domestic milk stock volumes to keep the average market price of raw milk throughout the year close to a regulated target price. The target price is set in the annual agricultural settlement between the government and the agricultural sector. The price is applicable to all industry parties involved in Norway's domestic milk market.

Financial overview

				Scope estimates		
Scope credit ratios	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Scope-adjusted EBITDA/interest cover	7.1x	9.6x	7.8x	7.0x	6.8x	7.1x
Scope-adjusted debt/EBITDA	1.1x	1.0x	1.4x	1.2x	1.3x	1.3x
Scope-adjusted funds from operations/debt	84%	98%	65%	78%	68%	68%
Scope-adjusted free operating cash flow/debt	52%	49%	25%	40%	25%	28%
Scope-adjusted EBITDA in NOK m						
EBITDA	3,375	3,130	2,733	2,794	2,792	2,870
Operating lease payment	152	146	156	156	156	156
Other items	(239)	(27)	(55)	-	-	-
Scope-adjusted EBITDA	**3,288**	**3,249**	**2,834**	**2,950**	**2,948**	**3,026**
Funds from operations in NOK m						
Scope-adjusted EBITDA	3,288	3,249	2,834	2,950	2,948	3,026
less: (net) cash interest paid[2]	(128)	(108)	(117)	(173)	(188)	(178)
less: cash tax paid per cash flow statement	(119)	(136)	(137)	(106)	(136)	(118)
Other[3]	48	71	(42)	132	(2)	-
Funds from operations	**3,088**	**3,076**	**2,539**	**2,802**	**2,622**	**2,730**
Free operating cash flow in NOK m						
Funds from operations	3,088	3,076	2,539	2,802	2,622	2,730
Change in working capital	(25)	(421)	(482)	(226)	(195)	(125)
less: capital expenditure (net)	(1,023)	(1,008)	(968)	(1,000)	(1,350)	(1,350)
less: lease amortisation	(119)	(115)	(125)	(124)	(124)	(124)
Free operating cash flow	**1,921**	**1,531**	**963**	**1,453**	**953**	**1,131**
Net cash interest paid in NOK m						
Net cash interest per cash flow statement	95	77	86	141	156	146
Interest expense on pensions	334	229	248	248	248	248
Interest component operating leases	33	31	31	32	32	32
Net cash interest paid	**462**	**337**	**364**	**421**	**435**	**425**
Scope-adjusted debt in NOK m						
Reported gross financial debt	4,745	4,032	3,912	3,566	3,721	4,015
less: cash and cash equivalents	(1,710)	(1,496)	(647)	(614)	(524)	(630)
add: non-accessible cash	3	3	3	3	3	3
add: operating lease adjustment	642	591	642	642	642	642
Other items	-	-	-	-	-	-
Scope-adjusted debt	**3,680**	**3,129**	**3,909**	**3,596**	**3,841**	**4,029**

[2] Includes interest portion of operating lease payments
[3] Includes a dividend received of NOK 136.4m from Skala Gruppen AS in H1 2023 related to a subsidiary sale.

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Environmental, social and governance (ESG) profile[4]

Environment		Social		Governance	
Resource management (e.g. raw materials consumption, carbon emissions, fuel efficiency)		Labour management		Management and supervision (supervisory boards and key person risk)	
Efficiencies (e.g. in production)		Health and safety (e.g. staff and customers)		Clarity and transparency (clarity, quality and timeliness of financial disclosures, ability to communicate)	
Product innovation (e.g. transition costs, substitution of products and services, green buildings, clean technology, renewables)		Clients and supply chain (geographical/product diversification)		Corporate structure (complexity)	
Physical risks (e.g. business/asset vulnerability, diversification)		Regulatory and reputational risks		Stakeholder management (shareholder payouts and respect for creditor interests)	

Legend
Green leaf (ESG factor: credit positive)
Red leaf (ESG factor: credit negative)
Grey leaf (ESG factor: credit neutral)

Focus on ESG within food production and distribution

Tine has a strong focus on ESG initiatives, which we deem positive as it will likely support its future market position within food production due to rising preferences for sustainability among end-consumers, lenders and investors. The company is actively tracking how its resources can be used in a more efficient way across the entire value chain and it has made several commitments to improve its sustainability profile by 2030, including:

i) packaging to be made solely of renewable/recycled material which is recyclable

ii) food waste in its value chain to be reduced by 50% compared to 2015 levels

iii) actively developing more healthy product options, reducing the use of saturated fat, salt and added sugar

iv) only using renewable energy for production and transport

Successfully reaching such targets could with time become a competitive advantage in markets where peers are having less focus on improving their sustainability profiles.

'Medium Green' Rating from Cicero and first green bond (NOK 500m) issued in 1Q 2023

Tine's ESG profile is further grounded in its well-integrated framework for sustainability, which includes transparent reporting and an established green bond framework – receiving a 'Medium Green' shading and a governance score of 'Good' from Cicero. In Q1 2023, the company issued its first green bond (NOK 500m) as a further step towards connecting its ESG initiatives in production and distribution with its funding strategy – with funds going into green projects and assets. Tine also has a NOK 1.2bn sustainability-linked revolving credit facility, established in 2021. The KPIs in the company's green financing are animal welfare, emissions from transport and production, and food waste.

No governance issues

The company applies market standard Governance Principles. We did not observe any negative credit-relevant factors pertaining to Corporate Governance.

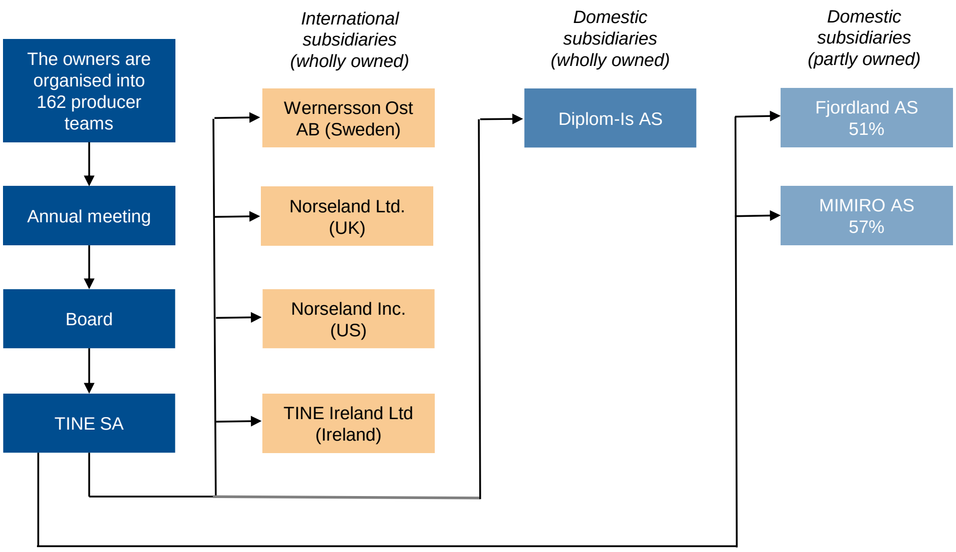
[4] These evaluations are not mutually exclusive or exhaustive as ESG factors may overlap and evolve over time. We only consider ESG factors that are credit-relevant, i.e. those that have a discernible, material impact on the rated entity's cash flow and, by extension, its credit quality.

Business risk profile: BBB

Tine is predominantly exposed to the consumer products industry. Our Consumer Products Rating Methodology is therefore applied in the analysis. Additionally, since Tine is a dairy cooperative and market regulator for milk in Norway, we also look at important structural aspects impacting the company such as domestic agricultural regulations and protective measures.

The business risk profile of BBB continues to be supported by Tine's strong market position in the partly protected Norwegian dairy market with a wide product offering within its core segments and significant brand strength. It is further supported by its sole exposure to the non-durable consumer products industry, which has low cyclicality. The business risk profile remains constrained by weaker diversification in terms of geographies and product segments compared to some larger peers. Lower profitability within the peer group also weighs on the assessment although it is partly offset by the above-average stability in Tine's operating performance (as measured by absolute EBITDA and margin volatility).

Figure 1: Simplified organisational structure



Sources: Tine, Scope

Industry risk

Industry risk of non-durable consumer products rated A

We assess the non-durable consumer products industry as having an industry risk of A. Non-durable consumer products have low cyclicality as the consumption of essential foods and beverages is typically little exposed to macroeconomic drivers and changes in consumer confidence. Despite the generally moderate capital investment required to sell consumer goods, barriers to entry are medium because of the efforts needed to attain the required economies of scale and establish a customer base. At the same time, substitution risk is low, which reflects the generally non-discretionary nature of products and services defined as non-durable.

For a detailed description of our view on the industry risk drivers for consumer products, see our sector-specific Consumer Products Rating Methodology[5].

[5] Scope's Consumer Products Rating Methodology (link)

Competitive positioning

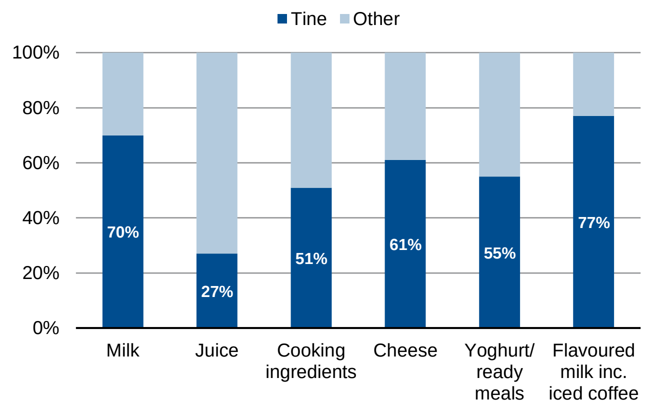
Strong domestic market position in Norway for dairy products

Tine's strong market shares in Norway within its core dairy segments positively impacts our assessment of competitive positioning, with brands and products rooted in local preferences and traditions. The company's market position is further supported by its country-wide infrastructure across Norway for milk processing and distribution. Since the end of Tine's government-protected monopoly in Norwegian dairy operations in 1996, the company has experienced more competition from new entrants such as Q-Meieriene, Synnøve Finden and Rørosmeieriet. In recent years, net import of dairy products has also been increasing and led to more competition on certain products, mainly within the cheese category.

Competition from both traditional dairies and grocery chains' own brands

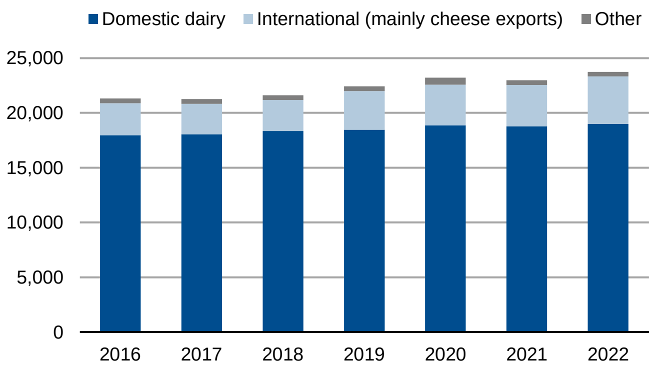
Pressure on Tine's market shares is partly caused by government schemes supporting smaller competitors and aimed at improving diversity in the Norwegian market. In addition, the larger grocery chains have increasingly started to introduce their own brands which is another source of competition on top of that from traditional dairies. Nevertheless, we expect that Tine will continue to hold a strong position in Norway's dairy market, supported by i) its solid brands and current market shares, ii) its established infrastructure and business relationships, and iii) increasing likelihood of removal of subsidies to smaller dairies if these continue to gain market shares.

Figure 2: Domestic market shares within Tine's six largest product categories (%)



Sources: Tine, Scope

Figure 3: Revenue by segment including international revenue (NOK m)



Sources: Tine, Scope

International market shares less important due to protected Norwegian agricultural sector

Norway's agricultural sector benefits from protective measures, including: i) import tariffs (Figure 4) which protects domestic products sensitive to foreign competition ii) market balancing measures such as subsidies; and iii) a regulated price environment for agriculture commodities such as raw milk, meat, grain and eggs. The government's agricultural policy aims to maintain a large domestic food supply to minimise import dependency, and preserve arable land and agricultural traditions across the country. As a milk cooperative, Tine is acting as market regulator for raw milk on behalf of the government which illustrates its central role in the Norwegian dairy market. Since the Norwegian agricultural sector is largely shielded from foreign competition and subject to domestic regulations, we put less emphasis on Tine's limited international market shares in our assessment of the competitive positioning.

Diversified portfolio with more than 700 distinct products across 32 brands

The company is closely monitoring trends relating to sustainability and increased health consciousness, and we expect that it will continue renewing and developing its product portfolio to remain an attractive supplier for end-customers. With shifting consumer preferences, the broad product offering with more than 700 distinct products across 32 brands will likely benefit future operating performance as it reduces the reliance on any single product.

Figure 4: Grouping of Norwegian import tariffs

High tariffs	Moderate tariffs	Full import competition	
Meat	Potatoes	Bakery products	Mineral water
Dairy products	Vegetables	Pizza, pie	Tropical fruits
Grain	Fruits & berries	Ham	Sugar
Eggs	*In Norwegian season*	Soups, sauces	Rice, corn, soya
Sensitive products		Chocolate	Coffee, tea
		Ice cream	Leather, skin
		Processed agriculture products	*No tariffs*

Sources: Norwegian Agricultural Directorate, Scope

Figure 5: Geographical overview of Tine's domestic (#28) and international (#1) dairy plants

Sources: Tine

Limited geographical diversification outside Norway, but extensive domestic infrastructure

Tine has limited geographical diversification as it is largely constrained to Norway (81% of revenue). The second largest market is the US (11% of revenue), and Europe and other markets account for the remaining 8%. As the consumption of milk in Norway is slowly decreasing, the company is looking at opportunities to grow in existing and new foreign markets, including in Asia, which would improve the geographical outreach in the long term. Domestically, the company has a well-established and solid production and distribution network of 33 processing facilities[6] across the whole country, ensuring proximity to its cooperative farms. In addition, the high number of dairies help to limit the risk of potential financial consequences in the event of temporary reduced capacity at an individual plant. On the other side, smaller-sized dairies provide less scale in production which likely has some negative impact on operating efficiency.

Solid supplier and customer diversification

Tine has direct access to feedstock and receives supplies of raw milk from its 7,000 cooperative farms resulting in adequate supplier diversification for the key input factor of raw milk. Grocery stores, kiosks and gas stations contribute to around 75% of sales while industrial kitchens, catering and B2C activities constitute the remaining 25%. While Tine is diversified in terms of sales channels, we still believe a loss of one of the larger grocery chains would be negative for Tine. At the same time, such a scenario is considered relatively unlikely due to the company's significant brand strength and high customer loyalty, which creates some extent of mutual dependency between Tine and the big grocery chains.

Cautious spending on R&D and marketing

The company spends less than average within our peer group on advertising and R&D as measured by share of revenue. At the same time, its media footprint in Norway is large as it has advertisements on most platforms. In addition, Tine's focus on addressing environmental and social issues should support the long-term development of improving its already solid brand in terms of both quality and sustainability.

[6] Comprising 29 dairies, two central warehouses, and two distribution terminals.

Tine's historical EBITDA margin of around 12% is weaker than its most profitable peers

Tine's profitability as measured by its EBITDA margin has averaged around 12% historically. Profitability is driven by the company's domestic operations as operating results in the international activities remain weak, something we expect to continue in 2023-2025. In recent years, Tine has shifted its growth focus in foreign markets from being volume-based to becoming more profit-based, which we consider positive in terms of future profitability.

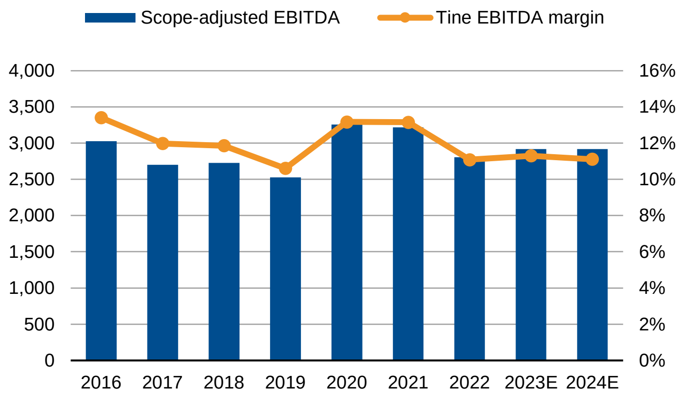
Above-average stability of operating margins

Tine's lower margin compared to peers is partly offset by the above-average stability in its profitability, which is helped by the protected environment of the Norwegian agricultural sector. Tine's low volatility is illustrated by its EBITDA margin, which has stayed within a narrow range of around 10-12% for the past six years (excluding the outlier Covid-19 years 2020-2021 when it was at 13-14%). The resilient operating performance is also supported by the high stability of absolute EBITDA.

Profitability expected to be maintained in 2023-2025 despite cost pressure

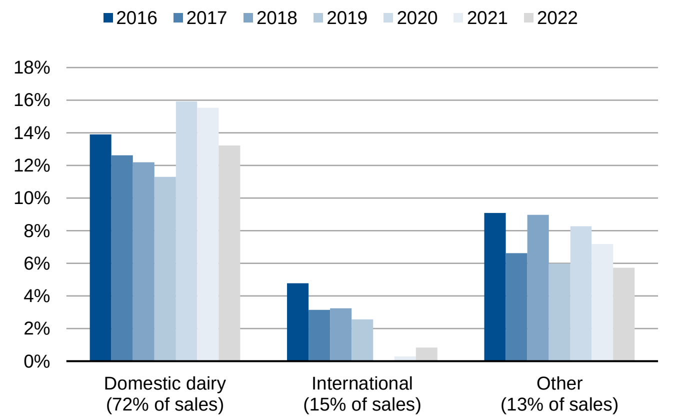
We expect that the company will be able to maintain a margin of around 11% throughout 2023-2025 as pressure on sales volumes and cost inflation is expected to be mitigated by price increases.

Figure 6: Scope-adjusted EBITDA (NOK m, LHS) and EBITDA margin (%, RHS)



Sources: Tine, Scope (estimates)

Figure 7: Reported EBITDA margin by segment (%) and estimated share of sales (based on five-year average)



Sources: Tine, Scope (estimates)

Financial risk profile: A+

History of very strong credit ratios

The financial risk profile of A+ continues to support Tine's strong investment grade credit rating driven by very solid credit ratios. It is also supported by its history of a conservative capital structure and the ability to maintain high financial flexibility with regards to its target of maintaining leverage below 2.0x.

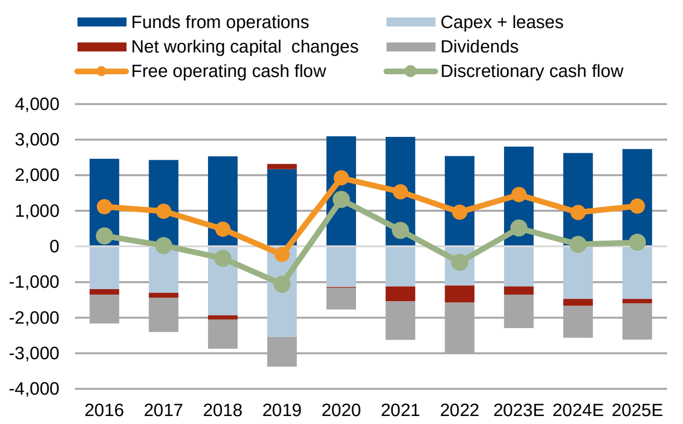
Lower volumes and cost inflation negatively impact 2022 results

Tine's operating performance was weaker in 2022 than in 2020-21 driven by cost inflation and a decline in volumes which were not fully offset by price increases. Revenues increased to NOK 24.9bn (NOK 24.0bn in 2021) while the Scope-adjusted EBITDA decreased to NOK 2.8bn (NOK 3.2bn in 2021). In addition to rising costs of production input, energy and transportation, the lower EBITDA is also explained by a normalisation of grocery consumption after the Covid-19 years (2020-2021), as illustrated by a 6.3% fall in the volume of dairy products sold through domestic grocery chains in 2022.

Operating performance expected to improve in 2023-2025

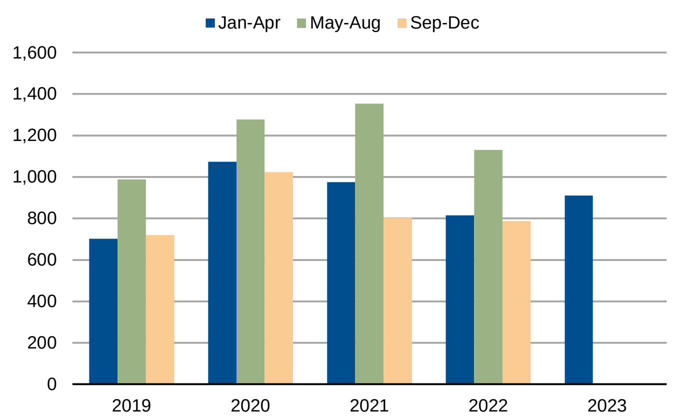
Scope expects that Tine will continue to deliver stable operating results driven by price increases and an evolving product portfolio, as well as efforts to improve cost efficiency. As a result, Scope estimates that Scope-adjusted EBITDA will stay in the NOK 2.9bn-3.0bn range throughout 2023-2025. This incorporates the improved financials reported for the first four months of 2023, with operating performance as measured by reported EBTIDA increasing by 12% YoY (to NOK 910m). Nevertheless, we expect that EBITDA growth will remain pressured by a higher cost base, more price awareness among consumers, and increased competition from grocery chains' own brands throughout the forecast period.

Figure 8: Cash flow profile (NOK m)



Sources: Tine, Scope (estimates)

Figure 9: Reported four-month EBITDA (NOK m)



Sources: Tine, Scope

Main adjustments to financial figures

When calculating credit metrics, we adjust for operating leases as the company does not report under IFRS. Further, we do not make any pension adjustment in Scope-adjusted debt as the company's pension assets exceeds its pension liabilities.

Key assumptions

The rating scenario is further based on:

i) EBITDA mainly driven by domestic operations in Norway with any potential material upside from international activities assumed to come after 2025

ii) Net working capital/sales of 15-16% a year

iii) Effective average tax rate of around 10% based on continued tax deductions provided by post-payments to owners

iv) Yearly capex of NOK 1.0-1.4bn including some expansionary investments in 2024-2025

v) Additional strategic investments/business acquistions of up to NOK 200m-300m yearly and no significant divestments

vi) Repayment/dividend payout ratio at the higher end of the official guidance of 50-75%, resulting in yearly payouts to owners of NOK 0.9bn-1.0bn

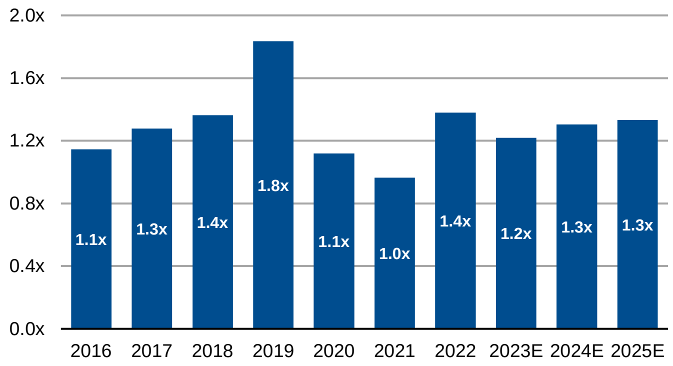
Leverage expected to stay in the 1.0-1.5x range

Overall, we remain confident that Tine will maintain strong credit metrics as illustrated by Scope-adjusted debt/EBITDA in the 1.0-1.5x range and significantly positive free cash flow. Considering the high stability in Tine's operating performance, Scope believes the main factor that could cause a deterioration of leverage is much higher growth investments than we have assumed. This could occur as part of Tine's international growth plan, similar to its large investment in Ireland in 2019, which explains the temporary spike of leverage to 1.8x that year. While such transactions and spending cannot be fully ruled out, the company's track record of keeping high financial flexibility versus its publicly stated goal of having leverage below 2.0x provides comfort that strategic growth will be weighed against its credit profile.

Interest cover to weaken due to higher interest costs

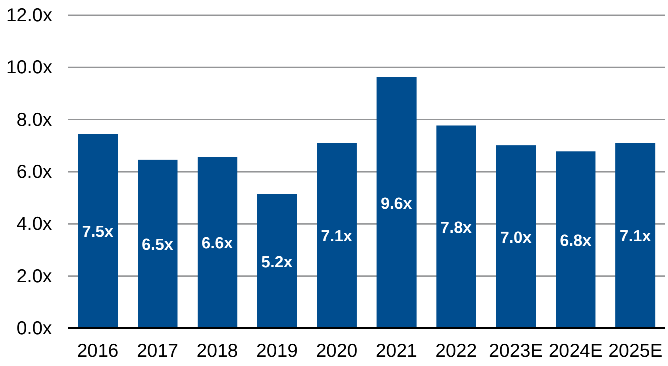
Debt protection as measured by Scope-adjusted EBITDA interest cover is expected to stay strong at around 7.0x throughout 2023-2025. The forecasted weakening compared to 7.8x in 2022 is driven mainly by a higher interest burden with rising interest rates feeding through to the cost of existing and refinanced debt. This is partly offset by a sizeable share of debt being fixed rate or hedged. Under Scope's base case assumptions, Tine is not expected to have any material external financing need with gross debt estimated to stay in the 3.6bn-4.0bn range through the forecast period.

Figure 10: Scope-adjusted debt/EBITDA (x)



Sources: Tine, Scope (estimates)

Figure 11: Scope-adjusted EBITDA interest cover (x)



Sources: Tine, Scope (estimates)

Strong liquidity

At end-2022, Tine had NOK 644m in unrestricted cash plus NOK 808m in unused credit lines. The company's NOK 1.2bn committed credit line does not expire until mid-2026, and the company should be able to add additional credit facilities if needed.

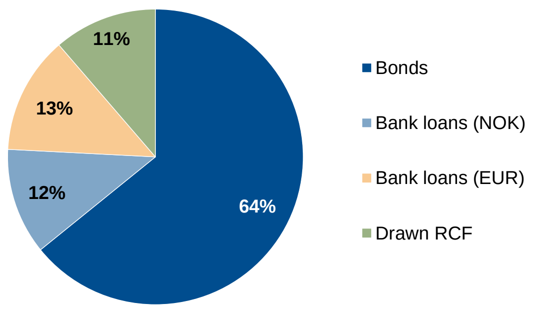
Scope therefore expects liquidity to remain solid. Scheduled debt maturities of NOK 679m in 2023 and NOK 1,045m in 2024 can likely be covered by available liquidity sources, as indicated by solid coverage, standing at well above 200%.

Refinancing not a concern

The company has a balanced debt maturity schedule and a policy stating that maturities in the next 12 months can only account for a maximum of 25% of total outstanding debt, excluding commercial papers. Refinancing is not an issue due to Tine's solid investment grade rating and good access to banks and domestic bond markets.

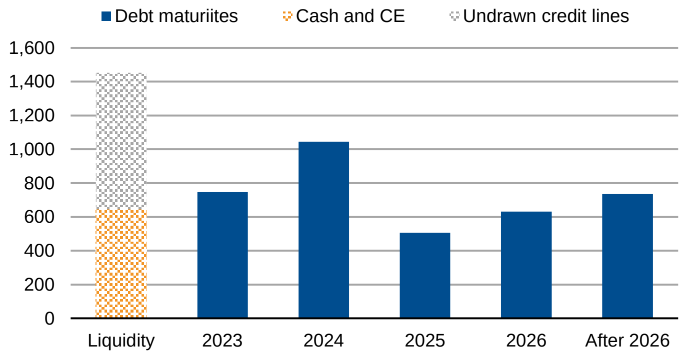
Balance in NOK m	2022	2023E	2024E
Unrestricted cash (t-1)	1,493	644	614
Open committed credit lines (t-1)	858	808	808
Free operating cash flow	963	1,453	953
Short-term debt (t-1)	484	679	1,045
Coverage	**685%**	**428%**	**227%**

Figure 12: Debt funding by source at end-2022



Sources: Tine, Scope

Figure 13: Maturity profile and liquidity at end-2022 (NOK m) excluding operating leases



Sources: Tine, Scope

Supplementary rating drivers

Financial policy is prudent

Tine's stable and prudent financial policy does not impact the rating. Nevertheless, we highlight: i) Tine's goal of conservative credit ratios such as net debt/EBITDA at below 2.0x and the equity ratio above 45%, ii) Tine's payout ratio of 50-75% is subject to the equity ratio staying above 45%, and iii) the framework in place with regard to currency, interest rate and liquidity risks.

Cooperative ownership structure with transparent governance

Tine has a cooperative structure with 8,291 owners (i.e. cooperative farms) at end-2022 who receive part of Tine's profit through a yearly repayment/dividend – based on their sales volumes rather than invested capital. The key benefits for Tine's owners include guaranteed milk sales and economies of scale through repayments of parts of Tine's profit. The members have democratic control over the company and are divided into production units, with representatives at the annual meeting (the company's highest governing body).

Membership capital deemed stable

The ownership structure as a cooperative means equity injections are less likely in times of need. However, cooperative peers have shown that partial equity instruments like subordinated hybrid bonds can be used as an alternative. The member capital in Tine is deemed stable based its track record, and in the event of potential exits, the fact that the member capital only represents an insignificant share of overall capital is a positive.

No adjustments made based on ownership, governance, or structure

Tine serves political and public interests through its responsibility for milk regulations and through the implementation of agricultural policies. While ordinary market competition rules do not fully apply, the government ensures through various tools that cooperatives do not abuse their position. The structure is considered well-proven and stable, but we do not conclude that any supplementary rating adjustments are justified based on ownership, governance, or structure.

Long-term and short-term debt ratings

Senior unsecured debt rating: A-

The senior unsecured debt rating is in line with the issuer rating of A-. Tine (i.e. Tine SA) is also the bond-issuing entity.

Short-term debt rating: S-1

The short-term rating of S-1 is backed by adequate liquidity, strong bank relationships and Tine's well-established domestic capital market standing.

Scope Ratings GmbH

Headquarters Berlin

Lennéstraße 5
D-10785 Berlin

Phone +49 30 27891 0

Frankfurt am Main

Neue Mainzer Straße 66-68
D-60311 Frankfurt am Main

Phone +49 69 66 77 389 0

Paris

10 avenue de Messine
FR-75008 Paris

Phone +33 6 6289 3512

Oslo

Karenslyst allé 53
N-0279 Oslo

Phone +47 21 09 38 35

Madrid

Paseo de la Castellana 141
E-28046 Madrid

Phone +34 91 572 67 11

Milan

Via Nino Bixio, 31
20129 Milano MI

Phone +39 02 30315 814

Scope Ratings UK Limited

London

52 Grosvenor Gardens
London SW1W 0AU

Phone +44 20 7824 5180

info@scoperatings.com
www.scoperatings.com

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