S&P Global
Ratings

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Oresundsbro Konsortiet

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This report does not constitute a rating action.

Credit Highlights

Overview

Enterprise profile	Financial profile
Oresundsbro Konsortiet continues to benefit from strong owner support as a provider of key infrastructure in Denmark and Sweden.	We expect Oresundsbro Konsortiet's cash flow generation to be stable, supported by the strong demand for its services combined with its rent-setting flexibility, which offset macroeconomic risks.
--We view the Oresund bridge as crucial infrastructure for the owner governments in Sweden and Denmark, offering important international connectivity.	--Debt will grow as the past five years of suspended dividends of DKK5 billion is paid out in 2025 and 2026; debt to net revenues will peak above 5x in 2026 as a result.
--The Oresund bridge connects two strong economies and helps economic growth on both sides of the crossing.	--Cash-flow generation is expected to keep financial performance as adequate even with the higher debt stock in the coming years.
--We view management as very strong; it operates with low risk tolerances and has a high level of relevant expertise.	--Liquidity is exceptional and will remain so, despite the expected reduction in the cash balance given outflows related to dividends.

We assume Oresund will resume issuing guaranteed debt in the coming years, with the addition of paying a market premium, as its debt stock will increase to fund the payment of suspended dividends, which amount to DKK5 billion.

We expect revenue growth will slow down in the coming years as only limited growth in traffic volumes will mean revenue growth comes mainly from adjustments to toll rates--both CPI adjustments and potential additional adjustments to rates. At the same time, revenue growth will still outpace expenditure growth.

Outlook

The stable outlook reflects our view that Oresundsbron will continue to benefit from solid support from its owners in the event of financial distress.

Downside scenario

We could lower the rating if our view of the likelihood of extraordinary support from Sweden and Denmark weakened, for instance if the owners' willingness or ability to support the company weakened. We could also consider a downgrade if we lowered our ratings on either country.

Upside scenario

We could raise the rating if Oresundsbron's net revenue-to-debt-service ratio strengthened materially. We could also raise our rating if we believed there was an even higher likelihood of support to the entity from its owner governments.

Rationale

Enterprise profile: Oresundsbron provides key infrastructure in the Nordics

In our view, Oresundsbron operates in a low-risk environment, reflecting low cyclicality in its earnings. It benefits from a strong market position as the provider of the only fixed link between Sweden (AAA/Stable/A-1+) and Denmark (AAA/Stable/A-1+). The bridge opened in 2000 and connects the wealthy and export-oriented Nordics with continental Europe. It has a dominant position conveying traffic crossing the Oresund Strait, with few competitive alternatives. We anticipate increased demand for Oresundsbron once the Fehmarn belt tunnel, connecting Denmark with Germany, is completed in a few years.

We regard Oresundsbron's management as highly skilled and experienced. Strategies are underpinned by a government agreement between Denmark and Sweden, which stipulates the overall targets for the bridge. Its financial management is long term and includes, for instance, a target to repay all debt before 2050 as well as maintenance plans that extend for decades, limiting the operational and financial risks. We also regard the entity's treasury management as competent, with prudent reserve policies and debt-management practices.

Financial profile: Dividend payments will push up debt in the short term

Cash-flow generation will remain strong, as stable growth in traffic and fees continues to outpace expenditure growth. Traffic volumes increased by 3.6% in 2024, stronger than expected and back to pre-pandemic levels. From 2025, we expect traffic volume growth to slow down while revenue generation should increase with inflation adjustments to tolls. In combination with inflation-adjusted rail revenues and contained operating spending, mainly related to employee costs and maintenance, we think Oresundsbron's cash generation will remain strong through 2027. Oresundsbron also has full autonomy when setting road tolls (about 75% of total revenues), which provides ample revenue flexibility in case it needs to increase cash-flow generation.

We forecast debt to peak at above 5.0x in 2026, from 3.0x in 2024, as the payout of the suspended dividends will be debt-financed this year and in 2026. Debt has been kept artificially low during the five years of suspended dividends, while waiting for the European Commission’s decision, leading to an accumulation of cash used for debt amortization. However, since the holding companies, A/S Oresund and Svedab AB, use the dividends to repay the debt incurred during the construction of the land connections to the bridge, the accumulated suspended dividends will be disbursed in 2025 and 2026, funded by additional borrowings.

As Oresundsbron raises debt for the dividend payments, we expect the maturity profile will gradually lengthen, supporting a stronger and less volatile net revenue-to-debt service ratio. In recent years, the maturity profile has shortened due to the amortization of debt and almost no debt issuances. We expect that Oresundsbron also will resume issuance of guaranteed debt in the coming years, at which point we believe the maturity profile will lengthen definitively as terms and conditions, as well as future cash outflows, become more predictable. In coming years, we forecast increased interest expenditure on the back of higher indebtedness. Meanwhile, about half of Oresundsbron's outstanding debt is inflation-linked and inflation rates are expected to remain stable during this period, so the debt portfolio's average interest rate will remain largely unchanged. This will support its strong performance and we estimate net revenues will remain stable, covering 1.2x of debt service in 2027, in line with 1.3x in 2024. In our assessment we also reflect the risk of the single-asset nature of the entity's operations, which exposes it to potential interruptions to revenue.

We consider Oresundsbron's liquidity as excellent, based on its unrestricted cash on hand to cover 1,373 days of operations and its unrestricted reserves to debt of 11%. Its liquidity resources include cash holdings and available credit facilities. We also consider Oresundsbron's access to external liquidity to be strong, as we assume it will resume borrowing with guarantees from its two owner countries.

Government-related entity analysis

In our view, there is an extremely high likelihood that, in case of financial stress, Sweden, Denmark, or both, would provide timely and sufficient extraordinary support to Oresundsbron. This results in the rating on Oresundsbron being four notches higher than our stand-alone credit profile.

The entity has an integral link with the Danish and Swedish governments as it is fully owned by the two, through Svedab AB and A/S Oresund. Any decision to sell the bridge (which we view as very unlikely) would require the agreement of both states, as would any other changes to the existing contractual structure. If, for whatever reason, the company were dissolved, the two governments would most likely take over operations themselves.

Oresundsbron plays a very important role for the Danish and Swedish governments in terms of trade, employment, the environment, and regional integration. Furthermore, in our view, a disruption of Oresundsbron's debt service would lead to significant negative reputational risk and affect the funding of other infrastructure investments for Sweden and Denmark.

Rating Component Scores

Oresundsbro Konsortiet--Ratings score snapshot

	Assessment
Enterprise risk profile	**3**
Economic fundamentals	1

Industry risk	2
Market position	3
Management and governance	2
Financial risk profile	**3**
Financial performance	4
Debt and liabilities	2
Liquidity and financial flexibility	1
Stand-alone credit profile	**a**
Issuer credit rating	**AA+**

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | General: Global Not-For-Profit Transportation Infrastructure Enterprises: Methodologies And Assumptions, Nov. 2, 2020
- Criteria | Governments | U.S. Public Finance: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Bulletin: EU Commission Decision Should Not Affect The Willingness Of Oresundsbro Konsortiet's Owners To Support It, Feb. 19, 2024
- Sweden, Feb. 03, 2025
- Denmark, Feb. 10, 2025

Ratings Detail (as of May 22, 2025)*	
Oresundsbro Konsortiet	
Issuer Credit Rating	AA+/Stable/--
Senior Unsecured	AA+
Issuer Credit Ratings History	
29-Jun-2020	AA+/Stable/--

Ratings Detail (as of May 22, 2025)*
*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.