Research Update:

Swedish City of Helsingborg Affirmed At 'AAA/A-1+'; Outlook Stable

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Overview

- We expect the Swedish City of Helsingborg will post robust budgetary performance through 2028 on resilient tax revenue growth and continued budgetary discipline, despite geopolitical turbulence.
- Although Helsingborg and its companies face large investment projects, we think the city's debt burden will remain manageable and continue to project budget deficits after capital accounts.
- Following revisions to financial policies and guidelines, we see a structural improvement in Helsingborg's liquidity position.
- As a result, we affirmed our 'AAA/A-1+' and 'K-1' ratings on Helsingborg. The outlook is stable.

Rating Action

On April 17, 2026, S&P Global Ratings affirmed its 'AAA' long-term and 'A-1+' short-term issuer credit ratings on the Swedish City of Helsingborg. The outlook is stable.

At the same time, we affirmed our 'K-1' short-term Nordic regional scale rating on the city.

Outlook

The stable outlook reflects our expectation that Helsingborg's management will maintain budgetary discipline, on operating and investment budgets, to comply with its financial targets. This will in turn preserve broadly stable budgetary performance and debt levels through at least 2028.

Downside scenario

We would lower the ratings if Helsingborg's budgetary performance declines significantly and persistently, and our assessment of management weakens if this were due to relaxed governance.

Rationale

Helsingborg continues to exhibit a strong credit profile, with healthy operating budget results and despite expected budget deficits after capital spending. Depending on the size and timing of investments within its group of companies, we expect an increase in debt, although mitigating this is a large share of Helsingborg's debt being on-lent to the city's financially strong public housing company, AB Helsingborgshem. We view Helsingborg's budgetary policy as prudent, highlighted by amendment to its financial policy documents and subsequent changes to governance of its financial position. Consequently, we have improved our overall assessment of the city's liquidity position.

Helsingborg benefits from close integration with the Oresund region, political stability, and a supportive institutional framework

Helsingborg's local economy remains strong thanks to its close integration with the Oresund region. As a result, its economy is diversified, which leads to a resilient labor market. Still, unemployment remains structurally above the national average, at 10.9% at year-end 2025 compared with the national average of 6.8%. In line with other Swedish local and regional governments (LRGs), Helsingborg benefits from Sweden's comparably high wealth levels and resilient economy. We estimate Swedish GDP per capita at close to $70,000 in 2026. Compared with the past few decades, population growth is lower, although the city's population is still higher than national average, at 152,876 at the end of 2025.

We regard the political situation in Helsingborg as stable. A center-right minority coalition governs the city and we have observed broad political consensus regarding most long-term strategies and financial targets to maintain financial sustainability. Helsingborg has a strong track record of upholding budgetary discipline while using its revenue flexibility to maintain a strong fiscal position. Furthermore, budgeting is predictable and transparent, with formal rules that stipulate clear processes. The city temporarily lowered its internal budget surplus target for 2024 but complied with the accrual-based balanced budget requirement for Sweden's LRGs. It counterbalanced this with a correspondingly higher target in its 2025 budget, after which the regular 2% budget surplus target resumed. We also expect Helsingborg's approach toward managing its debt and liquidity to be prudent, exemplified by a recent risk mitigating update to its financial policy documents.

We regard the institutional framework for Swedish municipalities as extremely predictable and supportive. In our view, the framework provides for a high degree of stability. The LRG sector's revenue and expenditure management is based on a far-reaching equalization system and significant tax autonomy. Historically, Sweden's central government has provided extensive support to the sector, for example through additional grants distributed in response to the pandemic or, more recently, to cover rising pension costs (see "Swedish Municipalities And Regions Are Shifting Capex To Replace Aging Infrastructure," Dec. 11, 2025).

The budgetary performance is persistently strong and the liquidity position has improved

Helsingborg's operating balance ratio recovered in 2025 to 11.8% of operating revenue after a temporary weakening in 2024 (8.2%), and we forecast it will remain broadly stable from 2026-2028, hovering slightly below 10%. We expect tax revenue to increase faster than our previous expectations and that the city will maintain strong expenditure control at the municipal boards.

On an accrual basis, it complies very well with both its internal budget surplus goal and the regulatory balanced budget requirement.

We continue to forecast that Helsingborg's capital expenditure will be elevated, leading to minor budget deficits after capital accounts by the end of our forecast period. The city's investment needs reflect its changing demographic structure, characterized by a growing share of older citizens. Consequently, a notable part of upcoming investments relates to the construction and refurbishment of nursing homes. Given spending pressure, Helsingborg now undertakes stricter prioritization of capital expenditure projects to meet financial targets and mitigate debt buildup. Because of investment needs for the city and the municipal company sector--particularly its energy company, Oresundskraft--we expect a slight increase in nominal debt through 2028. The largest recipient of Helsingborg's borrowing proceeds is Helsingborgshem. The company has a strong credit profile, however, supported by noncyclical operating cash flow, significant surplus values against book values, and high local demand for housing. Consequently, in our view, Helsingborg's lending to this entity overstates the city's debt burden. Excluding this lending, the city's direct-debt ratio, which we forecast at about 63% at year-end 2028, falls to about 26%. Furthermore, Helsingborg's contingent liabilities, including guarantees extended, remain limited.

We do not expect a rapid increase in the city's interest burden, although debt volume will moderately accumulate over the forecast period. Furthermore, given that Helsingborg has lent almost all proceeds of its debt to its municipal companies, most interest expense will be paid by the final borrowers (the companies) and reflected in higher financial revenue, largely neutralizing the effect of higher interest expenditure following debt accumulation.

We revised upward our assessment of Helsingborg's liquidity position on recent revisions to its financial policies and updated governance of its financial position. We now estimate the city’s weighted debt-service coverage ratio at 140%, compared with 110% in our previous review. Through 2028, we expect Helsingborg will keep liquidity sources (including contracted facilities) comfortably above 120% of annual debt maturities. Moreover, in line with rated Swedish LRGs, Helsingborg benefits from a strong track record of reliable access to external financing, even in times of financial market stress. The city funds itself exclusively in the capital markets through a Swedish krona (SEK) 8 billion (€739 million) medium-term note (MTN) program, an SEK5 billion (€462 million) commercial paper program, and a €500 million European commercial paper program. It has augmented the MTN program with a green bond framework.

City of Helsingborg Selected Indicators

Mil. SEK	2023	2024	2025	2026bc	2027bc	2028bc
Operating revenue	12,584	13,119	13,659	14,149	14,576	15,030
Operating expenditure	11,299	12,044	12,043	12,739	13,139	13,570
Operating balance	1,285	1,075	1,616	1,410	1,437	1,461
Operating balance (% of operating revenue)	10.2	8.2	11.8	10.0	9.9	9.7
Capital revenue	241	342	151	150	125	100
Capital expenditure	1,424	1,370	1,159	1,552	1,809	1,888
Balance after capital accounts	102	47	608	7	(246)	(327)
Balance after capital accounts (% of total revenue)	0.8	0.4	4.4	0.1	(1.7)	(2.2)
Debt repaid	5,171	5,503	5,413	3,552	2,320	2,821
Gross borrowings	5,190	4,370	5,077	4,191	2,707	3,887
Balance after borrowings	499	(642)	(181)	28	0	(0)

City of Helsingborg Selected Indicators

Direct debt (outstanding at year-end)	8,857	7,724	7,388	8,028	8,415	9,481
Direct debt (% of operating revenue)	70.4	58.9	54.1	56.7	57.7	63.1
Tax-supported debt (outstanding at year-end)	8,934	7,815	7,474	8,129	8,516	9,582
Tax-supported debt (% of consolidated operating revenue)	50.1	42.6	38.7	40.3	40.9	44.5
Interest (% of operating revenue)	2.3	2.5	1.9	1.9	1.9	1.9
Local GDP per capita ($)	--	--	--	--	--	--
National GDP per capita ($)	55,029.0	57,320.3	63,186.3	69,875.4	71,801.7	73,426.3

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. SEK--Swedish krona. $--U.S. dollar.

City of Helsingborg Rating Component Scores

Key rating factors	Scores
Institutional framework	1
Economy	1
Financial management	1
Budgetary performance	2
Liquidity	1
Debt burden	2
Stand-alone credit profile	aaa
Issuer credit rating	AAA

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

- Sovereign Risk Indicators, April 13, 2026. An interactive version is available at www.spglobal.com/sri

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S., July 15, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Default, Transition, and Recovery: 2025 Annual Global Sovereign Default And Rating Transition Study, March 4, 2026
- Institutional Framework Assessments For Local And Regional Governments Outside Of The U.S., Feb. 24, 2026
- Subnational Government Outlook 2026: Resilient, But Signs Of Stress Emerge, Jan. 20, 2026
- Subnational Government Outlook 2026: Limited Upside Potential In Developed Markets, Jan. 19, 2026
- Subnational Government Outlook 2026: The Nordics Face Credit Tests With Rising Investment, Jan. 19, 2026
- Institutional Framework Assessment: Swedish Municipalities And Regions Are Shifting Capex To Replace Aging Infrastructure, Dec. 11, 2025

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see "Related Criteria"). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Rating Component Scores above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see "Related Criteria").

Ratings List

Ratings List	
Ratings Affirmed	
Helsingborg (City of)	
Issuer Credit Rating	AAA/Stable/A-1+
Nordic Regional Scale	--/--/K-1

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