

Fortum Oyj

Fortum Oyj's rating reflects its large CO₂-free generation portfolio in the Nordics, supported by a balanced mix of nuclear baseload and flexible hydro capacity, and its solid financial profile. Fitch Ratings forecasts funds from operations (FFO) net leverage to average 2.3x in 2026-2027, with no headroom against the 2.3x negative rating sensitivity.

The rating headroom will be reduced since the previous review after the Elmera acquisition is completed. Our forecasts reflect negative free cash flow (FCF) driven by higher capex and dividend distributions at the upper end of the company's payout guidance.

The Stable Outlook reflects Fitch's expectation that Fortum will balance investments and dividends to remain consistent with its publicly stated financial policy and maintain leverage adequately below its maximum reported EBITDA net leverage threshold of 2.5x.

Key Rating Drivers

Prices Mitigate Lower Nuclear Output: We expect Fortum's 2026 performance to remain supported by favourable Nordic power prices and market volatility, despite lower nuclear generation due to an extended outage at Oskarshamn 3. In 1H26, Fortum achieved a solid power price of about EUR55/MWh, supported by colder weather, low wind availability and a strong optimisation premium. For 2026, we incorporate lower nuclear generation in line with Fortum's updated guidance of 23.5TWh-24TWh but expect this to be partly offset by supportive achieved prices on unhedged production.

We forecast nuclear generation to recover gradually to an average of about 25TWh, with achieved power prices declining towards EUR47/MWh by 2027. Overall, we forecast EBITDA of about EUR1.2 billion a year over 2026-2027.

Elmera Acquisition Reduces Leverage Headroom: Fortum's proposed acquisition of Elmera would strengthen its retail business through a larger customer base, potential cost efficiencies, operational synergies and a broader platform for growth. We expect the transaction to reduce Fortum's financial headroom at the rating level, given the offer value of around NOK5.1 billion (about EUR450 million). Fortum intends to fund the acquisition through existing facilities and available balance-sheet resources.

Elmera generated around EUR65 million of annual EBITDA in 2025 and could add about EUR100 million of net debt to Fortum's balance sheet, based on June 2026 figures. We will monitor the integration and any implications for Fortum's financial policy, including capex and dividend pay-outs.

Headroom Against Financial Policy Key: The Stable Outlook reflects Fitch's expectation that Fortum will maintain adequate headroom against its own maximum 2.5x reported leverage threshold over the next four years. We expect any material increase in investment to be balanced by lower dividend distributions to preserve the rating level. We also expect Fortum to continue focusing growth capex on investments that improve revenue visibility and support its business profile.

Improved Contracted Position: Fortum's 22-year power purchase agreement (PPA) with Google is credit positive as it increases the share of contracted revenue. The agreement starts in 2028 and will cover 50% of the Loviisa nuclear power plant's capacity in 2030-2049. The agreement improves return on net assets and supports its target of hedging 25% of its 10-year outright generation volume by end-2028 (19% at end-2025) and beyond. However, Fortum's contracted position is likely to remain weaker than that of its closest peers.

Debt Capacity: We do not expect this transaction and the Elmera acquisition to affect Fortum's debt capacity, as higher generation business visibility would offset higher exposure to supply.

Potential Capex Upside: The agreement provides revenue certainty after Loviisa's lifetime-extension programme to 2050. Fortum's business plan to 2030 includes about EUR40 million a year investments in Loviisa plant. Fortum has not updated capex guidance. However, the Google agreement could lead to incremental capex, particularly considering Google's planned EUR13 billion investment in Finland in 2027-2028. We expect Fortum to maintain a conservative approach to leverage.

Higher Investment Ambitions: Fortum has increased its investments since Fitch's previous review, announcing EUR2 billion of committed capex for 2026-2030, plus up to EUR2.5 billion uncommitted investments. Our forecast includes EUR1.6 billion investments over 2026-2027, above our previous assumption of EUR1.0 billion due to Elmera acquisition. The capex plan includes the Loviisa nuclear plant life extension, heating and cooling investments, as well as hydro and customer solutions. Fortum is also expanding its portfolio of ready-to-build onshore wind and solar projects.

Flexible Investment Framework: Additional uncommitted investments remain contingent on stronger demand, a secured route to market through PPAs, site development and supportive power prices, and are subject to strict investment hurdles of weighted average cost of capital (WACC) plus 150bp-400bp. In our view, this should help limit pressure on Fortum's credit profile if Nordic power price environment weakens. We would expect dividend distributions to be lower than our current 90% payout assumption if capex were to increase materially.

Long-Term Power Demand Prospects: Fortum benefits from supportive long-term demand in the Nordics, underpinned by structurally low power costs. However, demand growth has yet to accelerate materially, and current power prices are insufficient to support large new-build generation capacity. Data centres drive demand, while broader industrial electrification is progressing more gradually. In this uncertain business environment, Fortum is pursuing selective, customer-backed growth supported by long-term power contracts, while nuclear lifetime extensions remain an important option as long as economics for new capacity stay challenging.

GRE Status Rating Neutral: Fitch applies its *Government-Related Entities (GRE) Rating Criteria* to reflect the Finnish state's controlling 51.3% stake in Fortum. However, this has no rating impact as we assess precedents of support as 'Not Strong Enough', nor do we expect a Fortum default to have any material financial contagion risk for Finland. We assess decision-making and oversight as 'Strong', due mainly to the state's commitment to retain control (minimum 50.1% stake).

Rating Sensitivities

Developments that May Collectively or Individually Lead to Negative Rating Action/Downgrade

- FFO net leverage above 2.3x on a sustained basis, assuming an unchanged business profile
- Deterioration of the business profile or the operating environment (for example resulting from an increase in its merchant exposure, adverse regulatory developments, lower-than-expected profitability)
- Higher than expected capex, if not adequately mitigated by managerial actions

Developments that May Collectively or Individually Lead to Positive Rating Action/Upgrade

- We do not expect an upgrade to the 'A' category. Upside is limited by Fortum's business profile as an electricity generation utility with no regulated earnings

Issuer Profile

Fortum is an energy company 51% owned by the Finnish state. Its activities include CO₂-free power generation, sale of electricity, and district heating and cooling. It is one of the largest power generators and the largest electricity retailer in the Nordics.

Financial Summary

(EURm)	2023	2024	2025	2026F	2027F
EBITDA	1,881	1,530	1,219	1,258	1,191
FFO	1,498	1,277	894	961	930
FCF after acquisitions and divestitures	2,063	950	-1,033	-764	-178
FFO net leverage (x)	0.8	0.3	1.6	2.2	2.4
FFO interest coverage (x)	7.0	5.7	5.6	6.5	7.4

Fitch assumptions include Elmera's acquisition to be completed before end-2026.

Source: Fitch Ratings, Fitch Solutions

Corporate Rating Tool Inputs and Scores

Fitch scored the issuer as follows, using its Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

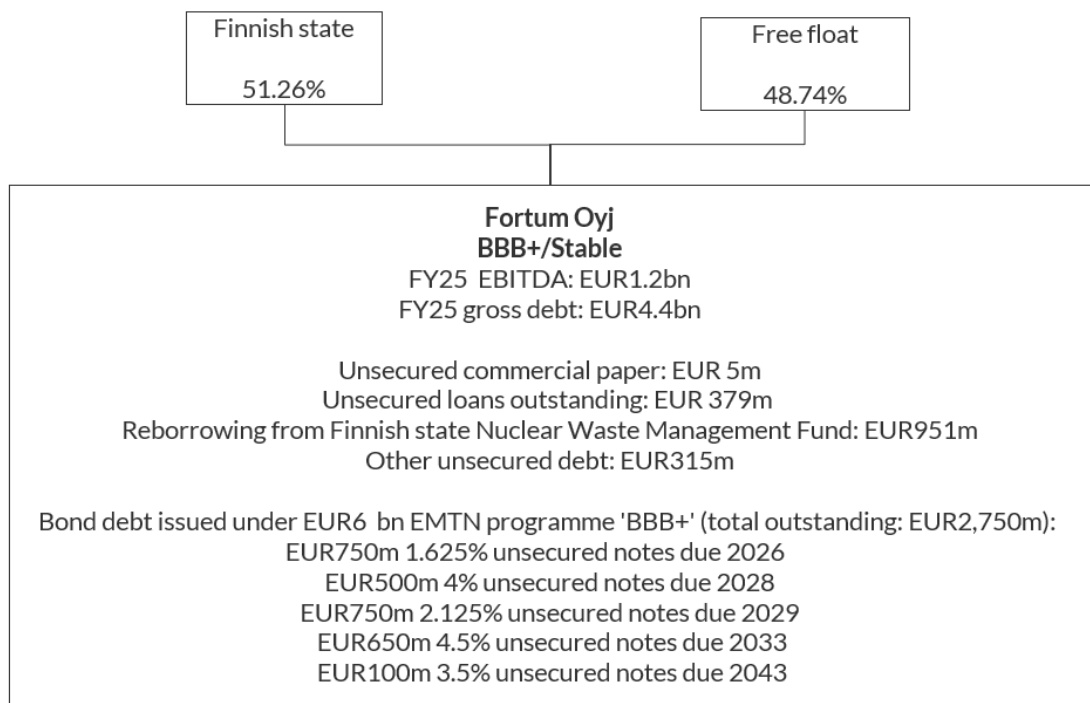
- Business and financial profile factors (assessment, relative importance): management ('bbb', lower), sector characteristics ('bbb-', moderate), market and competitive positioning ('bbb+', moderate), diversification and asset quality ('bbb+', higher), company

- operational characteristics ('bbb-', moderate), profitability ('bbb', moderate), financial structure ('bbb+', higher), and financial flexibility ('a-', moderate).
- The quantitative financial subfactors are based on standard CRT financial period parameters: 20% weight for the latest historical year 2025, 40% for the forecast year 2026 and 40% for the forecast year 2027.
 - The governance assessment of 'good' has no impact.
 - The operating environment assessment of 'aa' has no impact.
 - The SCP is 'bbb+'.

To derive the Long-Term IDR:

- Application of Fitch's *Government Related Entities Rating Criteria* results in a(n) standalone approach.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fortum Oyj. As of December 2025

Ratings Navigator

Global Electricity Generation

	Business Profile					Financial Profile			Standalone Credit Profile	Foreign Currency LT Issuer Default Rating
	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility		
aaa									aaa	AAA
aa+									aa+	AA+
aa									aa	AA
aa-									aa-	AA-
a+									a+	A+
a									a	A
a-									a-	A-
bbb+									bbb+	BBB+ Sta
bbb									bbb	BBB
bbb-									bbb-	BBB-
bb+									bb+	BB+
bb									bb	BB
bb-									bb-	BB-
b+									b+	B+
b									b	B
b-									b-	B-
ccc+									ccc+	CCC+
ccc									ccc	CCC
ccc-									ccc-	CCC-
cc									cc	CC
c									c	C
d or rd									d or rd	D or RD

Factor Outlook

■ Stable
◆ Evolving
▲ Positive
▼ Negative
■ Lower
■ Moderate
■ Higher

Relative Importance

Additional Adjustments to the Standalone Credit Profile

	Assessment	Impact
Weakest link considerations	Not applied	0
Additional sector considerations	Not applied	0
B+ to CC considerations	Not applied	0
Governance	Good	0
Operating environment	aa	0
Other risk elements	Not applied	0
Calibration	Not applied	0
Standalone Credit Profile		bbb+
Parent subsidiary linkage	Not applied	—
Government related entities	Standalone	BBB+
Other criteria considerations	Not applied	0
Country Ceiling considerations	Not applied	0

Factor/Subfactor	Score/Outlook/Importance	Description
Management	bbb/stable/lower	
Risk tolerance	bbb/moderate	Management committed to conservative risk profile. Only modest/short-term deviations from strategy allowed.
Management strategy	bbb/moderate	Good track record of implementing coherent and stable strategy.
Management quality	bbb/moderate	Experienced management or proven track record. Management composition is broadly stable. No evidence of material risk management weaknesses.

Factor/Subfactor	Score/Outlook/Importance	Description
Sector characteristics	bbb-/stable/moderate	
Volatility of supply/demand	bb+/moderate	Lower certainty outlook for prices. Potential price volatility from bulky capacity/demand expansion in system.
System and capacity payments	bbb/moderate	Less transparent or shorter duration market pricing structures with some risk of political interference proving medium term price visibility for power generators.

Factor/Subfactor	Score/Outlook/Importance	Description
Market and competitive positioning	bbb+/stable/moderate	
Competitive advantage	bbb/moderate	Efficient generation with recurrent merit dispatch.
Scale - operation	a-/moderate	Large scale operations with diverse generation asset base or company supplies more than 50% of electricity to the systems where it operates or strong competitive position in a localized market.
Merit order and cost pass-through	bbb+/moderate	Low generation costs or ability to largely pass cost changes to end users.

Factor/Subfactor	Score/Outlook/Importance	Description
Diversification and asset quality	bbb+/stable/higher	
Asset diversification	bbb/moderate	Partial diversification by geography and/or generation source.
Asset quality	bbb+/moderate	Average-quality assets or high-quality single asset.
Environmental exposure	a/moderate	No exposure to environmental regulations. Energy generation mostly from clean sources and low carbon exposure.
Capex intensity	bbb/moderate	Moderate reinvestments requirements in established technologies.
Resource predictability	bbb/moderate	Stable and predictable capacity factor.

Factor/Subfactor	Score/Outlook/Importance	Description
Company operational characteristics	bbb-/stable/moderate	
Contracted structure	b/moderate	Merchant contractual position with low likelihood of entering into long-term PPAs or getting incentives. More than 50% merchant position or materially over-contracted.
Contract management	bbb/moderate	Likely re-contracting prospects with similar to potentially moderately worse contractual terms.
Degree of integration	bbb/higher	Balanced supply integration with strong retail position contributing to cash-flow stability and predictability.
Counterparty risk	bbb/moderate	Diversified, medium counterparty risk or weighted average credit quality of actual and potential off-takers is in line with 'BBB' rating. Single 'BBB' rated off-taker under well-structured PPA.
Hedging strategy	bbb/moderate	Portfolio/cash flow smoothing effects from extensive contractual hedge.

Factor/Subfactor	Score/Outlook/Importance	Description
Profitability	bbb/stable/moderate	
Free cash flow	bbb+/higher	Structurally neutral to slightly negative FCF across the investment cycle.
Cash flow predictability	bb+/moderate	Lower stability and predictability of cash flow relative to peers.

Factor/Subfactor	Score/Outlook/Importance	Description
Financial structure	bbb+/stable/higher	
EBITDA leverage (x)	bbb-/lower	3.3
FFO leverage (x)	bb+/lower	5.0
FFO net leverage (x)	bbb+/higher	3.0

Factor/Subfactor	Score/Outlook/Importance	Description
Financial flexibility	a-/stable/moderate	
Financial access	a/moderate	Unequivocal access through the cycle to: Local financial markets with FMD of 'a' and above, or International financial markets with (primarily) FMD of 'a' and above. If the issuer is an infrequent/ untested issuer, the issuer must be very likely to be able to freely access these markets through the cycle.
Liquidity	a/moderate	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
FFO interest coverage (x)	a+/moderate	5.5
DSCR	N/A	Subfactor not relevant to the issuer.
FX exposure	bbb/moderate	Some FX exposure on profitability and/or debt/cash flow match. Effective hedging in place.

Factor/Subfactor	Score/Outlook/Importance	Description
Governance	Good/—/moderate	
Ownership and decision-making concentration	Good/moderate	No concentration in ownership and/or decision-making. Presence of effective checks and balances. Key person risk is immaterial. Decision-making is defensible from a governance perspective.
Group structure transparency and contagion risk	Good/moderate	Transparent group structure. No contagion risks.
Information quality/transparency	Good/moderate	Timely and good provision of financial and operational information, facilitating the analysis of the credit profile.

Government Related Entity Analysis

GRE Key Risk Factors and Support Score

Responsibility to support	5.0
Decision-making and oversight	Strong
Precedents of support	Not Strong Enough
Incentives to support	0.0
Preservation of provision of public service or sovereignty or strategic assets	Not Strong Enough
Contagion risk	Not Strong Enough
Support score	5.0
Summary	
Supporting government	Finland
Government LT IDR	AA
Notching expression	—
GRE LT IDR	BBB+
LT IDR – Long-Term Issuer Default Rating. GRE – Government-related entity. SCP – Standalone Credit Profile. n.a. – Not applicable. Source: Fitch Ratings	

Government LT IDR	GRE SCP	GRE LT IDR
AAA	aaa	AAA
AA+	aa+	AA+
AA	aa	AA
AA-	aa-	AA-
A+	a+	A+
A	a	A
A-	a-	A-
BBB+	bbb+	BBB+
BBB	bbb	BBB
BBB-	bbb-	BBB-
BB+	bb+	BB+
BB	bb	BB
BB-	bb-	BB-
B+	b+	B+
B	b	B
B-	b-	B-
CCC+	ccc+	CCC+
CCC	ccc	CCC
CCC-	ccc-	CCC-
CC	cc	CC
C	c	C
RD	rd	RD
D	d	D
Source: Fitch Ratings		

Notching Guideline

	A	B	C	D	E	F	G
GRE's SCP — Government's IDR	Equal to or more than 45.0	Between 42.5 and 35.0 ^a	Between 32.5 and 30.0 ^a	Between 25.0 and 20.0 ^a	15.0 ^a	12.5	Equal to or less than 10.0
>0	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained
0	0	0	0	Standalone	Standalone	Standalone	Standalone
-1	0	0	0	+1 ^b	Standalone	Standalone	Standalone
-2	0	0	0	+1	Standalone	Standalone	Standalone
-3	0	0	-1	+1	Standalone	Standalone	Standalone
-4	0	-1	-2	+1	Standalone	Standalone	Standalone
-5	0	-1	-2	+2	+1	Standalone	Standalone
-6	0	-1	-2	+3	+2	+1	Standalone

Notching Guideline

	A	B	C	D	E	F	G
GRE's SCP — Government's IDR	Equal to or more than 45.0	Between 42.5 and 35.0 ^a	Between 32.5 and 30.0 ^a	Between 25.0 and 20.0 ^a	15.0 ^a	12.5	Equal to or less than 10.0
-7	0	-1	-2	+4	+2	+1	Standalone
-8	0	-1	-2	+4	+3	+1	Standalone
-9	0	-1	-2	+5	+3	+1	Standalone
-10	0	-2	-3	+5	+3	+1	Standalone
-11	-1	-2	-4	+5	+3	+1	Standalone
-12	-1	-3	-4	+5	+3	+1	Standalone
-13	-2	-3	-5	+5	+3	+1	Standalone
-14	-2	-3	-5	+5	+3	+1	Standalone
-15	-2	-3	-5	+5	+3	+1	Standalone
No SCP	0	-1	-2	-3	n.a.	n.a.	n.a.

^a Including those values.

^b Capped at government IDR minus one if the credit drivers of the GRE are largely similar to or interrelated with those of the government (typical for policy GREs).

Note: Columns A to C refer to notching down from the government IDR and columns D to F refer to notching up from the Standalone Credit Profile. See Fitch's *Government-Related Entities Rating Criteria* for more information.

GRE — Government-related entity.

SCP — Standalone Credit Profile.

LT IDR — Long-Term Issuer Default Rating.

n.a. — Not applicable.

Source: Fitch Ratings

Fitch's Key Rating-Case Assumptions

- 75% of 2026 volumes hedged at EUR39/MWh and 65% of 2027 volumes at EUR41/MWh
- Achieved prices including hedging at EUR50/MWh in 2026 and average of EUR47/MWh in 2027
- Annual CO₂-free electricity generation volumes at about 46 TWh on average over 2026-2027
- EBITDA averaging EUR1.2 billion a year in our rating case for 2026-2027
- Cost of debt close to 4% over 2026-2027
- Capex at about EUR0.6 billion a year in our rating case for 2026-2027
- Acquisition payment of Elmera equivalent to about EUR0.5 billion
- Dividends at about EUR0.6 billion a year for 2026-2027 (reflecting a 90% pay-out)

Liquidity and Debt Structure

As of June 2026, Fortum had a strong liquidity position, consisting of readily available cash of about EUR2.1 billion and undrawn committed credit lines of EUR4.3 billion, of which EUR1.6 billion is related to two bilateral revolving credit facilities maturing in January and June 2028. This comfortably covers EUR0.2 billion short-term debt maturities in 2H26-2027 and cumulative negative FCF of EUR0.8 billion over the same period.

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2026F	2027F
Available liquidity		
Beginning cash balance	2,902	1,246
Rating case FCF after acquisitions and divestitures	-764	-178
Total available liquidity (A)	2,138	1,068
Liquidity uses		
Debt maturities	-892	-15
Total liquidity uses (B)	-892	-15
Liquidity calculation		
Ending cash balance (A+B)	1,246	1,053
Revolver availability	4,300	4,300
Ending liquidity	5,546	5,353
Liquidity score (x)	7.2	357.9
Source: Fitch Ratings, Fitch Solutions, Fortum Oyj		

Scheduled Debt Maturities

(EURm)	31 Dec 2025
2026	892
2027	15
2028	520
2029	760
2030	313
Thereafter	1,900
Total	4,400
Source: Fitch Ratings, Fitch Solutions, Fortum Oyj	

Financial Data

(EURm)	2023	2024	2025	2026F	2027F
Summary income statement					
Gross revenue	6,711	5,800	4,989	5,499	6,587
Revenue growth (%)	-13.7	-13.6	-14.0	10.2	19.8
EBITDA before income from associates	1,881	1,530	1,219	1,258	1,191
EBITDA margin (%)	28.0	26.4	24.4	22.9	18.1
EBITDA after associates and minorities	1,897	1,544	1,242	1,271	1,205
EBITDAR	1,881	1,530	1,219	1,258	1,191
EBITDAR margin (%)	28.0	26.4	24.4	22.9	18.1
EBIT	1,543	1,176	922	960	864

EBIT margin (%)	23.0	20.3	18.5	17.5	13.1
Gross interest expense	-287	-234	-164	-162	-140
Pretax income including associate income/loss	1,584	1,399	936	854	781
Summary balance sheet					
Readily available cash and equivalents	4,183	4,136	2,902	1,734	1,781
Debt	5,467	4,521	4,400	4,069	4,274
Net debt	1,284	385	1,498	2,335	2,493
Lease-adjusted debt	5,467	4,521	4,400	4,069	4,274
Summary cash flow statement					
EBITDA	1,881	1,530	1,219	1,258	1,191
Cash interest paid	-226	-223	-171	-162	-140
Cash tax	-454	-196	-147	-109	-156
Dividends received less dividends paid to minorities (inflow/outflow)	16	14	23	13	14
Other items before FFO	128	-84	-143	-112	-22
FFO	1,498	1,277	894	961	930
FFO margin (%)	22.3	22.0	17.9	17.5	14.1
Change in working capital	191	95	-84	14	5
CFO (Fitch-defined)	1,689	1,372	810	975	935
Total nonoperating/nonrecurring cash flow	1,803	348	—	—	—
Capex	-576	-472	-499	—	—
Capital intensity (capex/revenue) (%)	8.6	8.1	10.0	—	—
Common dividends	-817	-1,032	-1,256	—	—
FCF	2,099	216	-945	—	—
FCF margin (%)	31.3	3.7	-18.9	—	—
Net acquisitions and divestitures	-36	734	-88	—	—
Other investing and financing cash flow items	-197	-44	-48	—	—
Net debt proceeds	-1,601	-953	-152	-331	205
Net equity proceeds	—	—	—	—	—
Total change in cash	265	-47	-1,234	-1,168	47
Calculations for forecast publication					
Capex, dividends, acquisitions and other items before FCF	374	-422	-1,843	-1,739	-1,113
FCF after acquisitions and divestitures	2,063	950	-1,033	-764	-178
FCF margin after net acquisitions (%)	30.7	16.4	-20.7	-13.9	-2.7
Gross leverage ratios (x)					
EBITDA leverage	2.9	2.9	3.5	3.2	3.5
EBITDAR leverage	2.9	2.9	3.5	3.2	3.5
FFO leverage	3.5	3.6	4.6	3.9	4.2
FFO adjusted leverage	3.5	3.6	4.6	3.9	4.2
(CFO-capex)/debt (%)	20.4	19.9	7.1	8.7	10.2
Net leverage ratios (x)					
EBITDA net leverage	0.7	0.3	1.2	1.8	2.1
EBITDAR net leverage	0.7	0.3	1.2	1.8	2.1

FFO net leverage	0.8	0.3	1.6	2.2	2.4
FFO adjusted net leverage	0.8	0.3	1.6	2.2	2.4
(CFO-capex)/net debt (%)	86.7	233.8	20.8	15.2	17.5
Coverage ratios (x)					
EBITDA interest coverage	8.4	6.9	7.3	7.9	8.6
EBITDAR fixed-charge coverage	8.4	6.9	7.3	7.9	8.6
EBITDAR net fixed-charge coverage	26.0	-118.8	21.4	14.3	12.5
FFO interest coverage	7.0	5.7	5.6	6.5	7.4
FFO fixed-charge coverage	7.0	5.7	5.6	6.5	7.4
CFO – Cash flow from operations					
Source: Fitch Ratings, Fitch Solutions					

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Fitch Adjusted Financials

(EURm as of 31 Dec 2025)	Notes and formulas	Standardised values	Lease treatment	Other adjustments	Adjusted values
Income statement summary					
Revenue		4,989	—	—	4,989
EBITDA	(a)	1,254	-20	-15	1,219
Depreciation and amortization		-315	18	—	-297
EBIT		939	-2	-15	922
Balance sheet summary					
Debt	(b)	4,641	—	-241	4,400
Of which other off-balance-sheet debt		—	—	—	—
Lease-equivalent debt		—	—	—	—
Lease-adjusted debt		4,641	—	-241	4,400
Readily available cash and equivalents	(c)	2,902	—	—	2,902

Not readily available cash and equivalents		—	—	—	—
Cash flow summary					
EBITDA	(a)	1,254	-20	-15	1,219
Dividends received from associates less dividends paid to minorities	(d)	23	—	—	23
Interest paid	(e)	-173	2	—	-171
Interest received	(f)	113	—	—	113
Preferred dividends paid	(g)	—	—	—	—
Cash tax paid		-147	—	—	-147
Other items before FFO		-158	—	15	-143
FFO	(h)	912	-18	—	894
Change in working capital		-72	—	-12	-84
CFO	(i)	840	-18	-12	810
Non-operating/nonrecurring cash flow		—	—	—	—
Capex	(j)	-499	—	—	-499
Common dividends paid		-1,256	—	—	-1,256
FCF		-915	-18	-12	-945
Gross leverage (x)					
EBITDA leverage	b / (a+d)	3.6	—	—	3.5
(CFO-capex)/debt (%)	(i+j) / b	7.3	—	—	7.1
Net leverage (x)					
EBITDA net leverage	(b-c) / (a+d)	1.4	—	—	1.2
(CFO-capex)/net debt (%)	(i+j) / (b-c)	19.6	—	—	20.8
Coverage (x)					
EBITDA interest coverage	(a+d) / (-e)	7.4	—	—	7.3
CFO – Cash flow from operations					
Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.					
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.					
Debt includes other off-balance-sheet debt.					
Debt in the standardised values column excludes lease liabilities of EUR105 million.					
Source: Fitch Ratings, Fitch Solutions, Fortum Oyj					

Peer Analysis

Fortum's closest peers are European generation companies RWE AG (BBB+/Stable) and Statkraft AS (BBB+/Stable; Standalone Credit Profile; SCP: bbb).

Statkraft is Europe's largest hydro generator and the leading power company in Norway (AAA/Stable). Statkraft is fully owned by the Norwegian government, and its rating includes a single-notch uplift that reflects stronger government links than Fortum's.

Statkraft benefits from a large, low-cost, and flexible hydro-asset base and a higher share of long-term contracted revenue. Fortum's earnings are more exposed to Nordic power prices, but it benefits from a large CO2-free generation mix (balanced between baseload nuclear and flexible hydro) and its customer solutions provide some vertical integration. Overall, we view Statkraft's debt capacity as better than Fortum's.

RWE is one of the largest utilities in Germany, with operations in several other European markets and worldwide. RWE derives 50%-60% of earnings from contracted generation (mostly wind and solar) but its exposure to coal is still a weakness versus peers. RWE remains more exposed to thermal generation than Fortum but has a much higher share of quasi-regulated business, which ultimately leads to a slightly higher debt capacity for RWE.

ERG S.p.A. (BBB-/Stable) is an independent producer of clean energy and the leading onshore wind power operator in Italy. ERG benefits from materially higher contracted revenue (generally through auctions or PPAs) than Fortum, which results in a higher debt capacity even though it is smaller in size and lacks hydro generation and integration into supply. ERG's lower rating solely reflects its higher leverage.

Navigator Peer Comparison

Issuer		Business profile (Score/Relative Importance)						Financial profile (Score/Relative Importance)					
Name	IDR/Outlook	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility				
Fortum Oyj	BBB+/Stable	bbb	bbb-	bbb+	bbb+	bbb-	bbb	bbb+	a-				
Alperia SpA	BBB/Positive	bbb	bbb	bbb+	bbb+	bbb-	bb+	bbb+	bbb+				
ERG S.p.A.	BBB-/Stable	bbb	bbb	bbb	bbb+	bbb	bbb	bb	a				
Orsted A/S	BBB/Stable	bbb-	bbb	a-	bbb+	bbb+	bb	bbb	a-				
RWE AG	BBB+/Stable	bbb	bbb	a-	bbb	bbb	bb+	bbb	a				
Statkraft AS	BBB+/Stable	bbb	bb+	a-	a-	bb	bb	bbb+	a-				

Relative importance: ■ Higher ■ Moderate ■ Lower

Source: Fitch Ratings

Issuer		Business profile (Score/Outlook)						Financial profile (Score/Outlook)					
Name	IDR/Outlook	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility				
Fortum Oyj	BBB+/Stable	bbb	bbb-	bbb+	bbb+	bbb-	bbb	bbb+	a-				
Alperia SpA	BBB/Positive	bbb	bbb	bbb+	bbb+	bbb-	bb+	bbb+	bbb+				
ERG S.p.A.	BBB-/Stable	bbb	bbb	bbb	bbb+	bbb	bbb	bb	a				
Orsted A/S	BBB/Stable	bbb-	bbb	a-	bbb+	bbb+	bb	bbb	a-				
RWE AG	BBB+/Stable	bbb	bbb	a-	bbb	bbb	bb+	bbb	a				
Statkraft AS	BBB+/Stable	bbb	bb+	a-	a-	bb	bb	bbb+	a-				

Rating categories: ■ b+/cc ■ bb ■ bbb ■ a ■ aa ▲▼ Factor outlook direction.

Source: Fitch Ratings

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	EBITDA (EURm)	FFO (EURm)	FCF after acquisitions and divestitures (EURm)	FFO net leverage (x)	FFO interest coverage (x)
Fortum Oyj	BBB+						
	BBB+	2025	1,219	894	-1,033	1.6	5.6
	BBB	2024	1,530	1,277	950	0.3	5.7
	BBB	2023	1,881	1,498	2,063	0.8	7.0
Alperia SpA	BBB						
	BBB	2025	429	249	194	1.4	8.5
	BBB	2024	504	428	-9	1.1	9.3
	BBB	2023	312	181	605	2.3	4.9
ERG S.p.A.	BBB-						
	BBB-	2025	507	395	42	4.5	14.7
	BBB-	2024	517	430	-232	4.1	28.0
	BBB-	2023	520	471	220	3.0	50.9
Orsted A/S	BBB						
	BBB	2025	2,847	1,882	-2,673	1.4	3.3
	BBB+	2024	3,104	1,885	-1,496	3.9	3.4
	BBB+	2023	2,891	2,059	-1,284	2.9	3.9
RWE AG	BBB+						
	BBB+	2024	5,007	3,106	-5,337	0.7	4.9
	BBB+	2023	7,554	7,190	-5,719	-0.3	7.7

	BBB+	2022	5,899	7,408	-2,983	-0.5	10.1
Statkraft AS	BBB+						
	A-	2024	2,803	1,067	-2,970	3.6	6.0
	A-	2023	3,832	1,481	-2,290	0.6	13.7
	A-	2022	5,285	3,940	2,030	-0.5	42.6

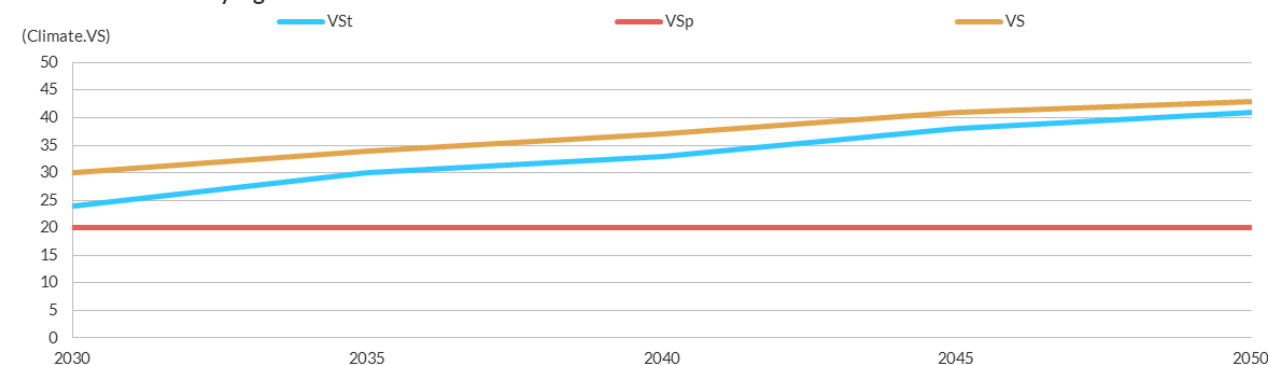
Source: Fitch Ratings, Fitch Solutions

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#).

The results of our Climate.VS screener did not indicate an elevated risk for Fortum Oyj.

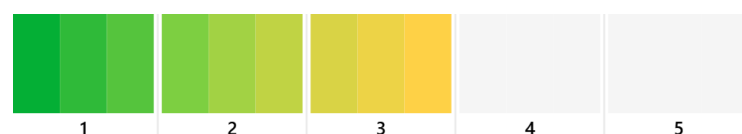
Climate Vulnerability Signals



Source: Fitch Ratings

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.



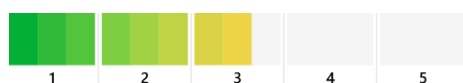
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Emissions from operations	Diversification and Asset Quality
Energy Management	3	Fuel use to generate energy and serve load	Diversification and Asset Quality; Company Operational Characteristics; Profitability
Water & Wastewater Management	3	Water used by hydro plants or by other generation plants, also effluent management	Diversification and Asset Quality; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Diversification and Asset Quality; Profitability
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Diversification and Asset Quality; Profitability



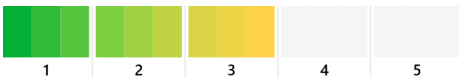
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Diversification and Asset Quality; Company Operational Characteristics; Profitability
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Diversification and Asset Quality
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Diversification and Asset Quality; Profitability
Employee Wellbeing	2	Worker safety and accident prevention	Diversification and Asset Quality
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Diversification and Asset Quality; Company Operational Characteristics; Profitability; Financial Structure



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Strategy development and implementation	Management; Governance; Financial Structure
Governance Structure	3	Board independence and effectiveness; ownership concentration	Governance
Group Structure	3	Complexity, transparency and related-party transactions	Governance; Market and Competitive Positioning; Company Operational Characteristics
Financial Transparency	3	Quality and timing of financial disclosure	Governance



ESG Scoring

ESG relevance scores range from ‘1’ to ‘5’ based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer’s overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch’s credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer’s credit rating (corresponding with scores of ‘3’, ‘4’ or ‘5’). All scores of ‘4’ and ‘5’ are assumed to reflect a negative impact unless indicated with a ‘+’ sign for positive impact.

Classification of ESG issues has been developed from Fitch’s sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to ‘Higher’ relative importance within the Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to ‘Moderate’ relative importance within the Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to ‘Lower’ relative importance within the Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

Fortum Oyj

Long-Term IDR	BBB+
Short-Term IDR	F2
Senior Unsecured Debt - Long-Term Rating	BBB+
Outlook	
Long-Term Foreign-Currency IDR	Stable

[Click here for the full list of ratings](#)

ESG and Climate

Highest ESG Relevance Scores	
Environmental	3
Social	3
Governance	3
2035 Climate Vulnerability Signal	34
Transition (Climate.VSt)	30
Physical (Climate.VSp)	20

Applicable Criteria

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)
Government-Related Entities Rating Criteria (July 2025)
Corporate Rating Criteria (January 2026)
Sector Navigators – Addendum to the Corporate Rating Criteria (January 2026)

Related Research

European Investment-Grade Electricity Generation – Peer Credit Analysis (September 2026)

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