Fortum January–March 2025 Interim Report: Solid achieved power price driven by successful power generation optimisation

FORTUM CORPORATION INTERIM REPORT 29 APRIL 2025 AT 9:00 EEST

This release is a summary of Fortum's January–March 2025 Interim Report. The complete report is attached to this release as a PDF file. It is also available on the company's website at www.fortum.com/investors.

Solid achieved power price driven by successful power generation optimisation

January–March 2025

- Comparable EBITDA was EUR 538 (622) million.
- Comparable operating profit was EUR 462 (530) million.
- Operating profit was EUR 470 (571) million.
- Comparable earnings per share were EUR 0.42 (0.48).
- Earnings per share were EUR 0.40 (0.53).
- Cash flow from operating activities totalled EUR 453 (538) million.

Summary of outlook

- The Generation segment's estimated Nordic generation hedges: approximately 75% at EUR 40 per MWh for the remainder of 2025 and approximately 50% at EUR 41 per MWh for 2026.
- UPDATE: For 2025, the annual optimisation premium included in the achieved power price for the whole outright portfolio is estimated to be in the range of 7–9 EUR/MWh (previously: 6–8 EUR/MWh).
- Capital expenditure for 2025–2027, including maintenance but excluding acquisitions, is expected to be approximately EUR 1.4 billion, of which annual growth capital expenditure is expected to be EUR 150–300 million and annual maintenance capital expenditure EUR 250 million.

Key figures

EUR million or as indicated	I/2025	I/2024	2024	LTM
Reported				
Sales	1,642	2,015	5,800	5,427
Operating profit	470	571	1,325	1,224
Share of profit of associates and joint ventures	9	21	19	7
Net profit (after non-controlling interests)	363	471	1,164	1,056
Earnings per share, EUR	0.40	0.53	1.30	1.17
Net cash from operating activities	453	538	1,392	1,307

EUR million or as indicated	I/2025	I/2024	2024	LTM
Comparable				
EBITDA	538	622	1,556	1,472
Operating profit	462	530	1,178	1,110
Share of profit of associates and joint ventures	8	12	-30	-34
Net profit (after non-controlling interests)	374	430	900	845

Earnings per share, EUR	0.42	0.48	1.00	0.94
EUR million or as indicated			**LTM**	**2024**
Financial position				
Financial net debt (at period-end)			13	367
Financial net debt/comparable EBITDA			0.0	0.2

Fortum’s President and CEO Markus Rauramo:

"During the first quarter of 2025, warm temperatures and strong hydro inflows further increased reservoir levels to exceptionally high levels, which put pressure on spot power prices in the Nordic region. Due to the mild weather and unchanged industrial demand, Nordic power demand was still slightly below pre-energy crisis levels.

Despite the lower Nordic spot prices, we were able to reach a very good achieved power price through successful operation and optimisation of our versatile low-carbon fleet. Our achieved power price was at a very good level of approximately 60 EUR/MWh, supported by a robust, double-digit optimisation premium, which was above the premium of the first quarter of 2024. Due to increased power price volatility on the Nordic market, we update our annual optimisation premium guidance to 7–9 EUR/MWh for the year 2025. For the following years, we keep the guidance at 6–8 EUR/MWh. The optimisation premium mainly consists of the physical optimisation of our hydropower fleet and the sale of environmental values, mainly guarantees of origin, which typically sees a peak in the first quarter.

Compared to the first quarter of 2024, the Generation segment’s result declined due to lower spot and hedge prices and reduced hydro and nuclear volumes, partly offset by physical optimisation and improved performance in the renewables and decarbonisation business. The Consumer Solutions segment recorded its strongest comparable operating profit quarterly result so far, driven by improved gas margins in Poland and synergies from the brand mergers completed in 2024. The Other Operations segment also saw an improvement in its comparable result.

Our financial position remains strong. At the end of the first quarter, our financial net debt was practically zero, and our leverage ratio stood at 0.0 times, as the 2024 dividend was paid in the second quarter.

During the first quarter, Fortum announced the results of its extensive feasibility study exploring the prerequisites for new nuclear in Finland and Sweden. The study concluded that with the current power market outlook, new nuclear is not economically viable on a merchant basis only. We will continue to develop new nuclear as a long-term option to meet projected customer demand growth. We also started a feasibility study to explore possibilities for flexible long-duration pumped-storage hydropower in Sweden as a complement to other flexibility solutions, including batteries and electrified district heating.

Uncertainty in the operating environment has increased during and after the first quarter due to ongoing geopolitical conflicts and uncertain US tariff plans. However, we continue to see robust underlying customer demand from various industrial sectors, which we believe reflects the power demand growth longer term, although no significant new Power Purchase Agreements (PPAs) have been signed. Currently, customers are focusing more on short- and mid-term contracts over the next 3-5 years.

The heightened geopolitical risks and reduced visibility may pose challenges to major industrial investments in the Nordics. Therefore, ensuring a consistent and predictable regulatory environment in the Nordics is crucial as it enables economic growth and supports long-term investment strategies. We continue to build preparedness for future growth by developing, among others, a renewables ready-to-build pipeline to meet customer needs."

Espoo, 28 April 2025

Fortum Corporation
Board of Directors

Webcast/teleconference

A combined live webcast/teleconference for media, investors, and analysts will be arranged online on 29 April 2025 at 11:00 EEST on Fortum's website: http://fortum.events.inderes.com/q1-2025

To ask questions, please join the teleconference by registering using the following link: http://palvelu.flik.fi/teleconference/?id=50050244. After the registration you will be provided with phone numbers and a conference ID to access the conference. To ask a question, please press *5 on your telephone keypad to enter the queue.

A recording of the webcast, as well as the transcript will be published after the event at www.fortum.com/investors.

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Fortum's interim reports in 2025

- January-June on 15 August 2025 at approx. 9.00 EEST
- January-September on 29 October 2025 at approx. 9.00 EET

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Fortum
Fortum is a Nordic energy company. We generate and deliver reliable energy to our customers and the Nordic energy system while at the same time helping industries decarbonise their processes and grow. Our core operations comprise efficient and best-in-class low-carbon power generation, customer services, and heating and cooling. Fortum's power generation is already 99% from renewable or nuclear sources with one of the lowest specific CO2-emissions in Europe. We are guided by our ambitious SBTi-validated emission reduction targets on our way towards net-zero by 2040. For our ~4,500 employees, we commit to be a safe and inspiring workplace. Fortum's share is listed on Nasdaq Helsinki. fortum.com