

Fortum to set new financial targets by the end of the year, current targets removed

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Fortum aims to revise its long-term financial targets by the end of 2020 at the latest. Following the consolidation of Uniper, Fortum's business profile has changed and Fortum has concluded that the current long-term financial targets do not appropriately reflect the Group's current business profile. Today, Fortum's Board of Directors consequently decided to remove the following targets as of the first quarter 2020:

- Return on capital employed of at least 10%
- Comparable net debt-to-EBITDA of around 2.5x

Fortum's dividend policy, however, remains intact:

- Fortum's dividend policy is to pay a stable, sustainable, and over time increasing dividend of 50-80% of earnings per share excluding one-time items

Fortum targets to have a solid investment grade rating of at least BBB to maintain its financial strength, preserve financial flexibility, and good access to capital markets for the enlarged Group. Fortum and Uniper will carefully manage their balance sheets going forward, focusing on profitability, optimising of cash flow, and tight prioritising of capital expenditure in the current market and business environment.

As one financial metric, Fortum will closely monitor that its comparable net debt-to-EBITDA ratio remains at a level that ensures a credit rating of at least BBB. For now, no specific target has been set for the comparable net debt-to-EBITDA ratio. Following the consolidation of Uniper, Fortum has new net debt definitions as described in Fortum's first quarter interim report 2020.

Together with Uniper, the ambition is to develop a joint vision and achieve strategic alignment between the companies during 2020. By the end of the year at the latest, Fortum aims to set new long-term financial targets for the enlarged Group and ambitious decarbonisation targets covering the combined operations of both companies.

Fortum Corporation

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Fortum

Fortum is a leading clean-energy company that provides its customers with electricity, heating and cooling as well as smart solutions to improve resource efficiency. We want to engage our customers and society to join the change for a cleaner world. We employ more than 8,000 professionals in the Nordic and Baltic countries, Russia, Poland and India. In 2019, our sales were EUR 5.4 billion and 59% of our electricity generation was CO2 free. Fortum's share is listed on Nasdaq Helsinki. www.fortum.com