



# S&P Global Ratings affirms Fortum's long-term rating of BBB and downgrades Uniper to BBB-, both with negative outlook

FORTUM CORPORATION INVESTOR NEWS ON 16 MAY 2022 AT 20:23

S&P Global Ratings (S&P) has resolved Fortum's Credit Watch Negative placement by affirming the current BBB long-term credit rating with negative outlook. Fortum's subsidiary Uniper's long-term credit rating was downgraded by one notch from BBB to BBB- also with negative outlook. S&P also confirms Fortum's liquidity as 'adequate' and business risk as 'satisfactory'. Both Fortum and Uniper have had the investment grade rating of BBB from S&P since 2018.

According to S&P, the rating outcome reflects a weakened business profile due to the Group's Russian exposure and the risk of gas market disruptions is not expected to dissipate in the short term. In the long term, S&P sees weakening earnings visibility for Uniper's asset portfolio and significant risks to Uniper's business position due to the current market and geopolitical conditions. For Fortum, the rating agency sees a risk of deteriorating credit ratios due to potential funding needs for Uniper. The negative outlooks reflect the rating agency's view that risks in the European gas market due to the ongoing Russia-Ukraine war will continue in the short term.

The risk of a Russian gas flow curtailment and related financial ramifications is difficult to quantify, given Uniper's exposure and extremely volatile gas prices. However, there are also mitigating factors. In case of a larger German gas curtailment, Germany is in the process of passing a revision of its Energy Security Law that would provide a mechanism for gas suppliers to transfer incremental gas procurement costs to its customers. In addition, to reduce the Group's Russian exposure, Fortum announced last week that it is preparing a controlled exit from Russia with potential divestments as the preferred path. Also Uniper has been preparing a possible divestment of its separately listed subsidiary Unipro and the process will be resumed as soon as possible.

Fortum's objective is to have a solid investment grade rating of at least BBB to preserve financial flexibility and good access to capital markets. At the end of March 2022, Fortum Group had access to almost EUR 6 billion undrawn committed short- and long-term financing, and possessed liquid funds of EUR 6.4 billion. Fortum's financial net debt-to-comparable EBITDA ratio was at 1.0 times, clearly below the target level of <2.0 times.

Today Fortum signed a commitment letter with Barclays and BNP Paribas for underwriting of a new long-term EUR 5.5 billion revolving credit facility. This facility replaces the EUR 1.75 billion revolving credit facility with a maturity in June 2023 and the EUR 3 billion facility with a maturity in July 2022.

For further details on the Uniper rating, please see Uniper's stock exchange release ('ad hoc') as published today.

Link: [Uniper Downgraded To 'BBB-' On Exposure To Russia, Fortum Affirmed At 'BBB'; Outlooks On Both Negative](#)

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**Fortum**

Fortum and Uniper form a European energy group committed to enabling a successful transition to carbon neutrality for everyone. Our 50 gigawatts of power generating capacity, substantial gas import and storage operations, and our global energy trading business enable us to provide Europe and other regions with a reliable supply of low-carbon energy. We are already Europe's third largest producer of CO<sub>2</sub>-free electricity, and our growth businesses focus on clean power, low-carbon energy, and the infrastructure for tomorrow's hydrogen economy. In addition, we design solutions that help companies and cities reduce their environmental footprint. Our 20,000 professionals and operations in 40 countries give us the skills, resources, and reach to empower the energy evolution toward a cleaner world.  
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