



Stock exchange release

Fortum January–September 2024 Interim Report: Resilient performance amid seasonally low Nordic power prices

Feedback

October 29, 2024 at 08:00 AM

FORTUM CORPORATION JANUARY–SEPTEMBER INTERIM REPORT 29
OCTOBER 2024 AT 9:00 EET

This release is a summary of Fortum's January–September 2024 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

Resilient performance amid seasonally low Nordic power prices

July–September 2024

- Comparable EBITDA was EUR 254 (318) million.
- Comparable operating profit was EUR 158 (226) million.
- Operating profit was EUR 123 (251) million.

- Comparable earnings per share were EUR 0.14 (0.23).
- Earnings per share were EUR 0.14 (0.21).
- Cash flow from operating activities totalled EUR 349 (429) million.

January–September 2024

- Comparable EBITDA was EUR 1,202 (1,443) million.
- Comparable operating profit was EUR 921 (1,186) million.
- Operating profit was EUR 935 (1,286) million.
- Comparable earnings per share were EUR 0.82 (0.93).
- Earnings per share were EUR 0.91 (1.23).
- Cash flow from operating activities totalled EUR 1,225 (1,561) million.
- In the second quarter of 2024, Fortum recorded in the comparable operating profit a sales gain of EUR 16 million from the divestment of its remaining share of its Indian solar power portfolio.
- On 18 July, Fortum signed an agreement to sell its recycling and waste business for approximately EUR 800 million. The transaction is expected to be completed in the fourth quarter of 2024.

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Summary of outlook

- The Generation segment's Nordic outright generation hedges: approximately 80% at 44 EUR/MWh for the remainder of 2024, approximately 65% at 42 EUR/MWh for 2025 and approximately 40% at 41 EUR/MWh for 2026. As of the first quarter of 2024, the hedge ratios and prices also include the Group's wind generation volumes.
- The current annual outright portfolio amounts to approximately 47 TWh, an increase of approximately 2 TWh due to the commissioning of Olkiluoto nuclear power plant's third unit and the Pjelax wind farm.
- Capital expenditure in 2024 is expected to be approximately EUR 550 million, of which the maintenance capital expenditure is EUR 300 million.

- From 2025 onwards, the Group's annual maintenance capital expenditure is expected to be EUR 250 million. Due to the lower annual maintenance capital expenditure, Fortum's capital expenditure (excluding acquisitions) for 2024–2026 is expected to be up to EUR 1.6 billion.

Key figures, continuing operations

EUR million or as indicated	III/2024	III/2023	I- III/2024	I- III/2023
Reported				
Sales	1,094	1,220	4,365	4,853
Operating profit	123	251	935	1,286
Share of profit/loss of associates and joint ventures	34	-9	57	-30
Net profit	133	187	822	1,102
Net profit (after non-	132	188	820	1,104

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controlling
interests)

Earnings
per share,
EUR

0.14	0.21	0.91	1.23
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Net cash
from
operating
activities

349	429	1,225	1,561
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**EUR million
or as
indicated**

III/2024	III/2023	I- III/2024	I- III/2023
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Comparable

EBITDA	254	318	1,202	1,443
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Operating profit	158	226	921	1,186
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Share of profit/loss of associates and joint ventures	-5	9	5	-24
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Net profit (after non- controlling interests)	117	204	731	833
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Earnings per share, EUR	0.14	0.23	0.82	0.93
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EUR million or as indicated **LTM** **2023**

Financial position

Financial net debt (at period-end) 655 942

Financial net debt/comparable EBITDA 0.4 0.5

Key figures, total of continuing and discontinued operations

Fortum's condensed consolidated income statement and consolidated cash flow statement include the Russia segment as discontinued operations in 2023.

EUR million or as indicated	III/2024	III/2023	I- III/2024	III/2023
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Reported

Net profit (after non- controlling interests)	132	188	820	-2,479
Earnings per share, EUR	0.14	0.21	0.91	-2.76
Net cash from operating activities	349	429	1,225	1,670

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Comparable

Net profit (after non- controlling interests)	117	204	731	867
Earnings per share, EUR	0.14	0.23	0.82	0.97

Fortum's President and CEO Markus Rauramo:

“The third quarter is typically a seasonally low quarter with lower power prices and volumes. In July and August, Nordic spot prices were pressured by high precipitation, good nuclear availability and increasing wind and solar output. In September, drier conditions and nuclear outages due to both planned maintenance and unexpected technical issues increased the prices. In Finland,

the price coupled strongly with Estonia on low wind days especially after the Estlink 2 transmission line returned to operation in early September after a long break. Overall, Nordic energy demand has recovered to pre-crisis levels and non-industrial demand is strong throughout the Nordics; Finnish and Swedish industrial demand, however, is still lagging.

The lower spot prices affected especially the Generation segment's result, but with our versatile and competitive CO₂-free fleet, successful hedging and a solid optimisation premium our achieved power price reached a good level, and we recorded a resilient result. Compared to the third quarter of 2023, the main reasons for the Generation segment's lower result were the lower achieved power price and lower hydro volumes, partly offset by the improved result in the renewables and decarbonisation business. The result decreased in the Consumer Solutions segment and improved in the Other Operations segment.

The strategic review of our Circular Solutions business took a next step during the third quarter. In July, we signed an agreement to sell our recycling and waste business to Summa Equity for approximately EUR 800 million. Based on the balance sheet available at signing, we would record a tax-exempt capital gain of approximately EUR 110 million. However, the final capital gain will depend on the balance sheet value at closing, expected to take place in the fourth quarter. In September, we announced that we had signed an agreement to sell our ownership in Chempolis Oy, including all Fortum's biobased solutions businesses, and the shares in the holding company of Assam Bio Ethanol Pvt Ltd in India to AM Green Technology & Solutions B.V. The transaction will not have any material financial impact on Fortum Group's result.

We continue our strategy implementation. On our strategic priority to deliver reliable and clean energy, we are focused on optimising and strengthening our core operations for power generation. At the Loviisa nuclear power plant, we reached an important milestone in securing a reliable Western alternative for fuel supply by loading the first batch of Westinghouse fuel in August. The lifetime extension of our Loviisa nuclear power plant is also progressing well with, e.g., the automation upgrade of the turbine protection and control

systems of both power plant units. We are very happy to see that there is demand for long Power Purchase Agreements (PPAs) also for nuclear power in other parts of the world. The Loviisa lifetime extension provides a 1,000-MW extension for 22 years until 2050, and we are well positioned to offer reliable CO₂-free base load power to our industrial customers. In Sweden, Fortum, together with its co-owned nuclear plants' other owners, has decided to investigate extending the operating lifetime of also the Oskarshamn and Forsmark plants to 80 years.

On our strategic priority to drive decarbonisation of industries we continued the development of several potential sites across Finland that can be offered to our customers for data centre or industrial use. One of these is a site in Rauma, where we are developing a site for a sustainable synthetic aviation fuel (eSAF) plant together with Norsk e-Fuel and Port of Rauma.


Within the scope of our strategic priority to transform and develop, we continued our efforts for the efficiency improvement programme with the target to gradually lower annual fixed costs by EUR 100 million (excluding inflation) by the end of 2025 with a full run-rate from the beginning of 2026. Fortum expects to reduce its recurring fixed cost base by more than EUR 50 million by the end of 2024.


In September, the new EU College of Commissioners was introduced with a view to formally take the office at the end of the year. Their mission letters emphasise industrial competitiveness alongside commitment to climate targets and energy affordability. Energy plays a significant role in these, and Fortum will actively engage in influencing these initiatives to ensure they support a competitive and sustainable future. Increased clean power supply through ambitious deployment of all low-carbon electricity sources is a necessity for competitive decarbonisation of Europe's industries."

Espoo, 28 October 2024

Fortum Corporation
Board of Directors

Webcast/teleconference

A combined live webcast/teleconference for investors, analysts and media will be arranged online on 29 October 2024 at 11:00 EET on Fortum's web site at <https://fortum.videosync.fi/q3-2024-results> .

To ask questions, please join the teleconference by registering using the following link: <http://palvelu.flik.fi/teleconference/?id=10011769> . 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.

Further information:

Investor Relations and Financial Communications: Ingela Ulfves, tel. +358 40 515 1531, Rauno Tiihonen, tel. +358 10 453 6150, Siri Markula tel. +358 40 743 2177, Pirjo Lifländer, tel. +358 40 643 3317, and investors [at] fortum.com

Media: Fortum News Desk, tel. +358 40 198 2843

Financial calendar

Fortum's Financial Statements Bulletin for the year 2024 will be published on 11 February 2025 at approximately 9.00 EET. The Financial Statements and Operating and Financial Review for 2024 will be published during week 8, starting on 17 February 2025, at the latest.

Fortum will publish three interim reports in 2025:

- January-March Interim Report on 29 April 2025 at approximately 9.00 EEST
- January-June Half-year Financial Report on 15 August 2025 at approximately 9.00 EEST

- January–September Interim Report on 29 October 2025 at approximately 9.00 EET

The Annual General Meeting 2025 of Fortum Corporation is planned to be held on 1 April 2025. The Board of Directors will summon the Annual General Meeting and publish the dates related to a possible dividend at a later date.

Distribution:

Nasdaq Helsinki

Key media

www.fortum.com

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Interim report

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Our mission

The Nordic Fortum of the new age is a unifying force that acts as a bridge builder and creator of new connections in industry and society. The direction of the green transition will be decided in the coming years.

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