

Fingrid Oyj

Rating Type	Rating	Outlook	Last Rating Action
Long-Term IDR	A+	Stable	Affirmed 10 November 2017
Short-Term IDR	F1		Affirmed 10 November 2017

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

Financial Summary

(EUR 000)	Dec 2015	Dec 2016	Dec 2017F	Dec 2018F
Gross Revenue	600,224	586,120	629,500	618,700
Operating EBITDAR Margin (%)	47.2	44.2	42.4	42.7
FFO Margin (%)	39.0	33.9	33.9	34.0
FFO Fixed Charge Coverage (x)	9.3	8.3	9.4	9.5
FFO Adjusted Leverage (x)	4.5	5.0	4.7	4.7

Source: Fitch

Fitch Ratings affirmed Finnish utility Fingrid Oyj's Long-Term Issuer Default Rating (IDR) at 'A+', Short-Term IDR at 'F1' and senior unsecured rating at 'AA-' on 10 November 2017. The Outlook on the Long-Term IDR is Stable.

The affirmation reflected the good visibility on the company's results until 2023 (the same regulatory model is applied through 2016-2023), the supportive features of the regulatory framework in Finland, and Fingrid's conservative financial structure.

We expect funds from operations (FFO) net adjusted leverage to be compatible with the 'A+' rating until 2020-2021, with some uncertainty for the last years of the regulatory period as the rolling 10-year average of the Finnish government bond yield, one of the allowed return drivers, gradually declines. The interest coverage and the net debt to regulatory asset base (RAB) ratios are comfortably positioned for the rating, at around 10x and in the range of 35%-40%, respectively.

Key Rating Drivers

Supportive Regulatory Framework: The regulatory environment in Finland is among the most supportive in EMEA, with a long track record of ex-ante regulation, long regulatory periods (currently 2016-2023, with one item (risk premium of debt) updated for the 2020-2023 period) and a cooperative interaction with its independent regulator, The Finnish Energy Authority Energiavirasto. Under Finnish law, Fingrid can set its own tariffs within the limits of the maximum allowed profit defined by the authority for each period. The company establishes its capex programme and has good control over the pattern of its results, limiting cash-flow volatility in single years.

Declining Allowed Returns: The pre-tax nominal weighted average cost of capital (WACC) of 6.19% defined for 2017 allows Fingrid to earn adequate returns on its RAB. However, we expect the WACC to decline to around 4.2% by 2023, as the key risk-free rate is defined as the higher of the 10-year Finnish government bond yield observed on average in the previous year (April-September), or the average of the previous 10 years. This mechanism will reduce the earnings of the group toward the end of the regulatory period, weakening leverage metrics. However, we consider that the current headroom is adequate to support the Stable Outlook.

Favourable Treatment of Congestion Income: Fingrid receives congestion income related to the price differential between Finland and other Nordpool price areas (mostly Sweden). Cash received from congestion income is unrestricted, but under EU law, this income must be used for reducing cross-border congestion or it will be treated as regulated income. We do not consider congestion income within the FFO calculation. However, we see congestion income as a positive factor for Fingrid's cash flows, since it funds part of the company's planned capex.

Low Risk of Underperformance: Fingrid benefits from an ability to pass on its operational costs to tariffs, as the efficiency requirements embedded in the allowed profit have only negligible financial impact. The company has been consistently ranked among the most efficient transmission system operators in global peer studies, demonstrating strong operational efficiency.

Manageable Capex, Efficient Opex: Fitch expects capex to be lower than in the previous regulatory period, averaging around EUR110 million over 2017-2023 (compared with a peak of EUR229 million in 2013). Fingrid's ongoing investment programme is focused on the reinforcement of the Finnish high-voltage transmission grid and increasing links between the north and south of the country to avoid bottlenecks in the network. The company has significant flexibility in scheduling most of the investments and also benefits from a low cost structure supported by the tendering of the majority of its operating expenses.

Low Leverage Supports Rising Dividends: Fingrid's conservative leverage is a reflection of the low risk tolerance of the shareholders and management. Net debt/RAB was around 35% in 2016 and we expect that it will remain below 40% throughout the remainder of this regulatory period. Dividends are increasing in this regulatory period (EUR98 million in 2017 from EUR65 million in 2015), due to Fingrid's policy of distributing nearly all profits. However, the current dividend policy is consistent with broadly stable FFO net adjusted leverage of around 4.5x until 2020, due to the manageable capex level. The subsequent trend will also depend on the evolution of the risk-free rate.

Parent and Subsidiary Linkage: The current rating does not incorporate any uplift for parental support. The Finnish state (AA+/Stable) holds a controlling stake in Fingrid (53.1% of shares; 70.9% of voting rights), and in 2016 it defined a minimum level of shareholding of 50.1% in the company. However, Fingrid operates on an entirely commercial basis, with no meaningful legal links or recent tangible support received from its majority owner. Therefore, our ratings only reflect the standalone profile of the company.

Rating Derivation Relative to Peers

Rating Derivation versus Peers	
Peer Comparison	Fingrid's rating of 'A+' is the highest that Fitch assigns to a regulated network in Europe, reflecting a very strong business and financial profile. The company benefits from a benign regulatory framework, which includes the possibility to set its own tariffs in the context of the allowed profits defined by the authority. This is unique for a European network. Fingrid's financial leverage is lower than most of its peers, including Terna S.p.A. (BBB+/Stable) and National Grid Electricity Transmission plc (A-/Stable). Red Electrica Corporacion S.A. (A/Stable) has a similar level of leverage but a lower rating due to a less mature regulatory framework (on top of constraints related to the sovereign).
Parent/Subsidiary Linkage	Parent/subsidiary linkage is applicable. Finland is the majority shareholder of the group, but we believe that, overall, the links with the company do not justify an uplift of the rating.
Country Ceiling	No Country Ceiling constraint was in effect for these ratings.
Operating Environment	No operating environment influence was in effect for these ratings.
Other Factors	n.a.
Source: Fitch	

Rating Sensitivities

Future Developments That May, Individually or Collectively, Lead to Positive Rating Action

- An upgrade is unlikely reflecting the sector profile.
- However, evidence of stronger links with the parent (eg tangible government support) may be positive for the rating.

Future Developments That May, Individually or Collectively, Lead to Negative Rating Action

- FFO adjusted net leverage above 4.7x, net debt/RAB above 45%, or FFO interest coverage falling below 6.5x on a sustained basis may lead to a downgrade.

Liquidity and Debt Structure

Good Liquidity: Fingrid's funding position is adequate to cover short-term debt maturities of about EUR328 million to September 2018. Fingrid has a financial policy to hold cash and undrawn credit facilities to cover a minimum of 110% of short-term debt. The company's liquidity profile is further supported by predictable operating cash flow and a well-diversified debt maturity profile (less than 30% of total debt maturing in any given year). Fingrid has a EUR300 million revolving credit facility maturing in 2022, undrawn at September 2017. Readily available cash stood at EUR133 million. We expect Fingrid to generate broadly neutral free cash flow throughout 2018.

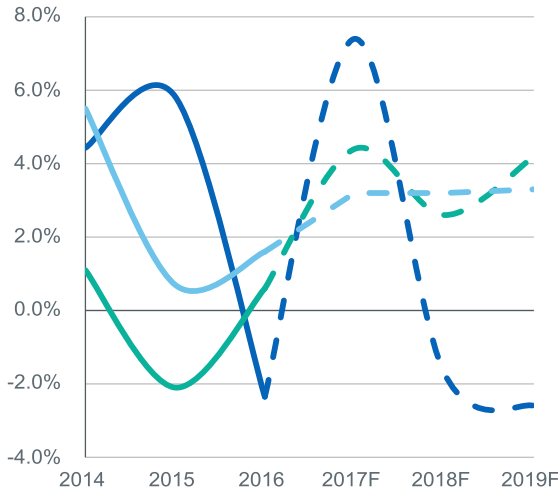
Debt Maturities and Liquidity at 30 Sept 2017

Debt Maturities	(EURm)
October 2017 – September 2018	328
2018	83
2019	62
2020	31
2021	41
After 2021	621
Total debt	1,164
Liquidity Analysis (EURm)	
Unrestricted cash	133
Committed banking facilities	300
Available undrawn portion	300
Total liquidity	433
Fitch forecast 2017 FCF (post dividend)	4.8
Short-term debt	328
Liquidity score (x)	1.3
Source: Fitch	

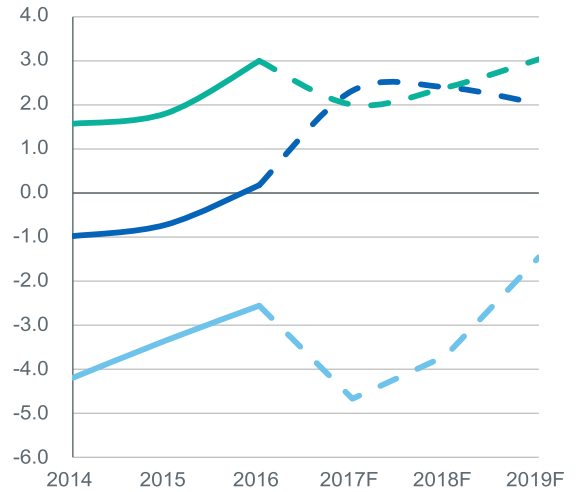
Trends and Forecasts

Fingrid Oyj — A+ Median — Utilities Median

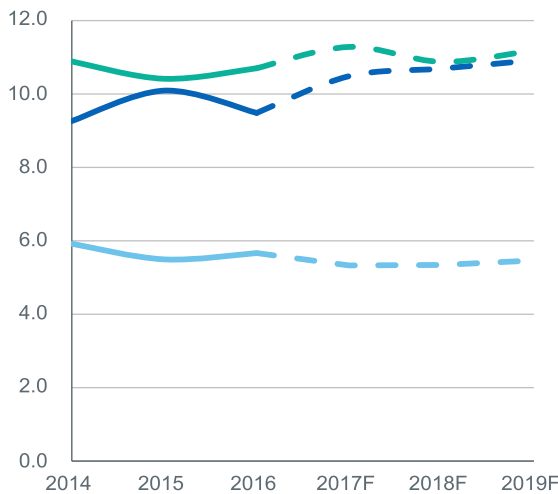
Revenue Growth (%)



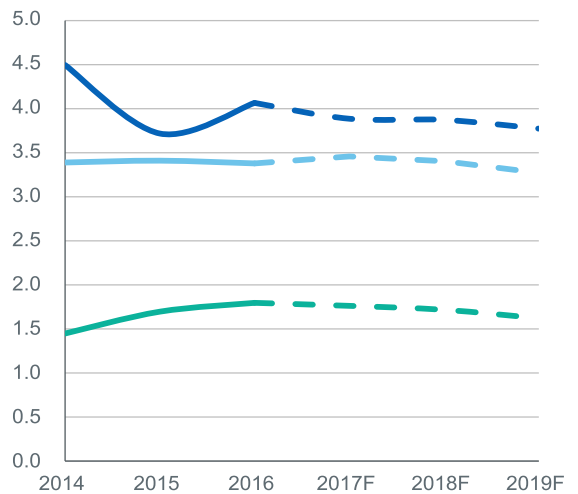
FCF Margin (%)



EBITDAR Fixed Charge Cover (x)



EBITDAR Net Leverage (x)



Note: Including Fitch expectations
Source: Fitch

Definitions

Revenue Growth: Percentage growth in revenues since previous reporting period.

FCF Margin: FCF divided by Revenues.

EBITDAR Fixed Charge Cover: Operating EBITDA+ Operating Lease Expense for Capitalised Leased Assets + Recurring Dividends received from Associates and Equity Method Investments - Dividends paid to Minorities (or, alternatively, net income attributable to non-controlling interests) divided by Gross Interest Expense + Operating Lease Expense for Capitalised Leased Assets.

EBITDAR Net Leverage: Total Adjusted Debt with Equity Credit - Readily Available Cash & Equivalents divided by Operating EBITDA + Operating Lease Expense for Capitalised Leased Assets + Recurring Dividends received from Associates and Equity Method Investments - Dividends paid to Minorities (or, alternatively, net income attributable to non-controlling interests).

Key Assumptions

Fitch's key assumptions within our rating case for the issuer include:

- pre-tax WACC declining to around 4.2% by 2023;
- congestion income of between EUR17 million and EUR27 million per year until 2020, though this is not included in EBITDA or FFO as it is excluded from allowed profits;
- Fingrid to achieve maximum regulatory allowed profit over 2017-2023 and no sizeable under- or over-recoveries over the period;
- average capex of around EUR110 million in 2017-2023;
- dividend payments averaging EUR110 million in 2017-2023.

Financial Data

(EUR 000)	Historical			Forecast		
	Dec 2014	Dec 2015	Dec 2016	Dec 2017F	Dec 2018F	Dec 2019F
SUMMARY INCOME STATEMENT						
Gross Revenue	567,155	600,224	586,120	629,500	618,700	602,500
Revenue Growth (%)	4.4	5.8	-2.4	7.4	-1.7	-2.6
Operating EBITDA (Before Income From Associates)	234,328	280,815	255,956	264,169	261,244	264,938
Operating EBITDA Margin (%)	41.3	46.8	43.7	42.0	42.2	44.0
Operating EBITDAR	236,926	283,542	258,772	266,985	264,060	267,754
Operating EBITDAR Margin (%)	41.8	47.2	44.2	42.4	42.7	44.4
Operating EBIT	142,817	186,696	156,734	167,930	166,716	179,453
Operating EBIT Margin (%)	25.2	31.1	26.7	26.7	26.9	29.8
Gross Interest Expense	-11,910	-21,125	-21,772	-22,698	-21,931	-21,755
Pre-Tax Income (Including Associate Income/Loss)	132,933	129,321	173,865	142,713	147,366	160,278
SUMMARY BALANCE SHEET						
Readily Available Cash and Equivalents	179,260	108,854	75,830	90,462	88,660	90,207
Total Debt With Equity Credit	1,225,358	1,143,449	1,107,731	1,107,731	1,091,069	1,080,407
Total Adjusted Debt With Equity Credit	1,246,142	1,165,265	1,130,259	1,130,259	1,113,597	1,102,935
Net Debt	1,046,098	1,034,595	1,031,901	1,017,269	1,002,409	990,200
SUMMARY CASH FLOW STATEMENT						
Operating EBITDA	234,328	280,815	255,956	264,169	261,244	264,938
Cash Interest Paid	-23,013	-25,424	-24,528	-22,698	-21,931	-21,755
Cash Tax	-19,677	-20,470	-33,887	-28,691	-29,387	-25,484
Dividends Received Less Dividends Paid to Minorities (Inflow/Outflow)	346	556	565	565	565	565
Other Items Before FFO	-6,077	-2,072	189	0	0	0
Funds Flow From Operations	187,132	234,226	198,735	213,346	210,491	218,264
Change in Working Capital	19,133	-19,671	-5,354	-8,114	8,137	7,125
Cash Flow From Operations (Fitch Defined)	206,265	214,555	193,381	205,232	218,628	225,389
Total Non-Operating/Non-Recurring Cash Flow	0	0	39,863			
Capital Expenditure	-129,913	-153,870	-142,192			
Capital Intensity (Capex/Revenue)	22.9	25.6	24.3			

Common Dividends	-81,900	-65,000	-90,000			
Net Acquisitions and Divestitures	1,389	0	5,885			
Other Investing and Financing Cash Flow Items	34,740	19,665	-1,348	0	0	0
Net Debt Proceeds	-68,633	-77,757	-40,395	0	-16,662	-10,662
Net Equity Proceeds	0	0	0	0	0	0
Total Change in Cash	-38,052	-62,407	-34,806	14,632	-1,802	1,546
DETAILED CASH FLOW STATEMENT						
FFO Margin (%)	33.0	39.0	33.9	33.9	34.0	36.2
Calculations for Forecast Publication						
Capex, Dividends, Acquisitions and Other Items Before FCF	-210,424	-218,870	-186,444	-190,600	-203,768	-213,181
Free Cash Flow After Acquisitions and Divestitures	-4,159	-4,315	6,937	14,632	14,860	12,208
Free Cash Flow Margin (After Net Acquisitions) (%)	-0.7	-0.7	1.2	2.3	2.4	2.0
COVERAGE RATIOS						
FFO Interest Coverage (x)	9.1	10.2	9.1	10.4	10.6	11.0
FFO Fixed Charge Coverage (x)	8.3	9.3	8.3	9.4	9.5	9.9
Operating EBITDAR/Interest Paid + Rents (x)	9.3	10.1	9.5	10.5	10.7	10.9
Operating EBITDA/Interest Paid (x)	10.2	11.1	10.5	11.7	11.9	12.2
LEVERAGE RATIOS						
Total Adjusted Debt/Operating EBITDAR (x)	5.3	4.1	4.4	4.2	4.2	4.1
Total Adjusted Net Debt/Operating EBITDAR (x)	4.5	3.7	4.1	3.9	3.9	3.8
Total Debt With Equity Credit/Operating EBITDA (x)	5.2	4.1	4.3	4.2	4.2	4.1
FFO Adjusted Leverage (x)	5.9	4.5	5.0	4.7	4.7	4.5
FFO Adjusted Net Leverage (x)	5.0	4.0	4.7	4.4	4.4	4.2
Source: Fitch						

How to Interpret the Forecast Presented

The forecast presented is based on the agency's 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 to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch's 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's forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch's own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch's own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch 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's own internal deliberations, where Fitch, 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 may update the forecast in future reports but assumes no responsibility to do so.

Rating Navigator

Fingrid Oyj

Corporates Ratings Navigator EMEA Regulated Utilities

Factor Levels	Sector Risk Profile	Operating Environment	Business Profile				Financial Profile			Issuer Default Rating
			Management and Corporate Governance	Sector Positioning	Regulatory Environment	Asset Base	Operations	Profitability and Cash Flow	Financial Structure	
aaa										AAA
aa+										AA+
aa										AA
aa-										AA-
a+										A+ Stable
a										A
a-										A-
bbb+										BBB+
bbb										BBB
bbb-										BBB-
bb+										BB+
bb										BB
bb-										BB-
b+										B+
b										B
b-										B-
ccc										CCC
cc										CC
c										C
d or rd										D or RD

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer-specific funding characteristics and the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption, government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc			

Sector Positioning

aa-	Operation Type	a	National or regional monopolies, transmission or distribution asset owners.
a+	Non-Regulated Earnings (% of Total Earnings)	a	up to 10%
a			
a-			
bbb+			

Asset Base

a+	Diversification	bbb	Limited diversification by geography without regulatory diversification; regional utility.
a	Critical Mass	a	Critical mass in one regulated asset; does not affect efficiency of operations (cost base, customer base, key personnel).
a-	Asset Quality	a	High asset quality likely to benefit opex and capex requirements compared with peers.
bbb+			
bbb			

Profitability and Cash Flow

aa-	Return on Capital	bbb	Return on capital comparable with the regulatory benchmark.
a+	Volatility of Profitability	a	Higher stability and predictability of profit than utility peers.
a	Investment Cycle	a	Investment cycle position not leading to significantly negative free cash flow.
a-			
bbb+			

Financial Flexibility

aa-	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
a+	Liquidity	a	Very comfortable liquidity. Well spread debt maturity schedule. Diversified sources of funding.
a	FFO Fixed-Charge Cover	a	4.5x
a-	FX Exposure	aa	No material FX mismatch.
bbb+	PMICR: (CFO - Maintenance Capex)/Interest	a	1.75x

Management and Corporate Governance

aa	Management Strategy	a	Coherent strategy and good track record in implementation.
aa-	Governance Structure	a	Experienced board exercising effective checks and balances. Ownership can be concentrated among several shareholders.
a+	Group Structure	aa	Transparent group structure.
a	Financial Transparency	a	High-quality and timely financial reporting.
a-			

Regulatory Environment

aa-	Independence, Transparency,	a	Transparent frameworks with strong track record and multi-year predictable tariffs set by independent regulators; little political risk.
a+	Licensing, Ring-Fencing, Concessioning	a	Licensing includes effective ring-fencing provisions with creditworthiness requirements; limited concession renewal risk.
a	Cost and Investment Recovery	a	Tariff setting with challenge mechanisms that may marginally limit cost and investment recovery, with little regulatory lag.
a-	Volume and Price Risk	a	High insulation from price and volume risk, little revenue under-recovery.
bbb+			

Operations

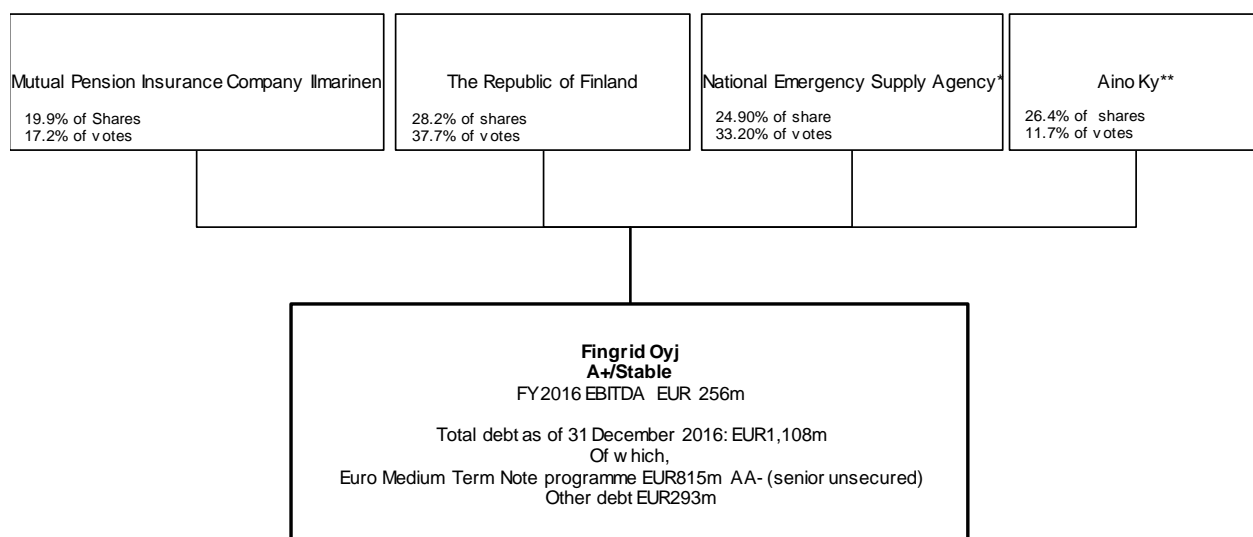
aa-	Performance Measures	a	Key performance measures in line with or above sector average and/or regulatory target.
a+	Counterparty Risk	a	Low counterparty risk. Diversified regulated counterparties or pooled counterparty risk; high collection rates for water suppliers.
a	Revenue Profile and Market Risk	a	Strong revenue profile and low market risk. Economy of area served provides structurally stable background, favorable customer mix.
a-			
bbb+			

Financial Structure

a+	Lease-Adjusted FFO Gross Leverage	bbb	6.0x
a	Lease-Adjusted FFO Net Leverage	bbb	5.5x
a-	Net Debt/Asset Base	a	60%
bbb+			
bbb			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Simplified Group Structure Diagram



*Government body tasked with planning and measures related to developing and maintaining security of supply.

**Holding company established solely for administrating shares in Fingrid Oyj. Owned by several Finnish financial institutions

Source: Fitch, Company, As at 31 December 2016

Peer Financial Summary

Company	Date	Rating	Gross Revenue (EURm)	Operating EBITDAR Margin (%)	FFO Fixed Charge Coverage (x)	FFO Interest Coverage (x)	FFO Adjusted Net Leverage (x)
Fingrid Oyj	2018F		619	42.7	9.5	10.6	4.4
	2017F		630	42.4	9.4	10.4	4.4
	2016	A+	586	44.2	8.3	9.1	4.7
	2015	A	600	47.2	9.3	10.2	4.0
	2014	A	567	41.8	8.3	9.1	5.0
Red Electrica Corporacion S.A.	2018F		2,021	75.0	9.2	9.2	4.0
	2017F		2,044	74.2	7.3	7.3	4.2
	2016	A	1,994	74.5	7.9	7.9	3.8
	2015	A-	1,972	74.0	7.0	7.0	3.8
	2014	A-	1,872	74.0	6.4	6.4	4.7
National Grid Electricity Transmission plc	2019F		2,500	81.0	5.5	5.5	5.9
	2018F		2,335	79.3	5.8	5.8	6.0
	2017	A-	5,171	40.1	2.6	2.7	4.6
	2016	A-	5,033	39.4	7.7	8.3	5.3
	2015	A-	5,108	42.0	6.0	6.2	5.0
Terna S.p.A.	2018F		2,343	69.7	9.2	10.1	6.7
	2017F		2,271	70.0	9.1	9.9	6.6
	2016	BBB+	2,093	73.8	12.0	13.7	6.6
	2015	BBB+	2,080	74.3	5.8	6.2	6.7
	2014	BBB+	1,980	75.0	5.7	6.0	6.2

Source: Fitch

Reconciliation of Key Financial Metrics

(EUR Thousand, As reported)	31 Dec 2016
Income Statement Summary	
Operating EBITDA	255,956
+ Recurring Dividends Paid to Non-controlling Interest	0
+ Recurring Dividends Received from Associates	565
+ Additional Analyst Adjustment for Recurring I/S Minorities and Associates	0
= Operating EBITDA After Associates and Minorities (k)	256,521
+ Operating Lease Expense Treated as Capitalised (h)	2,816
= Operating EBITDAR after Associates and Minorities (j)	259,337
Debt & Cash Summary	
Total Debt with Equity Credit (l)	1,107,731
+ Lease-Equivalent Debt	22,528
+ Other Off-Balance-Sheet Debt	0
= Total Adjusted Debt with Equity Credit (a)	1,130,259
Readily Available Cash [Fitch-Defined]	75,830
+ Readily Available Marketable Securities [Fitch-Defined]	0
= Readily Available Cash & Equivalents (o)	75,830
Total Adjusted Net Debt (b)	1,054,429
Cash-Flow Summary	
Preferred Dividends (Paid) (f)	0
Interest Received	440
+ Interest (Paid) (d)	(24,528)
= Net Finance Charge (e)	(24,088)
Funds From Operations [FFO] (c)	198,735
+ Change in Working Capital [Fitch-Defined]	(5,354)
= Cash Flow from Operations [CFO] (n)	193,381
Capital Expenditures (m)	(142,192)
Multiple applied to Capitalised Leases	8.0
Gross Leverage	
Total Adjusted Debt / Op. EBITDAR* [x] (a/j)	4.4
FFO Adjusted Gross Leverage [x] (a/(c-e+h-f))	5.0
<i>Total Adjusted Debt/(FFO - Net Finance Charge + Capitalised Leases - Pref. Div. Paid)</i>	
Total Debt With Equity Credit / Op. EBITDA* [x] (l/k)	4.3
Net Leverage	
Total Adjusted Net Debt / Op. EBITDAR* [x] (b/j)	4.1
FFO Adjusted Net Leverage [x] (b/(c-e+h-f))	4.7
<i>Total Adjusted Net Debt/(FFO - Net Finance Charge + Capitalised Leases - Pref. Div. Paid)</i>	
Total Net Debt / (CFO - Capex) [x] ((l-o)/(n+m))	20.2
Coverage	
Op. EBITDAR / (Interest Paid + Lease Expense)* [x] (j/-d+h)	9.5
Op. EBITDA / Interest Paid* [x] (k/(-d))	10.5
FFO Fixed Charge Cover [x] ((c-e+h-f)/(-d+h-f))	8.3
<i>(FFO - Net Finance Charge + Capit. Leases - Pref. Div Paid) / (Gross Int. Paid + Capit. Leases - Pref. Div. Paid)</i>	
FFO Gross Interest Coverage [x] ((c-e-f)/(-d-f))	9.1
<i>(FFO - Net Finance Charge - Pref. Div Paid) / (Gross Int. Paid - Pref. Div. Paid)</i>	
* EBITDA/R after Dividends to Associates and Minorities	
Source: Fitch based on company reports	

Fitch Adjustment Reconciliation

(EUR Thousand, As reported)	Reported Values 31 Dec 16	Sum of Fitch Adjustments	Cash Adjustment	Preferred Dividends, Associates and Cash Adjustments	Other Adjustment	Adjusted Values
Income Statement Summary						
Revenue	586,120	0				586,120
Operating EBITDAR	258,772	0				258,772
Operating EBITDAR after Associates and Minorities	258,772	565		565		259,337
Operating Lease Expense	2,816	0				2,816
Operating EBITDA	255,956	0				255,956
Operating EBITDA after Associates and Minorities	255,956	565		565		256,521
Operating EBIT	156,734	0				156,734
Debt & Cash Summary						
Total Debt With Equity Credit	1,107,731	0				1,107,731
Total Adjusted Debt With Equity Credit	1,130,259	0				1,130,259
Lease-Equivalent Debt	22,528	0				22,528
Other Off-Balance Sheet Debt	0	0				0
Readily Available Cash & Equivalents	79,729	(3,899)	(3,899)			75,830
Not Readily Available Cash & Equivalents	0	3,899	3,899			3,899
Cash-Flow Summary						
Preferred Dividends (Paid)	0	0				0
Interest Received	440	0				440
Interest (Paid)	(22,512)	(2,016)			(2,016)	(24,528)
Funds From Operations [FFO]	198,170	565		565		198,735
Change in Working Capital [Fitch-Defined]	(5,354)	0				(5,354)
Cash Flow from Operations [CFO]	192,816	565		565		193,381
Non-Operating/Non-Recurring Cash Flow	39,863	0				39,863
Capital (Expenditures)	(142,192)	0				(142,192)
Common Dividends (Paid)	(90,000)	0				(90,000)
Free Cash Flow [FCF]	487	565		565		1,052
Gross Leverage						
Total Adjusted Debt / Op. EBITDAR* [x]	4.4					4.4
FFO Adjusted Leverage [x]	5.1					5.0
Total Debt With Equity Credit / Op. EBITDA* [x]	4.3					4.3
Net Leverage						
Total Adjusted Net Debt / Op. EBITDAR* [x]	4.1					4.1
FFO Adjusted Net Leverage [x]	4.7					4.7
Total Net Debt / (CFO - Capex) [x]	20.3					20.2
Coverage						
Op. EBITDAR / (Interest Paid + Lease Expense)* [x]	10.2					9.5
Op. EBITDA / Interest Paid* [x]	11.4					10.5
FFO Fixed Charge Coverage [x]	8.8					8.3
FFO Interest Coverage [x]	9.8					9.1

*EBITDA/R after Dividends to Associates and Minorities

Source: Fitch

Full List of Ratings

	Rating	Outlook	Last Rating Action
Fingrid Oyj			
Long-Term IDR	A+	Stable	Affirmed 10 November 2017
Short-Term IDR	F1		Affirmed 10 November 2017
Senior Unsecured Rating	AA-		Affirmed 10 November 2017

Related Research & Criteria

[Corporate Rating Criteria \(August 2017\)](#)

[Non-Financial Corporates Notching and Recovery Ratings Criteria \(June 2017\)](#)

[Parent and Subsidiary Rating Linkage \(August 2016\)](#)

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