Ørsted

Investor presentation Q2 2019

8 August 2019

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Two major US offshore wind projects awarded and results in line with expectations

Highlights – Q2 2019

- EBITDA totalled DKK 3.6 billion, an increase of 18% compared to Q2 2018, and in line with expectations
- EBITDA from offshore wind farms in operation increased by 29%, to DKK 2.3 billion in Q2 2019
- Green share of generation reached 85%
- Ørsted selected as preferred bidder for New Jersey's first offshore wind farm with a capacity of 1.1GW
- Ørsted selected as preferred bidder in New York offshore wind solicitation with a capacity of 880MW
- Lockett onshore wind farm commissioned in July well ahead of schedule
- Successfully secured GBP 900 million funding through green bonds and NTD 25 billion of green loan facility
- The Copenhagen Maritime and Commercial Court ruled in our favour in case concerning the usage of the Ørsted name
- Consolidated Customer Solutions and Bioenergy into a new business unit, Markets & Bioenergy

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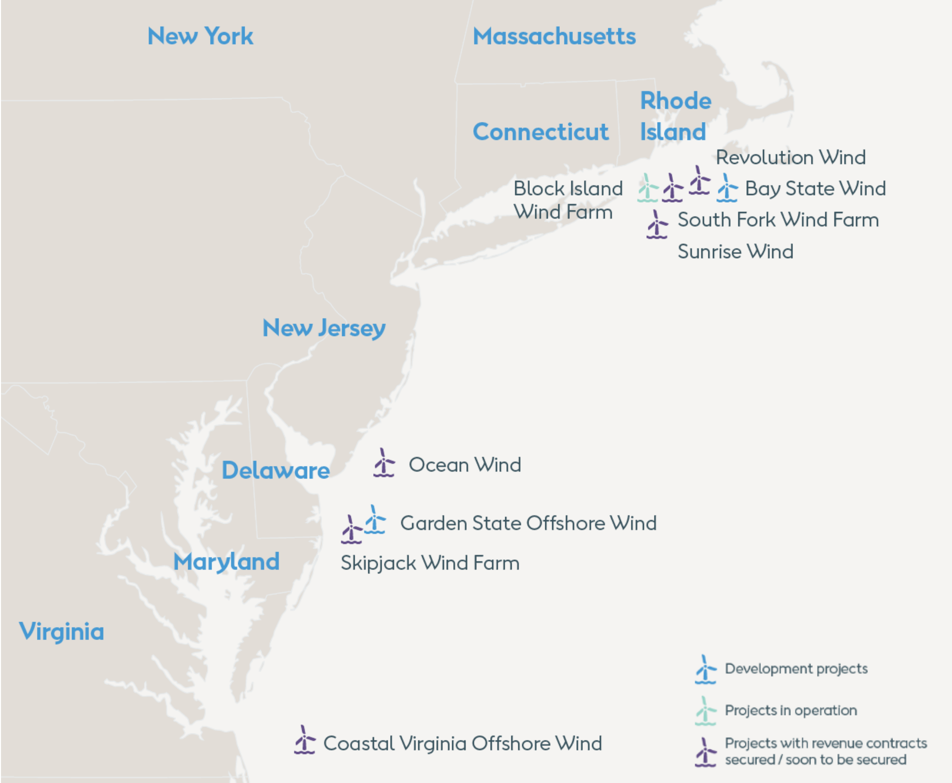
Ørsted selected as preferred bidder in New Jersey and New York offshore wind solicitations

1,100MW Ocean Wind project in New Jersey

- Selected to negotiate a 20-year offshore wind renewable energy certificate (OREC)
- The 20-year OREC price is USD 98.10 per MWh from 2024, with a 2% annual escalator (corresponding to a levelized 2017 price of USD 86.40 per MWh)
- Project supported by PSEG, who has an option to become an equity investor in the project
- Subject to final investment decision, Ocean Wind is expected to be commissioned in 2024

880MW Sunrise Wind project in New York

- Selected to negotiate a 25-year offshore wind renewable energy certificate (OREC)
- 50-50 partnership with Eversource
- Exploring transmission partnerships with New York Power Authority (NYPA) and Con Edison
- Subject to final investment decision, Sunrise Wind is expected to be commissioned in 2024



Construction programme – Offshore

Project	Hornsea 1	Borssele 1&2	Virginia	Hornsea 2	Changhua 1&2a
Country	UK	Netherlands	USA	UK	Taiwan
Asset type	Offshore wind	Offshore wind	Offshore wind	Offshore wind	Offshore wind
Capacity	1,218MW	752MW	12MW (EPC)	1,386MW	900MW
Expected completion	Q4 2019	Q4 2020 / Q1 2021	Q4 2020	H1 2022	2022
Status	On track	On track	On track	On track	On track
Comments	All foundations and array cables installed 131 out of 174 turbines installed	Manufacturing of key components progressing Construction of O&M building progressing	Key contracts signed Onshore construction work commenced	Key contracts signed Onshore construction work ongoing	Signing of contracts ongoing Start of onshore construction

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Construction programme – Onshore, Bioenergy and Power Distribution

Project	Lockett	Sage Draw	Willow Creek	Asnæs CHP plant	Renescience Northwich	Smart meter roll-out
Country						
Asset type						
Capacity	184MW	338MW	103MW	125MW Heat, 25MW Power	120,000 tonnes waste	1 million installations
Expected completion	Q3 2019	Q1 2020	Q4 2020	Q4 2019	End of 2019	2020
Status	Commissioned	On track	On track	On track	Commissioning delayed	On track
Comments	Reached COD July 2019	Construction commenced June 2019 Road and foundation installation underway	Construction commenced July 2019 Civil works scheduled to complete by end of 2019	Conversion from coal to sustainable wood chips	Reconfiguration completed Ramp-up of waste throughput and production ongoing	976,000 smart meters in use end of Q2 2019

Offshore market development – US

Massachusetts	• 800MW offshore wind solicitation with bids due on 23 August 2019 • Outcome expected in November 2019 • Passed bill which could increase offshore wind capacity to 3.2GW by 2030
New York	• Ørsted/Eversource awarded 880MW in offshore wind solicitation with Sunrise Wind • 1.7GW awarded with next auction of 800-1,200MW expected in H2 2020 • Target of 9GW of offshore wind capacity by 2035 • Federal agency BOEM expected to release final offshore lease areas early 2020, with lease auctions later in 2020 (expected to be two areas of at least 800MW each)
New Jersey	• Ørsted awarded 1.1GW in the first offshore wind solicitation • Subsequent auctions of 1.2GW each expected in 2020 and 2022, respectively • Target of 3.5GW of offshore wind capacity by 2030
Connecticut	• Legislation signed approving procurement of additional 2GW of offshore wind capacity • 400-800MW offshore wind solicitation with bids expected due on 30 September 2019 • Outcome expected in November 2019
Rhode Island	• 400MW PPA for Revolution Wind has been approved by regulators
Maryland	• Target of approx. 1.6GW of offshore wind capacity by 2030 • Auctions of at least 400MW each expected in 2020, 2021 and 2022, respectively

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Offshore market development – Europe

United Kingdom	• 2019 UK CfD bid window closed, subsequent auctions every two years • Target annual build-out of 1-2GW to reach 30GW capacity by 2030 • Hornsea 3 consent process moving forward as planned • Crown Estate's extensions leasing round in progress. Expected to conclude Q3 2019 • Auction framework for 7GW of new lease areas announced. Auction expected June 2020
Germany	• First centralised tender expected in 2021, approx. 800MW to be built annually from 2026 • Target of 15GW of offshore wind capacity by 2030
Netherlands	• 760MW awarded in the Holland Coast South 3&4 tender • Government target of 11.5GW offshore wind by 2030 • Next tender of up to 760MW expected early 2020
Denmark	• Three offshore wind tenders of at least 2.4GW in total towards 2030 • Tenders to include the offshore transmission assets • Next tender of 800-1,000MW will be issued in 2019, with expected bid in 2021
France	• 600MW awarded in the Dunkirk tender • Government target increased from 5GW to 10GW offshore wind by 2028 • Final energy plan announced Feb. 2019. Round 4 expected in 2020 with 1GW capacity
Poland	• Target of 10.3GW offshore wind by 2040

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Offshore market development – APAC

Taiwan	• Taiwan has met its target of awarding 5.5GW to be commissioned by 2025 • Auctions of additional 4.5GW post 2025 is being planned. Third round development auction design expected to be announced in Q4 2019 • 600MW Greater Changhua 3 project ready for future auctions
Japan	• Target of 10GW offshore and onshore wind power to be constructed by 2030 • Signed MoU to work jointly with TEPCO on Choshi offshore wind project near Tokyo • 11 areas designated as potentially suitable for development of offshore wind • Four areas, incl. Choshi, have been selected to have wind measurement and geological surveys conducted by the government immediately
South Korea	• 13GW offshore wind build-out target towards 2030 • Strong need for offshore wind based on onshore limitations and large energy imports • Feasibility study of offshore wind sites ongoing, conducted by the government and local players

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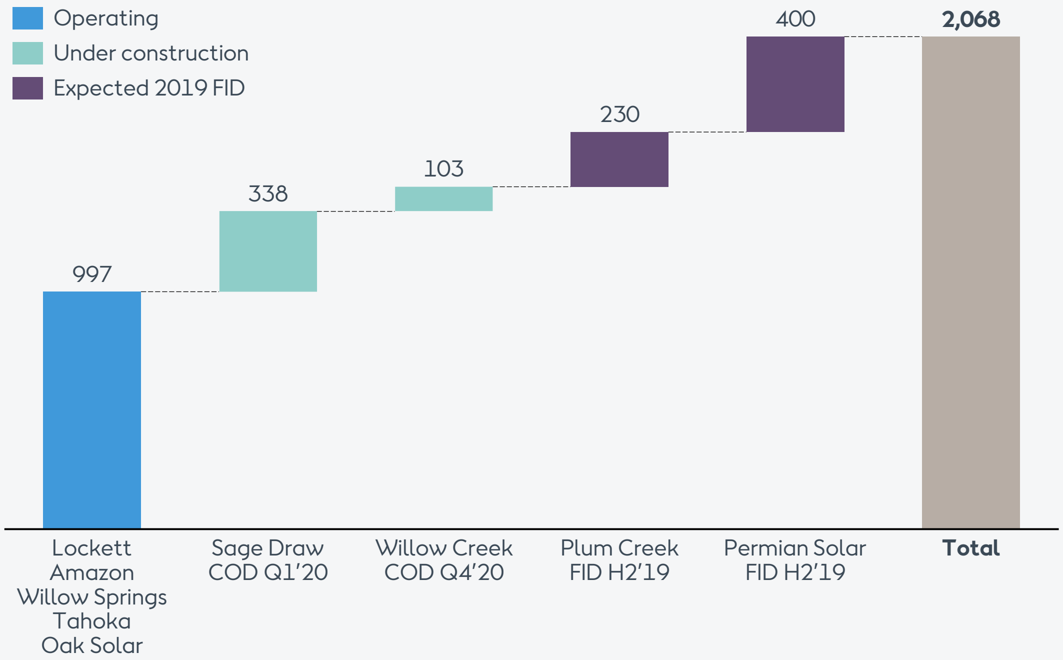
Continued expansion of US onshore portfolio

Near-term capacity
MW



Development pipeline with offtake contracted

Plum Creek Wind - 230MW - SPP, NE

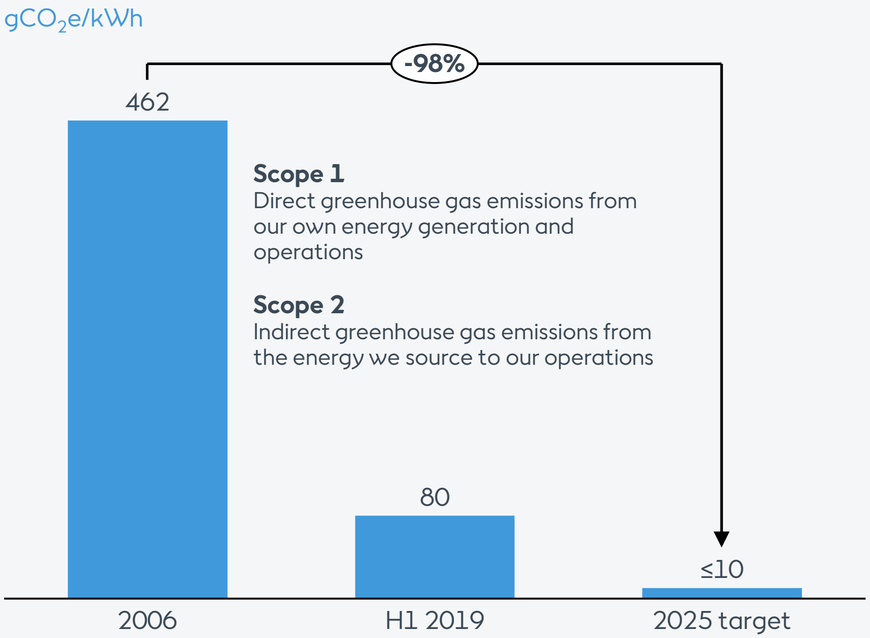
- 12 year PPA with Smucker Co, Avery Dennison and Vail Resort for >70% capacity
- Turbine Supply Agreement and Interconnection Agreement executed
- Target FID in H2 2019 and COD in 2020

Permian Solar - 400MW_{AC} - ERCOT West, TX

- Executed 12 year PPA with ExxonMobil
- Target FID in H2 2019 and COD in 2021

Continued reduction of carbon emissions

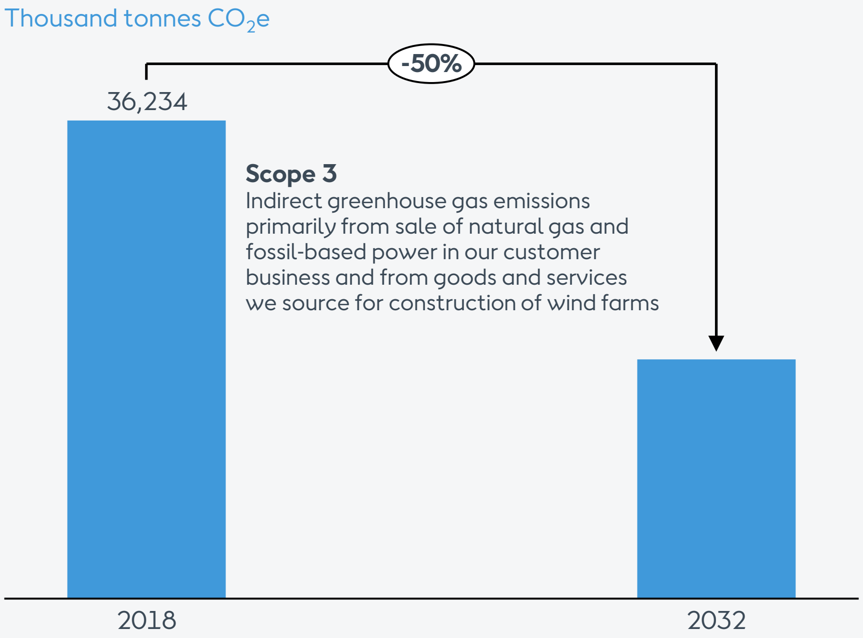
98% carbon intensity reduction from our energy generation and operations (scope 1&2) by 2025



Scope 1
Direct greenhouse gas emissions from our own energy generation and operations

Scope 2
Indirect greenhouse gas emissions from the energy we source to our operations

New target: 50% reduction in scope 3 emissions by 2032[1]

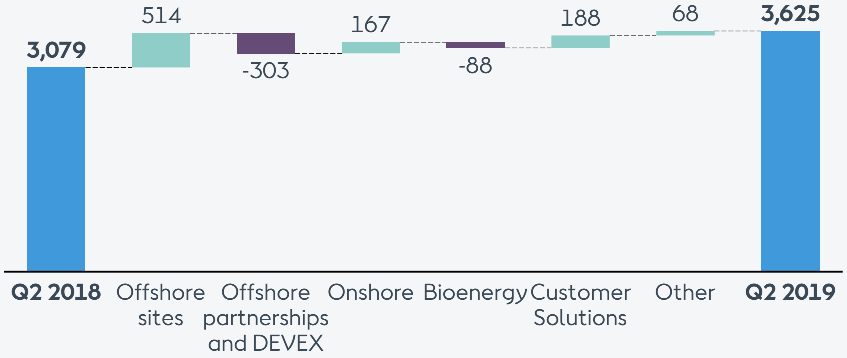


Scope 3
Indirect greenhouse gas emissions primarily from sale of natural gas and fossil-based power in our customer business and from goods and services we source for construction of wind farms

1. 2018 will be the base year for our scope 3 target, as this is the first year for which we have consolidated our scope 3 emissions

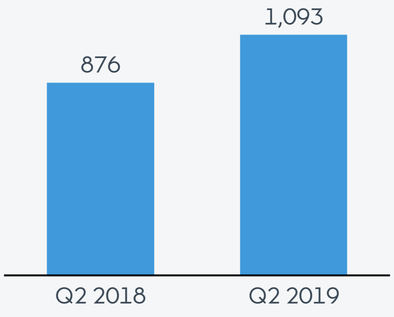
Results in line with expectations

EBITDA
DKKm



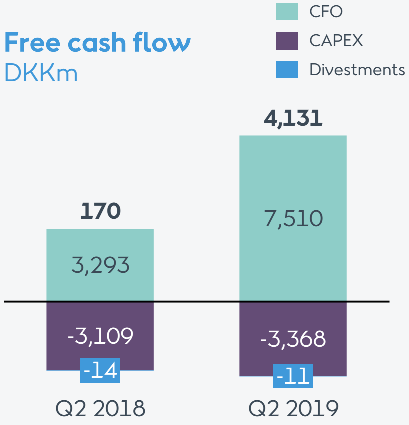
EBITDA increased by DKK 0.5bn
- Earnings from operating offshore wind farms up 29% driven by ramp up
- Generation from the underlying portfolio affected by curtailments and outages in Q2 2019
- Higher project development costs in Offshore
- Contribution from Onshore in Q2 2019
- Bioenergy below Q2 2018 due to timing of maintenance costs
- Higher earnings from trading related to hedging of our energy exposures and strong underlying margins in our gas portfolio, partly offset by lower earnings related to our gas at storage

Net profit
DKKm



Net profit up DKK 0.2bn
- Higher EBITDA
- Partly offset by higher depreciation from new wind farms in operation

Free cash flow
DKKm



FCF increased DKK 4.0bn
- Release of funds tied up in work in progress due to received milestone payment from partner related to construction of Hornsea 1
- Higher receivables and lower payables
- Gross investments of DKK 3.4bn

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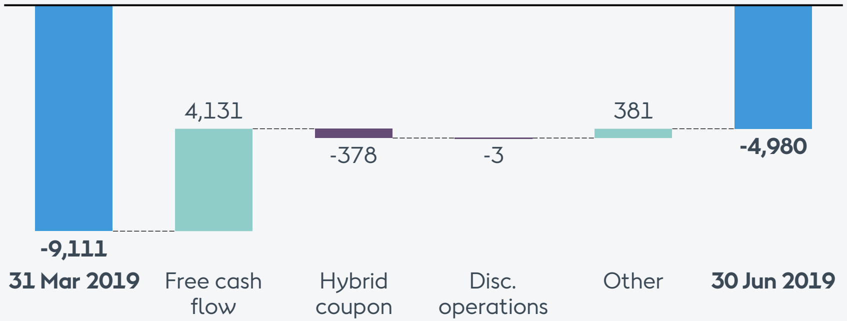
Decrease in net debt and solid financial ratios

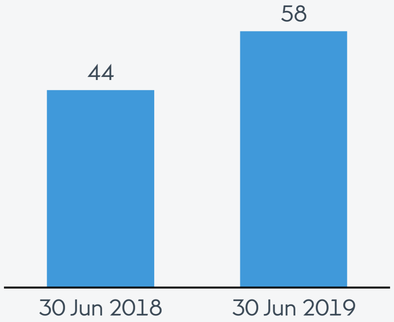
Net interest-bearing debt development
DKKm



Net interest-bearing debt of DKK 5.0bn

- Free cash flow of DKK 4.1bn
- Hybrid coupon paid offset by exchange rate adjustments

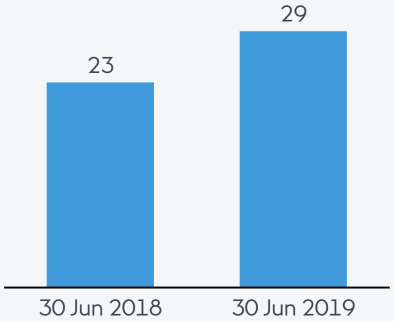
FFO / Adj. net debt
%



FFO / Adj. net debt of 58%

- Credit metric above our target of around 30%

ROCE (LTM)
%

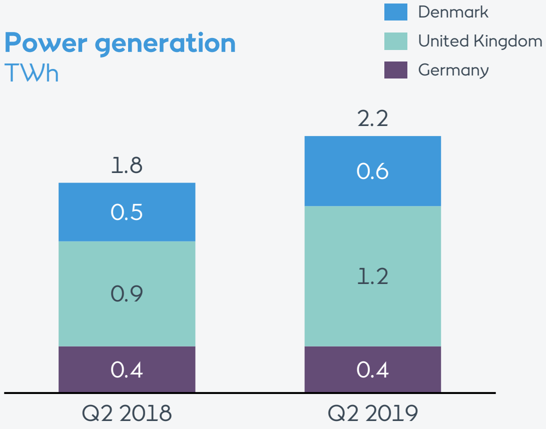


ROCE of 29%

- Significant positive effect from farm-down gains in both years

Offshore – Q2 financial performance

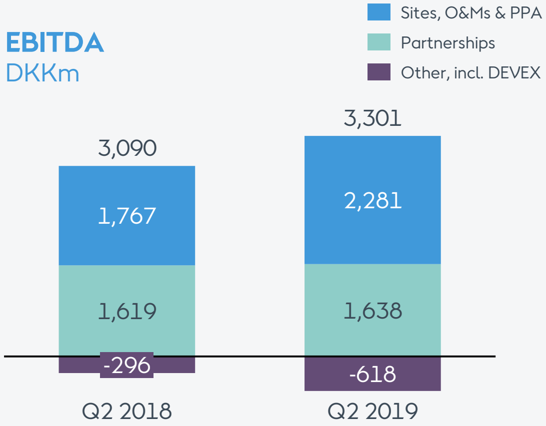
Power generation
TWh



Power generation increased 22%

- Ramp-up of generation from Walney Ext., Borkum Riffgrund 2 and Hornsea 1 (Q2'19 +0.3TWh)
- Generation from the underlying portfolio affected by curtailments and outages (Q2'19 -0.3TWh)
- Higher wind speeds than Q2 2018 (8.0m/s vs. 7.9m/s in 2018. Norm 8.2m/s)

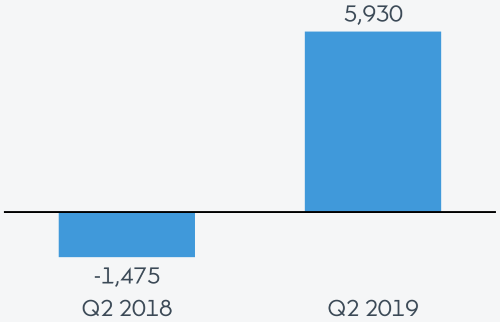
EBITDA
DKKm



EBITDA increased DKK 0.2bn

- Earnings from operating wind farms increased 29% due to ramp-up
- Partnership earnings in line with Q2 2018
- Increased project development costs related to activities in the US and Taiwan

Free cash flow
DKKm



FCF increased DKK 7.4bn

- Release of funds tied up in work in progress, due to received milestone payment from partner related to construction of Hornsea 1
- Lower gross investment than Q2 2018

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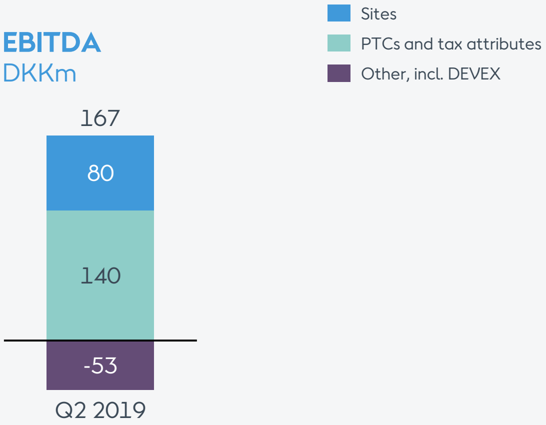
Onshore – Q2 financial performance

Power generation
TWh

Power generation of 0.8TWh

- Wind speed of 7.7m/s in Q2 2019 vs. norm of 8.4m/s
- High availability of 97% across portfolio

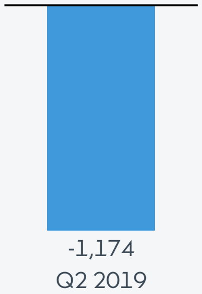
EBITDA
DKKm



EBITDA of DKK 167m

- EBITDA from Sites and PTCs, partly offset by project development and other costs

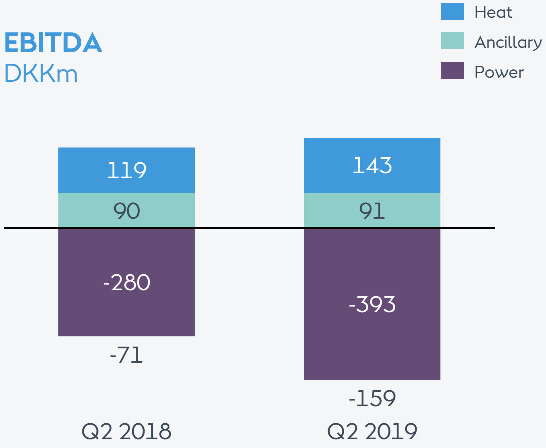
Free cash flow
DKKm



FCF of DKK -1.2bn

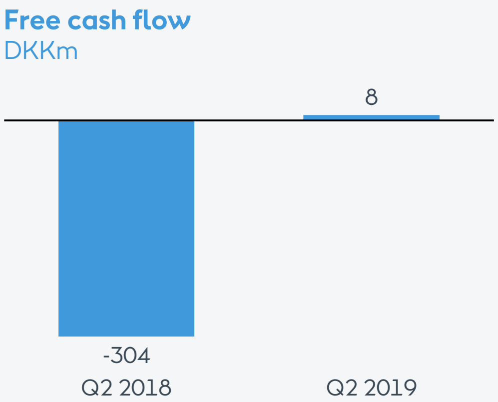
- Construction of Sage Draw and Lockett
- Acquisition of Willow Creek project and development activities of Coronal Energy

Bioenergy – Q2 financial performance



EBITDA down DKK 0.1bn

- Lower EBITDA from Power due to timing of maintenance costs
- Underlying earnings in line with Q2 2018



FCF increased DKK 0.3bn

- Lower gross investment in bioconversion of Asnæs Power Station
- Higher trade and VAT payables due to higher generation

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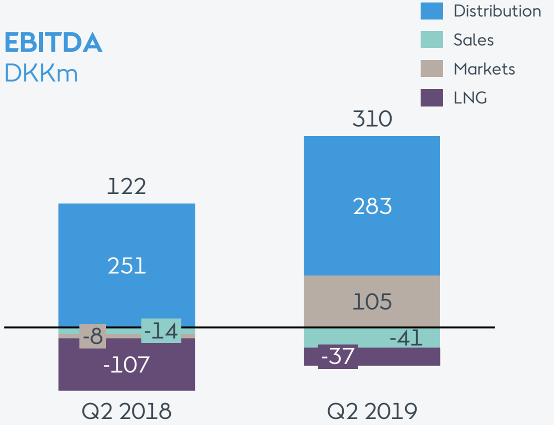
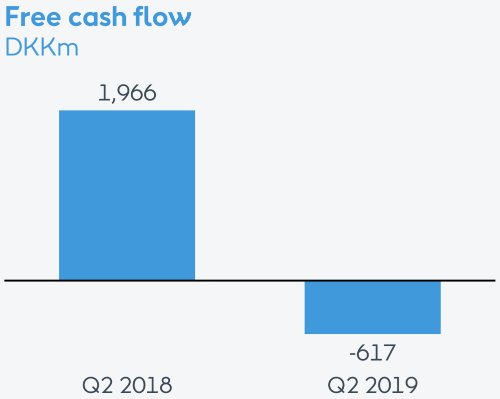
Customer Solutions – Q2 financial performance



EBITDA increased DKK 0.2bn

- Higher earnings from trading related to hedging of our energy exposures
- Optimisation of LNG assets in Europe
- Strong underlying margins in our gas portfolio
- Partly offset by lower earnings related to our gas at storage



FCF decreased DKK 2.6bn

- Higher receivables related to ROC factoring
- Lower payables from lower gas volumes sourced

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2019 guidance and long-term financial estimates and policies

2019 guidance	DKKbn
EBITDA without new partnerships	15.5-16.5
Gross investments	21-23

Business unit EBITDA FY 2019 vs. FY 2018	Direction
Offshore	Higher
Onshore	Significantly higher
Bioenergy	Higher
Customer Solutions	In line

Financial estimates	
Total capex spend, 2019-2025	DKK 200bn
Capex allocation split, 2019-2025:	
- Offshore	75-85%
- Onshore	15-20%
- Bioenergy + Customer Solutions	0-5%
Average ROCE, 2019-2025	~10%
Average share of EBITDA from regulated and contracted activities, 2019-2025	~90%
Average yearly increase in EBITDA from offshore and onshore wind farms in operation, 2017-2023	~20%

Financial policies	Target
Rating (Moody's/S&P/Fitch)	Baa1/BBB+/BBB+
FFO/Adjusted net debt	Around 30%

Dividend policy:

Ambition to increase the dividend paid by a high single-digit rate compared to the dividend for the previous year up until 2025

Q&A

Conference call
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For questions, please press 01

Appendix

Renewable capacity as of 30 June 2019

Indicator	Unit	H1 2019	FY 2018	H1 2018
Installed renewable capacity	**MW**	**8,303**	**8,303**	**6,995**
- Offshore wind power	MW	5,602	5,602	5,107
- Denmark	MW	1,006	1,006	1,006
- United Kingdom	MW	3,182	3,182	3,182
- Germany	MW	1,384	1,384	919
- US	MW	30	30	-
- Onshore wind power, US	MW	803	803	-
- Solar power, US	MW	10	10	-
- Thermal heat, biomass, Denmark	MW	1,888	1,888	1,888
Decided (FID) renewable capacity (not yet installed)	**MW**	**5,006**	**3,665**	**3,931**
- Offshore wind power	MW	4,256	3,356	3,806
- United Kingdom	MW	2,604	2,604	2,604
- Germany	MW	-	-	450
- Netherlands	MW	752	752	752
- Taiwan		900	-	-
- Onshore wind power, US	MW	625	184	-
- Thermal heat, biomass, Denmark	MW	125	125	125
Awarded and contracted capacity (not yet FID) renewable capacity	**MW**	**4,746**	**4,796**	**2,962**
- Offshore wind power	MW	4,116	3,916	2,962
- Germany	MW	1,142	1,142	1,142
- US	MW	2,054	954	-
- Taiwan	MW	920	1,820	1,820
- Onshore wind power, US	MW	230	530	-
- Solar power, US	MW	400	350	-
Sum of installed and FID capacity	**MW**	**13,309**	**11,968**	**10,926**
Sum of installed + FID + awarded and contracted capacity	**MW**	**18,055**	**16,764**	**13,888**

Installed renewable capacity
Installed renewable capacity is calculated as the cumulative renewable gross capacity installed by Ørsted before divestments.

For installed renewable thermal capacity, we use the heat capacity, as heat is the primary outcome of thermal energy generation, and as bioconversions of the combined heat and power plants are driven by heat contracts.

Decided (FID) renewable capacity
Decided (FID) capacity is the renewable capacity for which a final investment decision (FID) has been made.

Awarded and contracted renewable capacity
Awarded renewable capacity is based on the capacities which have been awarded to Ørsted in auctions and tenders.
Contracted capacity is the capacity for which Ørsted has signed a contract or power purchase agreement (PPA) concerning a new renewable energy plant.
Typically, offshore wind farms are awarded, whereas onshore wind farms are contracted. We include the full capacity if more than 50% of PPAs/offtake are secured.

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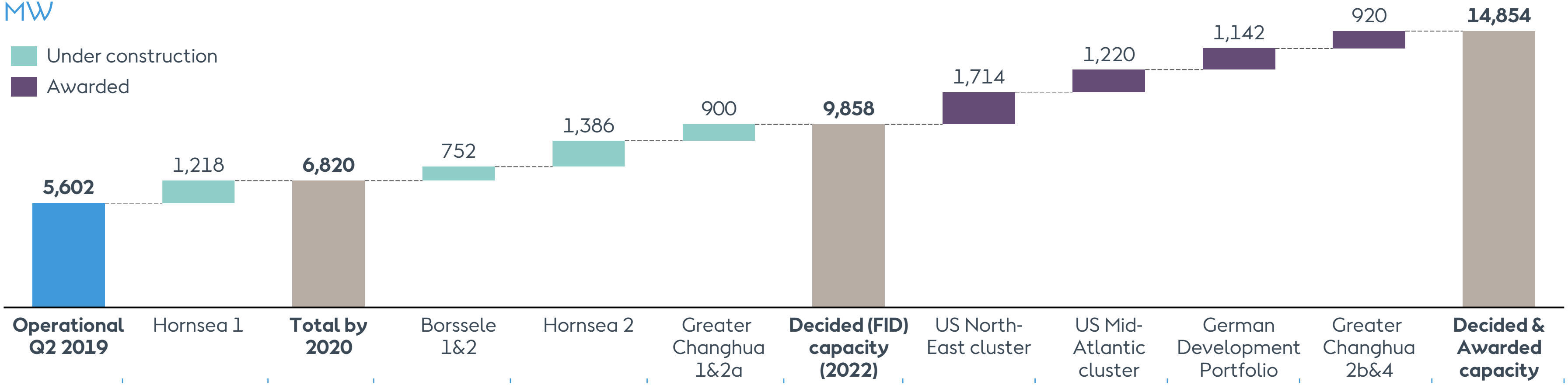
Offshore wind build-out plan

Installed capacity
MW



Country	**UK**		**Netherlands**	**UK**	**Taiwan**		**US**	**US**	**Germany**	**Taiwan**	
Expected completion	Q4 2019		Q4 2020 / Q1 2021	H1 2022	2022		2022/2024 (Pending FIDs post 2020)	2022/2024 (Pending FIDs post 2020)	2024/2025 (Pending FID in 2021)	2025 (Pending FID in 2023)	
Turbine	174 x 7MW Siemens Gamesa		94 x 8MW Siemens Gamesa	165 x 8MW Siemens Gamesa	111 x 8MW Siemens Gamesa		8MW Siemens Gamesa	Turbine selection pending	Turbine selection pending	Turbine selection pending	

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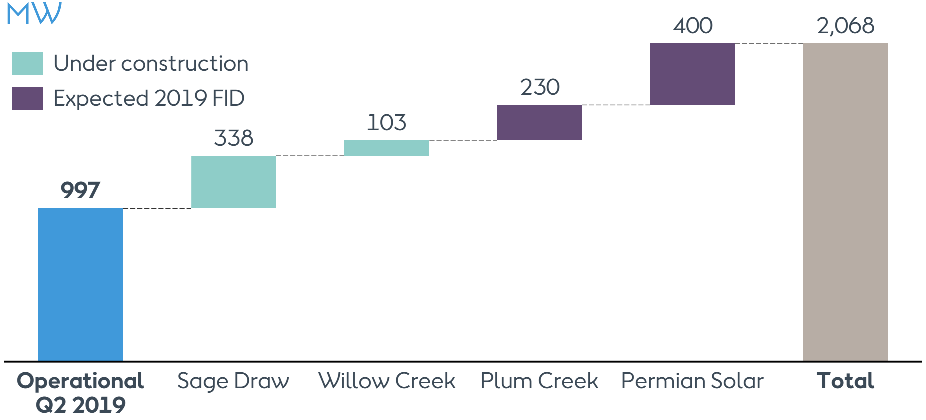
Onshore wind build-out plan

Installed capacity
MW



Region	ERCOT, TX	SPP, SD	SPP, NE	ERCOT, TX
Expected completion	Q1 2020	Q4 2020	2020 (Pending FID)	2021 (Pending FID)
Turbine	GE	GE	GE	n/a
Offtake solution	PPA with ExxonMobil	Currently being assessed	PPAs with Smucker Co, Avery Dennison and Vail Resort	PPA with ExxonMobil

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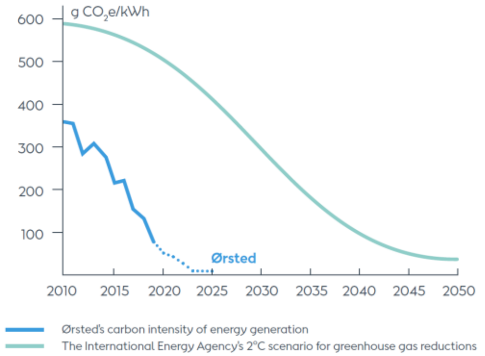
Sustainability and ESG at Ørsted

Green leadership

- We want to help limit global warming to a maximum of 1.5C.
- In H1 2019, 82% of our energy generation was green. By 2025, we target 99%.
- We have reduced the carbon intensity of our energy generation by 83%[1]. By 2025, we target 98%.
- We have also set a target to reduce the emissions in our supply chain and from the end-use of our products by 50% in 2032, compared to 2018

Carbon intensity of power and heat generation



Contributing to the global goals

THE GLOBAL COMPACT
WE SUPPORT

Ørsted has been a signatory to the UN Global Compact for 13 years and adheres to its ten principles for responsible business behaviour.

Strong commitment to UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) define some of the greatest societal challenges of our time.

SDGs where Ørsted makes the biggest difference:

7 AFFORDABLE AND CLEAN ENERGY — Ensure access to affordable, reliable, sustainable and modern energy for all

8 DECENT WORK AND ECONOMIC GROWTH — Promote inclusive and sustainable economic growth, employment and decent work for all

13 CLIMATE ACTION — Take urgent action to combat climate change and its impacts

ESG ratings of Ørsted

Rating agency	Rating 2018	Benchmark
CDP DRIVING SUSTAINABLE ECONOMIES	B	• No. 17 of all energy companies • Our aim is to achieve an A rating
MSCI	AAA	• Highest possible rating
SUSTAINALYTICS	77 of 100	• No. 1 among direct market cap peers • 'Outperformer' among utilities
GRESB ★★★★★ 2018	84 of 100	• Highest possible 5-star rating • No. 1 'Sector Leader'
Corporate Responsibility Prime rated by ISS-oekom	B	• Top 3 of 104 electric utilities • Awarded 'Prime' status

1. Compared with 2006

Group – Financial highlights

FINANCIAL HIGHLIGHTS		Q2 2019	Q2 2018	Δ	FY 2018	FY 2017	Δ
EBITDA	DKKm	3,625	3,079	18%	30,029	22,519	33%
• Offshore		3,301	3,090	7%	27,809	20,595	35%
• Onshore		167	-	n.a.	44	-	n.a.
• Bioenergy		(159)	(71)	124%	367	152	141%
• Customer Solutions		310	122	154%	1,970	2,082	(5%)
Net profit – continuing operations		1,093	876	25%	19,486	13,279	47%
Net profit – discontinued operations		(18)	(19)	(5%)	10	6,920	(692%)
Total net profit		1,075	857	25%	19,496	20,199	(3%)
Operating cash flow		7,510	3,293	128%	10,343	1,023	911%
Gross investments		(3,368)	(3,109)	8%	(24,481)	(17,744)	(38%)
Divestments		(11)	(14)	(29%)	19,950	16,982	17%
Free cash flow – continuing operations		4,131	170	n.a.	5,812	261	2127%
Net interest-bearing debt		9,111	4,331	110%	(2,219)	(1,517)	(3%)
FFO/Adjusted net debt[1]	%	57.5%	44.3%	13.2%p	69	50	19%p
ROCE[1]	%	29.3%	23.5%	5.8%p	32.1	25.2	6.9%p

1. ROCE: Last 12 months

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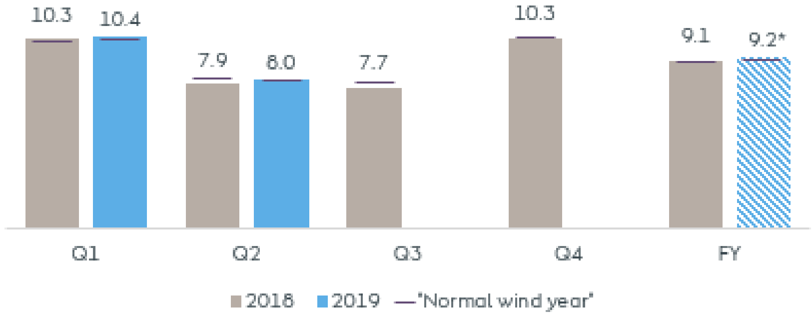
Offshore – Financial highlights

FINANCIAL HIGHLIGHTS		Q2 2019	Q2 2018	Δ
EBITDA	DKKm	3,301	3,090	7%
• Sites incl. O&Ms and PPAs		2,281	1,767	29%
• Partnership agreements and farm-down gains		1,638	1,619	1%
• Other incl. project development		(618)	(296)	109%
ROCE[1]	%	36.0	26.5	9.5%p
KEY BUSINESS DRIVERS				
Power generation	TWh	2.2	1.8	22%
Wind speed	m/s	8.0	7.9	1%
Availability	%	87	93	(6%p)
Load factor	%	31	31	0%p
Installed capacity	GW	5.6	5.1	10%
Generation capacity	GW	3.3	2.8	18%

WIND SPEED
(m/s), offshore wind farms



The wind speed indicates how many metres per second the wind has blown in the areas where we have offshore wind farms. The weighting is based on our generation capacity.

* Indicates m/s for full year 2019, if Q3 and Q4 2019 follows a normal wind year

1. ROCE: Last 12 months

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Onshore – Financial highlights

FINANCIAL HIGHLIGHTS		Q2 2019
EBITDA	DKKm	167
• Sites		80
• Production tax credits and tax attributes		140
• Other incl. project development		(53)
ROCE[1]	%	3.9
KEY BUSINESS DRIVERS		
Power generation	GWh	0.8
Wind speed	m/s	7.7
Availability	%	97
Load factor	%	47
Installed capacity	MW	813

1. ROCE: Last 12 months

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Bioenergy – Financial highlights

FINANCIAL HIGHLIGHTS		Q2 2019	Q2 2018	Δ
EBITDA	DKKm	(159)	(71)	124%
• Heat		143	119	20%
• Ancillary services		91	90	1%
• Power		(393)	(280)	40%
Free cash flow		8	(304)	n.a.
KEY BUSINESS DRIVERS				
Heat generation	TWh	1.1	0.9	22%
Power generation	TWh	0.7	0.9	(22%)
Degree days	#	269	149	81%
Power price, DK	EUR/MWh	36.8	39.8	(7%)
Green dark spread, DK	EUR/MWh	(3.4)	(0.5)	623%

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Customer Solutions – Financial highlights

FINANCIAL HIGHLIGHTS		Q2 2019	Q2 2018	Δ
EBITDA	DKKm	310	122	154%
• Distribution		283	251	13%
• Sales		(41)	(14)	193%
• Markets		105	(8)	n.a.
• LNG		(37)	(107)	(65%)
ROCE[1]	%	13.7	8.8	4.9%p
KEY BUSINESS DRIVERS				
RAB Power	DKKm	11,431	10,957	4%
Gas sales	TWh	32.1	34.1	(6%)
Power sales	TWh	7.4	6.8	9%
Distribution of power	TWh	1.9	1.9	0%

1. ROCE: Last 12 months

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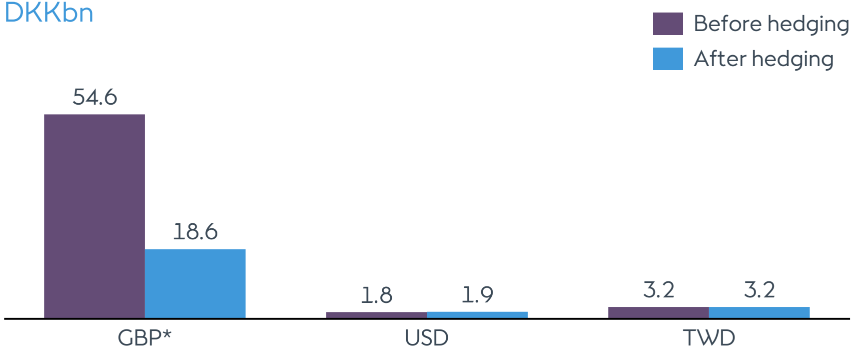
Currency and energy exposure

Currency exposure - 1 July 2019 to 30 June 2024

DKKbn

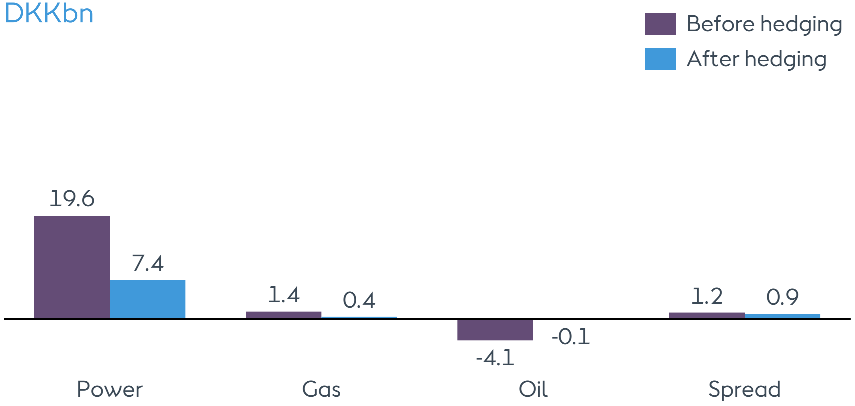


Risk after hedging, DKKbn	Effect of price +10%	Effect of price +10%
GBP: 18.6 sales position	+1.9	-1.9
USD: 1.9 sales position	+0.2	-0.2
TWD: 3.2 sales position	+0.3	-0.3

The GBP exchange rate for hedges impacting EBITDA in 2019 and 2020 is hedged at an average exchange rate of DKK/GBP 8.4.

Energy exposure - 1 July 2019 to 30 June 2024

DKKbn

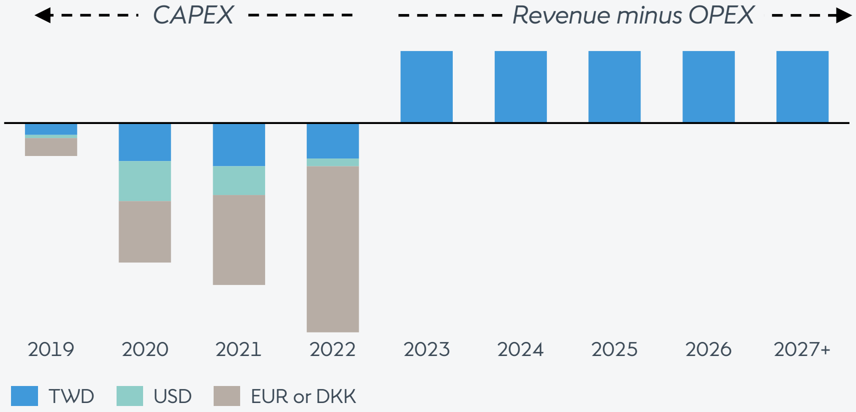


Risk after hedging DKKbn	Effect of price +10%	Effect of price -10%
Power: 7.4 sales position	+0.7	-0.7
Gas: 0.4 sales position	+0.0	-0.0
Oil: 0.1 purchase position	+0.0	-0.0
Spread: 0.9 sales position	+0.1	-0.1

Local currency funding and potential partnership agreements reduce risk towards Taiwanese Dollar significantly

Cash flows from Changhua 1 & 2A

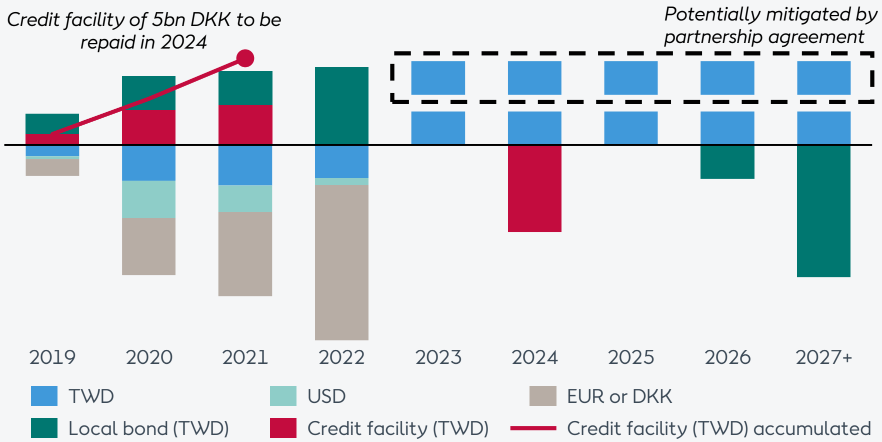
Illustrative



- CAPEX primarily denominated in EUR, DKK and TWD and to a minor extent USD
- Future revenue minus OPEX denominated in TWD

Risk mitigating actions

Illustrative



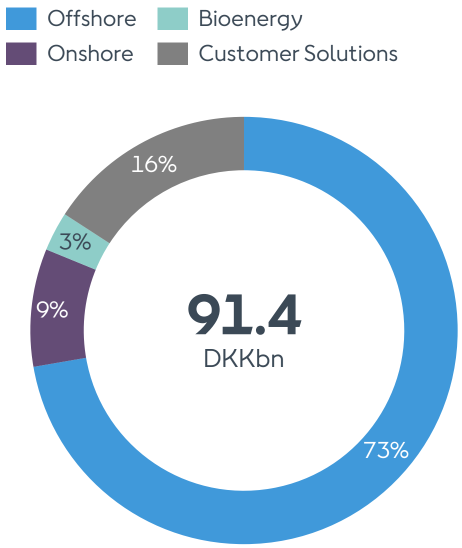
- Local currency funding (revolving credit facility and bond issues) to finance approximately 50% of the CAPEX budget and potential partnership agreement mitigate TWD risk
- Additional mitigating actions:
  - Pursue CAPEX paid in TWD[1]
  - Future unhedged TWD income potentially recycled into new projects in Taiwan

1. To maximize use of local currency funding and potential netting, but only to the extent that it does not increase CAPEX

Capital employed

CAPITAL EMPLOYED, DKKm	H1 2019	FY 2018	H1 2018
Intangible assets and property and equipment	92,364	84,832	81,071
Equity Investments and non-current receivables	1,410	1,445	1,243
Net working capital, work in progress	4,551	9,654	9,284
Net working capital, tax equity	(3,528)	(3,719)	-
Net working capital, capital expenditures	(3,957)	(2,978)	(4,840)
Net working capital, other items	1,326	1,489	(2,475)
Derivatives, net	656	(2,626)	(1,709)
Assets classified as held for sale, net	11,098	10,372	2,040
Decommissioning obligations	(5,781)	(5,472)	(5,157)
Other provisions	(7,677)	(7,982)	(6,710)
Tax, net	1,434	(2,629)	2,162
Other receivables and other payables, net	(470)	510	(562)
TOTAL CAPITAL EMPLOYED	**91,426**	**82,896**	**74,347**
OF WHICH CONTINUING OPERATIONS	**91,612**	**83,039**	**74,494**
OF WHICH DISCONTINUED OPERATIONS	**(186)**	**(143)**	**(147)**

Capital employed by segment
%, H1 2019



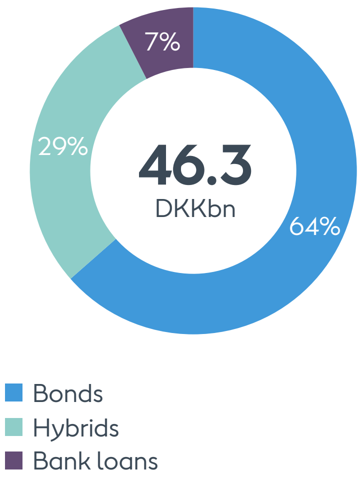
FFO/Adjusted net debt calculation

FUNDS FROM OPERATIONS / ADJUSTED NET DEBT, DKKm	H1 2019[1]	FY 2018	H1 2018[1]
EBITDA – Business Performance	**30,186**	**30,029**	**23,387**
Interest expenses, net	(965)	(877)	(946)
Reversal of interest expenses transferred to assets	(428)	(506)	(595)
Interest element of decommission obligations	(209)	(192)	(189)
50% of coupon payments on hybrid capital	(273)	(272)	(320)
Operating lease obligations, interest element	76	(196)	(216)
Adjusted net interest expenses	**(1,799)**	**(2,043)**	**(2,266)**
Reversal of gain (loss) on divestment of assets	(15,367)	(14,995)	(9,353)
Reversal of recognised lease payment	376	778	845
Current tax	(3,186)	(3,068)	(2,915)
FUNDS FROM OPERATION (FFO)	**10,210**	**10,701**	**9,698**
Total interest-bearing net debt	**4,980**	**(2,219)**	**4,603**
50% of hybrid capital	6,619	6,619	6,619
Cash and securities, not available for distribution	1,094	1,583	690
Present value of operating lease payments	-	4,819	5,667
Decommission obligations	5,781	5,471	5,157
Deferred tax on decommissioning obligations	(719)	(757)	(866)
ADJUSTED INTEREST-BEARING NET DEBT	**17,755**	**15,516**	**21,870**
FFO / ADJUSTED INTEREST-BEARING NET DEBT	**57.5%**	**69.0%**	**44.3%**

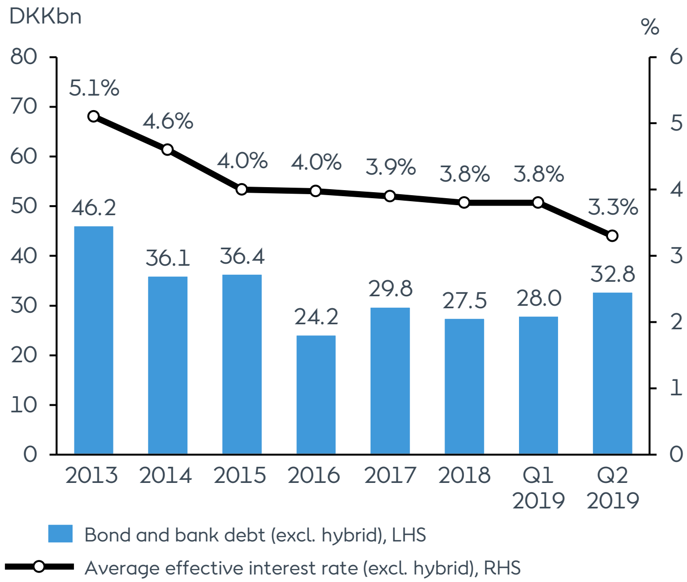
1. Last 12 months

Debt overview

Gross debt and hybrids
Q2 2019

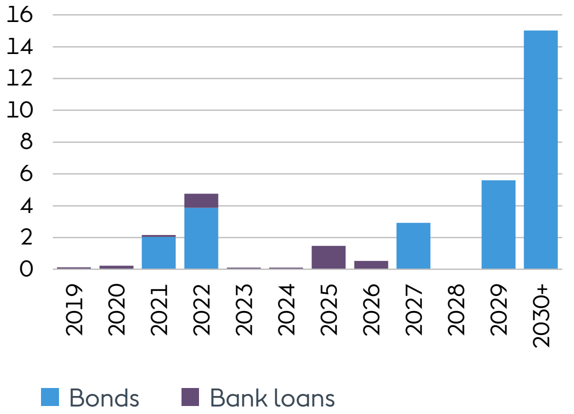


Effective funding costs – gross debt
(excl. hybrid)



Long term gross debt maturity schedule Q2 2019, DKKbn

	Cost of debt (%)	*Modified duration (%)*	*Avg. time to maturity (years)*
Bond loans	3.5	8.9	11.8
Bank loans	2.1	0.3	5.5
Total	**3.3**	**8.8**	**11.2**



Hybrid capital in short

Hybrid capital can broadly be defined as funding instruments that combine features of debt and equity in a cost-efficient manner:

- Hybrid capital encompasses the credit-supportive features of equity and improves rating ratios
- Perpetual or long-dated final maturity (1,000 years for Ørsted)
- Absolute discretion to defer coupon payments and such deferrals do not constitute default nor trigger cross-default
- Deeply subordinated and only senior to common equity
- Without being dilutive to equity holders (no ownership and voting rights, no right to dividend)

Due to hybrid's equity-like features, rating agencies assign equity content to the hybrids when calculating central rating ratios (e.g. FFO/NIBD).

The hybrid capital has increased Ørsted's investment capacity and supports the growth strategy and rating target.

Ørsted has made use of hybrid capital to maintain our ratings at target level in connection with the merger with Danish power distribution and production companies back in 2006 and in recent years to support our growth in the offshore wind sector.

Currently, Ørsted has fully utilised it's capacity to issue hybrids (S&P has the strictest limit of 15% of total capitalisation).

HYBRIDS ISSUED BY ØRSTED A/S[1]	PRINCIPAL AMOUNT	TYPE	FIRST PAR CALL	COUPON	ACCOUNTING TREATMENT[2]	TAX TREATMENT	RATING TREATMENT
6.25% hybrid due 3013	EUR 700m	Hybrid capital (subordinated)	June 2023	Fixed for the first 10 years, first 25bp step-up in June 2023	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt
3.0% hybrid due 3015	EUR 600m	Hybrid capital (subordinated)	Nov. 2020	Fixed during the first 5.5 years, first 25bp step-up in Nov. 2025	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt
2.25% Green hybrid due 3017	EUR 500m	Hybrid capital (subordinated)	Nov. 2024	Fixed during the first 7 years, first 25bp step-up in Nov. 2029	100% equity	Debt – tax-deductible coupon payments	50% equity, 50% debt

1. All listed on Luxembourg Stock Exchange and rated Baa3 (Moody's), BB+ (S&P) and BBB- (Fitch). ´The Green hybrid is furthermore listed on the Luxembourg Green Exchange (LGX)
2. Due to the 1,000-year structure

Ørsted

Ørsted's outstanding Green Bonds

°C | °CICERO Dark Green

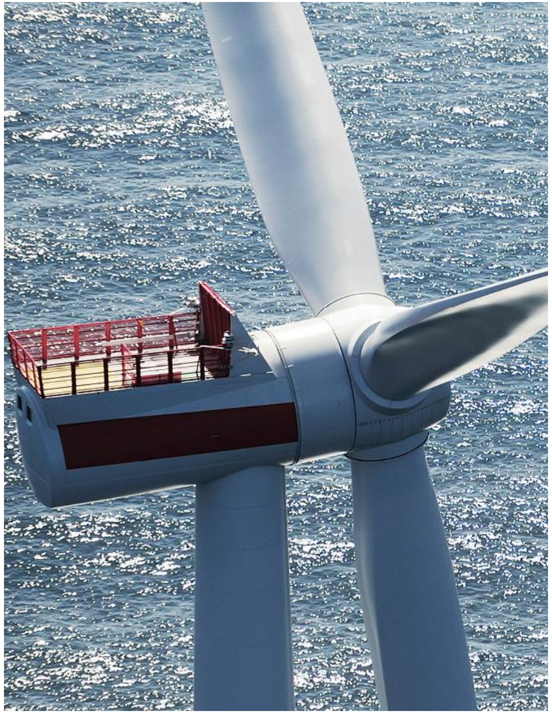
Issuer	Ørsted A/S	Ørsted A/S	Ørsted A/S	Ørsted A/S	Ørsted A/S
Face Value	EUR 750m	EUR 500m	GBP 350m	GBP 300m	GBP 250m
Format	Senior Unsecured	Hybrid capital	Senior Unsecured	Senior Unsecured	Senior Unsecured/CPI linked
Maturity	26 November 2029	24 November 3017	17 May 2027	16 May 2033	16 May 2034
Coupon	1.5%	2.25%	2.125%	2.5%	0.375%
Listing	London Stock Exchange	Luxembourg Stock Exchange	Luxembourg Stock Exchange	Luxembourg Stock Exchange	Luxembourg Stock Exchange
Face Value (in DKK)	5,499	3,674	2,968	2,518	2,128
Allocated to green projects as (in DKK)	5,499	2,550	0	0	0
Unallocated amount (in DKK)	0	1,124	2,968	2,518	2,128
Avoided emissions (t CO_2/year) attributable to the bonds	590,000	278,000	-	-	-

Ørsted has developed a Green Finance Framework which is an update to the previous framework from 2017. In the 2019 update Ørsted has broadened the green financing instruments to include Green Bonds, Green Loans and other types of green financing instruments. Furthermore Ørsted has decided to only use green proceeds for financing of offshore wind projects.

Besides the five outstanding Green Bonds, Ørsted has in May established a TWD 25bn Green RCF to finance the construction of the offshore wind projects in Taiwan

Ørsted

Financing strategy



We have a centralised financing strategy as customary for vertically and horizontally integrated European energy utilities.

The strategy supports:

- A capital structure supportive of our BBB+ rating ambition
- Concentration of and scale in financing activities
- Cost efficient financing based on a strong parent rating
- Optimal terms and conditions and uniform documentation
- Transparent debt structure and simplicity
- No financial covenants and restrictions on operating arrangements
- Corporate market more stable and predictable than project finance market
- Avoidance of structural subordination

All cash flow generated by our subsidiaries supports the creditworthiness and rating of and thus the debt taken up by the parent company, Ørsted A/S.

The financing strategy optimizes the effect of a fully integrated cash pool where cash at practically all of the company's more than 150 subsidiaries is made available for the company's financing and liquidity purposes.

Financing of activities at subsidiary level is provided by Ørsted A/S in a standardised and cost-efficient setup involving very few resources at Business Unit and Corporate Treasury.

Widespread use of project financing is not considered cost-efficient and dilutes the creditworthiness of the company.

Currency risk management

General hedging principles

- The main principle is to hedge highly certain cash flows, such as FX from hedged energy.
- Cost-of-hedging minimized by netting of exposures, use of local currency in construction contracts and debt in local currency.

Managing outright long risk (GBP)

- Operations: minimum 5-year hedging staircase determined by the Board of Directors with 100% in year 1 – declining to 20% in year 5. The hedging staircase is a compromise between stabilizing cash flows in the front-end and ensuring a balanced FFO/NIBD.
- Above 5-years the GBP exposure is to some extent hedged with GBP denominated debt.

Managing time-spread risk (new markets)

- Construction period: Hedge 100% of year 1 currency cash flow risk, while not increasing the total portfolio currency exposure.
- In markets where Ørsted has capital expenditures, but no revenue in local currency, the time-spread nature of the exposures is taken into account.

Ørsted

Interest rate and inflation risk management

Four risk categories of assets and debt allocation
Illustrative

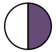
Fixed nominal

- Fixed nominal revenue assets
- Primarily continental-EU offshore wind
- Primarily matched with fixed nominal debt

Variable regulated

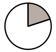
- Variable regulated revenue assets
- Primarily Power Distribution
- Ideally matched with variable-rate debt

Inflation-indexed



- Inflation-indexed revenue assets
- Primarily UK offshore wind
- Primarily matched with equity

Other



- Other, mainly energy price exposed assets
- Matched with equity

Objectives of interest rate and inflation risk management

1. Protect long-term real value of equity by offsetting interest and inflation risk exposure embedded in assets by allocating debt with similar, but opposite risk exposure
2. Cost of funding optimized by actively managing debt portfolio
3. Cost of hedging minimised by using natural portfolio synergies between assets, allowing matching of up to 100% of asset value with appropriate debt

Framework for risk management

- Assets divided into four different risk categories, based on nature of inflation and interest risk exposure
- Simple risk metrics are used to match assets with appropriate debt within each category
- Fixed nominal-category has first priority for debt allocation, to protect shareholders against inflation eroding the real value from fixed nominal cash flows
- Inflation-indexed revenues reserved to service equity return for shareholders thereby to a large extent protecting the real value of equity against fluctuations in inflation rates

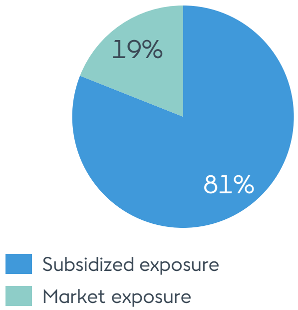
The pie charts represent approximate size of the exposures.

Energy risk management

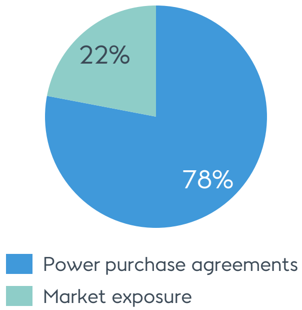
Risk picture

- We manage market risks to protect Ørsted against market price volatility and ensure stable and robust financial ratios that support our growth strategy
- For Offshore, a substantial share of energy production is subsidized through either fixed tariffs or green certificates. Remaining exposure is hedged at a declining rate up to five years
- Onshore mitigate their power exposure by entering into long term power sales agreements
- Customer Solutions and Bioenergy manage their market risk actively by hedging with derivatives in the energy markets up to five years

Offshore exposure



Onshore exposure

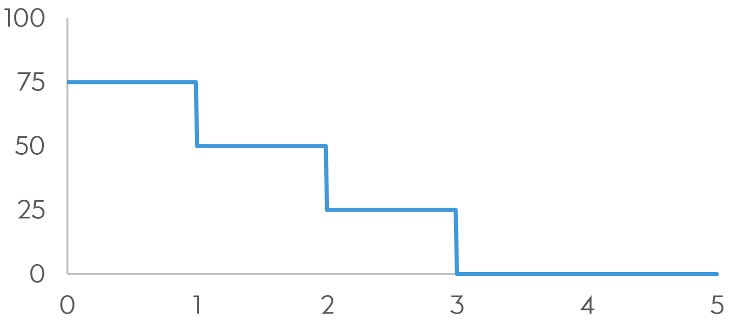


Note: expected exposure 2019-2023, as of 31/12-2018

Hedging of open exposure

- Open energy exposure is reduced actively
- Minimum hedging requirements are determined by the Board of Directors. In the first two years, a high degree of hedging is desired to ensure stable cash flows after tax
- The degree of hedging is declining in subsequent years. This is due to: 1) reduced certainty about long-term production volumes and 2) increasing hedging costs in the medium to long term; both spread costs and potential cost of collateral

Offshore minimum power hedging requirement



Note: actual hedging level is significantly higher

Ørsted

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