

**Company announcement  
No. 25/2020**

**Interim report for the first half year 2020**

**Strong first half**

Today, Ørsted's Board of Directors approved the interim report for the first half-year (H1) of 2020. Our operating profit (EBITDA) amounted to DKK 9.8 billion, an 11% increase compared to the same period last year.

Earnings from offshore and onshore wind farms in operation increased by 17% to DKK 8.2 billion driven by ramp-up of power generation from Hornsea 1, Lockett, and Sage Draw together with high wind speeds.

Net profit amounted to DKK 2.5 billion and return on capital employed (ROCE) came in at 11%.

The green share of our heat and power generation increased from 82% to 88%.

Our EBITDA guidance is unchanged relative to the guidance in our interim financial report for Q1 2020, and thus we re-iterate our EBITDA guidance of DKK 16-17 billion in 2020. We lower our expectation to gross investments by DKK 2 billion to DKK 28-30 billion in 2020 due to changed timing of payments.

**Henrik Poulsen, CEO and President of Ørsted, says:**

"Despite the comprehensive health, social, and economic consequences of COVID-19, Ørsted has maintained stable operations and strong earnings during 2020. Our asset base has continued to be fully operational and we have maintained normal availability rates on our offshore and onshore wind farms.

We have however seen negative COVID-19 related effects on European power markets, especially in the UK, driven by lower demand for electricity. The negative impact on our Q2 earnings was approx. DKK 150 million. A contained impact which does not change our full-year expectations.

Our construction projects have largely progressed according to plans, both in Europe, Asia, and the US. The part of our portfolio most affected by COVID-19 is the construction of offshore substations for Hornsea 2 and Greater Changhua 1 & 2a. These are being constructed at two shipyards in Singapore, which were closed down for two months due to COVID-19. The shipyards have now begun to slowly ramp-up again. Although we still

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore and onshore wind farms, solar farms, energy storage facilities, and bioenergy plants, and provides energy products to its customers. Ørsted ranks #1 in Corporate Knights' 2020 index of the Global 100 most sustainable corporations in the world and is recognised on the CDP Climate Change A List as a global leader on climate action. Headquartered in Denmark, Ørsted employs 6,700 people. Ørsted's shares are listed on Nasdaq Copenhagen (Orsted). In 2019, the group's revenue was DKK 67.8 billion (EUR 9.1 billion). Visit [orsted.com](http://orsted.com) or follow us on Facebook, LinkedIn, Instagram and Twitter.

**Ørsted**

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expect to be able to complete both projects within our budget and time schedule, we see increased risk of delays; especially at Hornsea 2. We expect any delays to have a limited overall impact on project economics.

During the second quarter we achieved significant strategic results.

We signed the largest ever renewable corporate power purchase agreement (CPPA) with Taiwan-based TSMC, the world's largest semiconductor foundry. TSMC will offtake the full generation from our 920MW Greater Changhua 2b & 4 offshore wind farm.

In the US, the Bureau of Ocean Energy Management (BOEM) released a draft of their Supplemental Environmental Impact Statement (SEIS) in June. The SEIS provides an evaluation of the foreseeable cumulative impacts of offshore wind projects on the US East Coast and provides a framework for future development of the industry. We are still awaiting the timeline for the approval process for our US projects. We expect to have more clarity during the second half of the year.

At the 12MW Coastal Virginia demonstration project in the US, which we are constructing for Dominion Energy, we successfully installed both monopile foundations and turbines in June. The wind farm is the first ever in US federal waters.

We commissioned the 230MW onshore wind farm Plum Creek in Nebraska ahead of schedule and on budget, and we received tax equity funding from our partners.

We acquired the 227MW<sub>ac</sub> solar PV project Muscle Shoals, located in Alabama. When completed, expectedly in Q3 2021, it will be the largest solar farm in south-eastern US.

Together with Copenhagen Airport, A.P. Moller - Maersk, DSV Panalpina and SAS, we have founded the partnership - 'Green fuels for Denmark' - to develop an industrial-scale production facility to produce sustainable fuels for road, maritime and air transport in the Copenhagen area. The partnership brings together the demand and supply side of sustainable fuels with a vision to realise what could become one of the world's largest electrolyser and sustainable fuel production facilities.

Together with nine partners, we secured funding for the renewable hydrogen project WESTKÜSTE 100 as the first large-scale hydrogen project in Germany within the Reallabor framework. WESTKÜSTE 100 is our third hydrogen project found eligible for public funding, and we are

very excited about the prospects of supporting heavy industries and heavy transport with clean alternatives based on renewable hydrogen.

The world continues to navigate a health crisis which has a severe impact on the lives and livelihoods of people across the globe as well as on global and local economies. In this challenging situation, Ørsted continues to focus on the health and well-being of its employees and their families while supporting a stable power supply in the markets where we operate. Our business model and organisation have proven very resilient, and we remain confident about the company's ability to deliver on both its short-term and long-term performance targets. We continue to see strong political and public support for an accelerated transition to green energy and Ørsted's long-term growth prospects are as strong as ever."

### Financial key figures for Q2 2020 and H1 2020:

DKK million	Q2 2020	Q2 2019	%	H1 2020	H1 2019	%
EBITDA	2,956	3,625	(18%)	9,761	8,755	11%
Profit (loss) for the period from cont. operations	(809)	1,093	n.a.	2,537	3,732	(32%)
Profit (loss) for the period from discont. operations	(16)	(18)	(11%)	(44)	(61)	(28%)
Profit (loss) for the period	(825)	1,075	n.a.	2,493	3,671	(32%)
Cash flows from operating activities	8,197	7,510	9%	7,769	7,392	5%
Gross investments	(3,757)	(3,368)	12%	(9,065)	(7,267)	25%
Divestments	45	(11)	n.a.	52	2,667	(98%)
Free cash flow	4,485	4,131	9%	(1,244)	2,792	n.a.
Net interest-bearing debt	22,272	4,980	347%	22,272	4,980	347%
FFO/adjusted net debt	23%	58%	(35%p)	23%	58%	(35%p)
ROCE	11%	29%	(18%p)	11%	29%	(18%p)

### For further information, please contact:

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### Earnings call

In connection with the presentation of the interim report, an earnings call for investors and analysts will be held on Wednesday, 12 August 2020 at 14:00 CEST.

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The earnings call can be followed live at:

<https://edge.media-server.com/mmc/p/fm7kbt6i>

Presentation slides will be available prior to the earnings call at:

[www.orsted.com/en/investors/ir-material/financial-reports-and-presentations#0](http://www.orsted.com/en/investors/ir-material/financial-reports-and-presentations#0)

The interim report is available for download at:

[www.orsted.com/en/investors/ir-material/financial-reports-and-presentations#0](http://www.orsted.com/en/investors/ir-material/financial-reports-and-presentations#0)