



## Company announcement No. 01/2021

**Ørsted exceeds guidance and expects EBITDA of DKK 18 billion for 2020.**

**EBITDA guidance for 2021 is expected to be DKK 15-16 billion excluding new partnership agreements.**

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Company registration no.  
(CVR no.) 36 21 37 28

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### EBITDA for 2020

Based on our preliminary and unaudited reporting, we expect an operating profit (EBITDA) of DKK 18.0 billion for 2020, which is above our latest guidance of DKK 16-17 billion.

The increase in earnings is primarily of temporary nature, but we have also seen strong operational performance throughout the Group in the last months of the year. We achieved higher than expected earnings from our operating assets and trading related to hedging of our power exposures, and we saw positive temporary effects in our gas portfolio business due to higher gas prices at year-end. In addition, fixed costs came in lower than expected throughout the Group, and we had lower than expected project development costs in the US, mainly due to timing.

### Financial outlook 2021

#### Group EBITDA guidance

Operating profit (EBITDA) excluding new partnership agreements is expected to be DKK 15-16 billion in 2021.

Outlook 2021, DKKbn	2020 realised		
	2020 realised <sup>1</sup>	excl. RBC <sup>1,2</sup>	2021 guidance <sup>3</sup>
EBITDA	18.0	17.1	15-16
Offshore	14.8	14.8	Lower
Onshore	1.1	1.1	Higher
Markets & Bioenergy	2.1	1.2	Lower

<sup>1</sup> Business performance principle

<sup>2</sup> Without the Danish power distribution, residential customer, and city light businesses (RBC)

<sup>3</sup> Without new partnerships; relative to 2020 excl. RBC

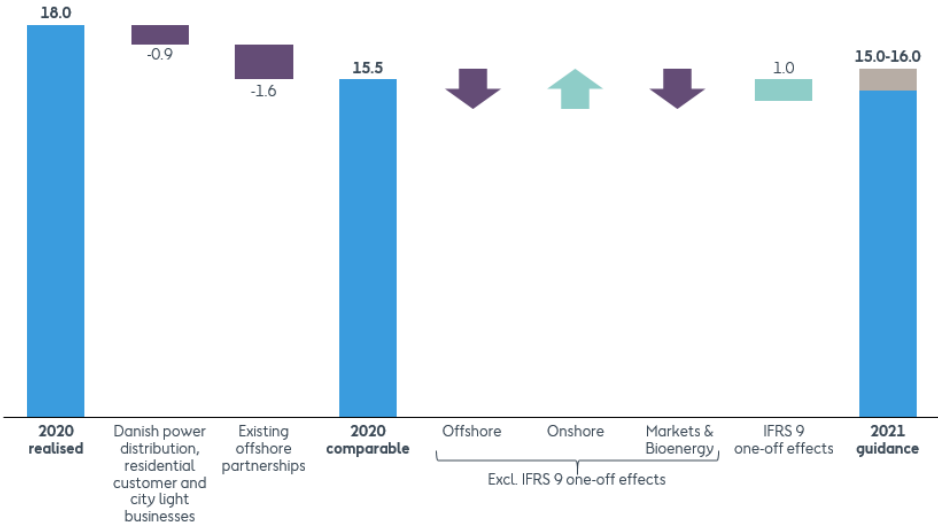
As in previous years, our EBITDA guidance does not include earnings from new partnership agreements as it is difficult to predict the exact timing of potential farm-downs as well as the distribution of income between years if the partnership includes a construction agreement.

Ørsted's vision is to create 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 6,120 people. Ørsted's shares are listed on Nasdaq Copenhagen (Orsted). In 2019, the company generated revenue of DKK 67.8 billion (EUR 9.1 billion). For more information on Ørsted, visit orsted.com or follow us on Facebook, LinkedIn, Instagram and Twitter.

In terms of new partnerships in 2021, we expect to close the 50 % farm-down of Greater Changhua 1 following the agreement announced in December 2020. Furthermore, we plan to farm-down a 50 % share of Borssele 1 & 2 around summer. Finally, we will explore the possibility of a farm-down of our solar PV portfolio following the commissioning of Muscle Shoals in Q3. While we have not included any gains from these farm-downs in our guidance, we have assumed a derived reduction in site earnings.

We had no earnings from new partnership agreements in 2020, while EBITDA from existing partnerships is expected to amount to DKK 1.6 billion. In 2021, EBITDA from existing partnerships is expected to be close to zero.

In 2020, we divested our Danish power distribution, residential customer, and city light businesses. These contributed with DKK 0.9 billion to our EBITDA in 2020.



**Directional business unit guidance**

Earnings in Offshore (excluding new partnership agreements) are expected to be lower than in 2020. Earnings are also expected to be lower than in 2020 adjusted for the non-repetition of earnings from existing partnerships in 2020 (approx. DKK 1.6 billion) and the positive effect (approx. DKK 1 billion) of ceasing to report according to the business performance principle in 2021 (see below). The positive impact on operational earnings driven by the last 400 MW of Hornsea 1 receiving CfDs from April and full-year effects from Borssele 1 & 2 net of the reduction in site earnings from the assumed farm-down will be more than offset by a number of adverse effects. In 2021, we expect an increase in

expensed project development costs, O&M costs related to Greater Changhua 1 & 2a and Hornsea 2 before they commence generation in 2022, higher TNUoS charges, and lower earnings from Horns Rev 2 which came out of subsidy period in October 2020. Finally, 2020 had higher than normal wind speeds, which constitutes the largest negative impact year on year.

Earnings in Onshore are expected to be higher than in 2020 driven by increased earnings from new wind and solar farms coming online, net of the assumed reduction in site earnings from the possible farm-down of our solar PV portfolio. The increased operational earnings will be partly offset by higher costs related to the strategic expansion of the business and an adverse year-on-year impact from recognition of derivatives.

Earnings in Markets & Bioenergy (excluding the divested Danish power distribution, residential customer, and city light businesses), are expected to be lower than in 2020. The positive effects from revaluation of gas at storage caused by the increasing gas prices, especially during Q4 2020, is expected to partly reverse in 2021.

### **Cease to report on business performance principle from 2021**

From 2021, we will cease using our supplementary business performance principles and only report our financials based on IFRS. This will simplify our reporting and comply with future reporting requirements.

The transition entails that the market value of our business performance hedges (related to commodities and related FX) deferred to a future period at the end of 2020 will cease to exist as it has already been recognised in the income statement according to IFRS.

For 2021, EBITDA according to IFRS is expected to be approx. DKK 1 billion higher than what we would have expected if we had continued to report based on the business performance principle. The majority of this is related to Offshore site earnings.

Ørsted will publish its annual report for 2020 on 3 February 2021.

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