

**Company announcement  
No. 29/2019**

**Interim report for the first nine months of 2019**

**Strong results and continued strategic progress**

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Company registration no.  
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Today, Ørsted's Board of Directors approved the interim report for the first nine months (9M) of 2019. We achieved an operating profit (EBITDA) of DKK 12.9 billion, up 19% compared to 9M 2018, which keeps us well on track to deliver on our full-year guidance.

29 October 2019

Earnings from our offshore wind farms in operation increased by 23%, driven by ramp-up of generation from new wind farms. In addition, our onshore wind business contributed positively to the year-on-year development as did higher earnings from our trading activities. This was partly offset by higher project development costs, a positive outcome of a gas sourcing arbitration case in 2018, and a temporarily negative effect from our gas at storage due to the substantial drop in gas prices during 2019.

The green share of power and heat generation increased from 71% to 83%.

Return on capital employed (ROCE) increased to 29%, up 6 percentage points compared to 9M 2018.

On 25 September 2019, we increased our EBITDA (business performance) guidance from DKK 15.5-16.5 billion to DKK 16-17 billion due to the dismissal of the claims in the Elsam competition case as well as strong wind speeds in August.

Our directional EBITDA for each business unit and gross investment guidance are unchanged relative to the guidance in the interim report for the first half year of 2019. Gross investments are expected to amount to DKK 21-23 billion.

Today, we have announced an update to our long-term financial targets that were presented at our Capital Markets Day on 28 November 2018. We refer to the separate company announcement.

**CEO and President Henrik Poulsen says:**

"We had a very strong third quarter with high wind speeds and ramp-up generation from new wind farms. Operating profit for the first nine months of the year amounted to DKK 12.9 billion, which was in line with our expectations and keeps us well on track to deliver on the full-year guidance of DKK 16-17 billion.

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore and onshore wind farms, bioenergy plants and provides energy products to its customers. Headquartered in Denmark, Ørsted employs 6,500 people. Ørsted's shares are listed on Nasdaq Copenhagen (Ørsted). In 2018, the group's revenue was DKK 76.9 billion (EUR 10.3 billion). For more information on Ørsted, visit [ørsted.com](http://ørsted.com) or follow us on Facebook, LinkedIn, Instagram and Twitter.

In September, we signed an agreement to divest our Danish power distribution (Radius), residential customer and city light businesses to SEAS-NVE. The agreement ensures an attractive transaction for Ørsted's shareholders and provides a good future home for the customers and our highly skilled employees. We will use the proceeds from the divestment to continue our global investments in green energy. We expect that the transaction will be closed in the first half of 2020.

In early October 2019, the last of the 174 turbines was installed at Hornsea 1. The offshore wind farm is currently undergoing a period of extensive testing and commissioning and is expected to be commercially operational in Q4 2019. Hornsea 1 is the world's largest offshore wind farm with a capacity of 1,218MW and will supply green power to more than 1 million UK homes.

We have selected GE as preferred turbine supplier for our Mid-Atlantic cluster (Ocean Wind and Skipjack) in the US. These projects will pioneer the deployment of GE's Haliade-X 12MW turbine, continuing our track record as a first mover on new technology. We have also signed contracts with Siemens Gamesa to supply turbines for our offshore wind projects in Taiwan (Greater Changhua 1 & 2a) and the Northeast cluster in the US (Sunrise Wind, Revolution Wind and South Fork).

In July, New York selected Sunrise Wind as the preferred bidder for an 880MW offshore wind farm. In October, Sunrise Wind signed a 25-year power purchase agreement with the New York State Energy Research & Development Authority (NYSERDA). The fixed all-in price is USD 110.37 per MWh<sup>1</sup>. Sunrise Wind is a 50-50 partnership between Ørsted and Eversource, our partner in the New England area. Subject to Ørsted's and Eversource's final investment decision, the offshore wind farm is expected to be completed by 2024.

In Poland, we have been selected by PGE, Polska Grupa Energetyczna, to commence discussions regarding their sale of a 50% stake in two offshore wind projects in the Baltic Sea with a total capacity of up to 2.5GW.

In August, we decided to build the 230MW onshore wind farm Plum Creek in Nebraska, USA. Construction has commenced, and we expect the wind farm to be completed during Q4 2020.

We are very pleased with the strong results and strategic progress during the third quarter as we continue to expand our position as a global leader in green energy."

<sup>1</sup> corresponding to a levelized 2017 price of USD 79.60 per MWh

## Financial key figures for Q3 and 9M 2019:

DKK million	Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
EBITDA	4,116	2,225	85%	12,871	10,823	19%
Profit (loss) for the period from cont. operations	1,443	418	245%	5,175	4,326	20%
Profit (loss) for the period from discount. operations	34	(13)	n.a.	(27)	(24)	13%
Profit (loss) for the period	1,477	405	265%	5,148	4,302	20%
Cash flows from operating activities	871	(117)	n.a.	8,263	2,778	197%
Gross investments	(7,222)	(4,385)	65%	(14,489)	(9,565)	51%
Divestments	260	380	(32%)	2,927	1,201	144%
Free cash flow	(6,091)	(4,122)	48%	(3,299)	(5,586)	(41%)
Net interest-bearing debt	12,082	8,957	35%	12,082	8,957	35%
FFO/adjusted net debt (last 12 months)	47%	42%	5%p	47%	42%	5%p
ROCE (last 12 months)	29%	23%	6%p	29%	23%	6%p

## For further information, please contact:

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## Conference call

In connection with the presentation of the interim financial report a conference call for investors and analysts will be held on Wednesday 30 October 2019 at 10:00 CET.

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The conference call can be followed live at:

<https://orsted.eventcdn.net/2019q3/>

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

[orsted.com/en/Financial-reports-and-presentations](https://orsted.com/en/Financial-reports-and-presentations)

The interim report is available for download at:

[orsted.com/en/Financial-reports-and-presentations](https://orsted.com/en/Financial-reports-and-presentations)

Attachments to this company announcement:

Interim report for first nine months 2019 (pdf)

Company announcement (pdf)

Investor presentation (pdf)