

Company announcement No. 21/2024

Interim report for the first half year of 2024 – increased earnings from offshore sites, progress on our business plan, and commissioning of around 2 GW renewable capacity

Today, Ørsted's Board of Directors approved the interim report for the first half year of 2024.

Mads Nipper, Group President and CEO of Ørsted, says in a comment to the interim report for the first half year 2024:

"I am pleased with our results. Ørsted's operations are performing well, and particularly the earnings from our offshore wind farms, and thus our core business, have increased. Therefore, we maintain our EBITDA guidance for the full year, and we increase our earnings expectations for our offshore wind business.

"In the first half of the year, we have executed on the updated business plan that we presented in February, and we have put almost 2 GW of renewable energy capacity into operation, providing renewable energy to more than 1.5 million households across three continents. This is a significant contribution to Ørsted's long-term renewable capacity goals.

"Despite encouraging progress on our US offshore wind project Revolution Wind, the construction of the onshore substation for the project has been delayed. This means that we have pushed the commercial operation date from 2025 into 2026, which led to an impairment. This is, of course, unsatisfactory, and we continue our dedicated efforts to de-risk our portfolio.

"The liquid e-fuel market in Europe is developing slower than expected, and we have taken the strategic decision to de-prioritise our efforts within the market and cease the development of FlagshipONE. We will continue our focus and development efforts within renewable hydrogen, which is essential for decarbonising key industries in Europe and closer to our core business.

"We maintain a strong focus on de-risking project execution and prioritising growth options with the highest potential for value creation."

Guidance

We maintain our full-year EBITDA guidance of DKK 23-26 billion, excluding earnings from new partnerships and impact from cancellation fees. However, we have increased the directional guidance in Offshore and decreased the directional guidance in Bioenergy & Other.

Ørsted
Kraftværksvej 53
Skærbæk
DK-7000 Fredericia

www.orsted.com
Company registration no.
(CVR no.) 36 21 37 28

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We have lowered our gross investments guidance by DKK 4 billion to DKK 44-48 billion due to timing effects across our project portfolio.

Results for H1 2024

Operating profit (EBITDA) for the first half year amounted to DKK 14.1 billion compared to DKK 10.2 billion in the same period last year, of which DKK 1.3 billion related to a net reversal of provisions for cancelled projects. EBITDA excluding new partnerships and cancellation fees in H1 2024 amounted to DKK 12.8 billion, which is an underlying increase of 25 % compared to last year.

Earnings from our offshore sites amounted to DKK 11.3 billion, which was an increase of DKK 2.3 billion compared to the same period last year. The increase was driven by the ramp-up of generation at our offshore wind farms Greater Changhua 1 and 2a, South Fork, and Gode Wind 3, higher wind speeds, higher prices on the inflation-indexed CfDs, and green certificates.

Impairment losses had a negative effect in H1 2024 of DKK -3.2 billion, mainly driven by our decision to cease execution of FlagshipONE (DKK -1.5 billion), a construction delay related to the onshore substation for Revolution Wind (DKK -2.1 billion), an update of our fair value measurement related to our Ocean Wind seabeds (DKK -0.6 billion), and an increase in the US long-dated interest rate (DKK -1.0 billion across our US portfolio). In contrast, we have reversed earlier booked impairment losses on Sunrise Wind, due to it being selected to negotiate an OREC agreement by the state of New York (DKK 1.8 billion).

Return on capital employed (ROCE) came in at -12.4 %, primarily due to the impairment losses and cancellation fees impacting EBIT during the 12-month period. ROCE adjusted for impairment losses and cancellation fees in H1 2024 was 13.1 %.

	Q2 2024	Q2 2023	%	H1 2024	H1 2023	%
EBITDA	6,570	3,320	98 %	14,058	10,230	37 %
- New partnerships	-	-	n.a.	-	-	n.a.
- Cancellation fees	1,300	-	n.a.	1,300	-	n.a.
- EBITDA excl. new partnerships and cancellation fees	5,270	3,320	59 %	12,758	10,230	25 %
Profit (loss) for the period	(1,678)	(538)	212 %	931	2,664	(65 %)
Cash flow from operating activities	6,081	2,447	149 %	9,689	12,566	(23 %)
Gross investments	(8,292)	(7,498)	11 %	(15,914)	(16,266)	(2 %)
Divestments	2,993	(2,038)	n.a.	2,255	(2,054)	n.a.
Free cash flow	782	(7,089)	n.a.	(3,970)	(5,754)	(31 %)
Net interest-bearing debt	49,366	43,924	12 %	49,366	43,924	12 %
FFO/adjusted net debt	22.7	17.7	5 %p	22.7	17.7	5 %p
ROCE	(12.4)	13.2	(26 %p)	(12.4)	13.2	(26 %p)

Earnings call

In connection with the presentation of the interim report for the first half year, an earnings call for investors and analysts will be held on Thursday, 15 August 2024 at 14:00 CEST.

The earnings call can be followed live at: [Ørsted Interim report for the first half-year of 2024 \(getvisualtv.net\)](https://getvisualtv.net)

Presentation slides will be available prior to the earnings call at: [Investor Relations | Ørsted \(orsted.com\)](https://orsted.com/investor-relations)

The interim report is available for download at: [Annual reports and presentations | Ørsted \(orsted.com\)](https://orsted.com/annual-reports-and-presentations)

For further information, please contact:

Global Media Relations

Carsten Birkeland Kjær
+45 99 55 77 65
cabkj@orsted.com

Investor Relations

Rasmus Keglberg Hærvig
+45 99 55 90 95
ir@orsted.com

About Ørsted

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, renewable hydrogen and green fuels facilities, and bioenergy plants. Ørsted is recognised on the CDP Climate Change A List as a global leader on climate action and was the first energy company in the world to have its science-based net-zero emissions

target validated by the Science Based Targets initiative (SBTi).
Headquartered in Denmark, Ørsted employs approx. 8,400 people.
Ørsted's shares are listed on Nasdaq Copenhagen (Orsted). In 2023, the
group's revenue was DKK 79.3 billion (EUR 10.6 billion). Visit orsted.com or
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Attachments to this company announcement:

Interim financial report H1 2024 (PDF)

Company announcement (PDF)

Investor presentation (PDF)