

Ørsted

Investor presentation Q3 2019



29 October 2019

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Strong results and continued strategic progress in Q3 2019

Highlights – Q3 2019

- EBITDA guidance increased by DKK 0.5bn to DKK 16-17bn, due to reversal of Elsam provision and strong wind conditions in August
- EBITDA totalled DKK 4.1 billion, an increase of 85% compared to Q3 2018, and in line with expectations
- EBITDA from offshore wind farms in operation increased by 35% to DKK 2.7 billion in Q3 2019
- Green share of power and heat generation reached 87%
- Agreement signed to divest our Danish power distribution, residential customer and city light businesses
- Operational issues experienced in the first half of the year have been resolved during Q3 2019
- All turbines installed at Hornsea 1
- GE selected as preferred turbine supplier for our US Mid-Atlantic cluster
- Bids submitted in Massachusetts and Connecticut offshore wind solicitations
- Commenced discussions with PGE regarding sale of a 50% stake in two Polish offshore wind projects with a capacity of up to 2.5GW
- Final investment decision taken on Plum Creek



Downward adjustment of our offshore wind production forecast

Blockage effect

- Blockage effect is the slowing down of wind as it approaches a wind farm and turbines
- Individual blockage effect for every turbine position as well as a global effect for the whole wind farm
- Global blockage effect is larger than the sum of all individual effects
- Our new wind simulation models suggest that we historically have underestimated these blockage effects
- Finding supported by recent report on blockage from DNV-GL

Wake effect

- Wake effects occur behind turbines where the wind slows down before it spreads and the wind speed recovers
- Wake effects exist within wind farms as well as between neighboring wind farms
- We have developed a tool to benchmark models against turbine data from our operational portfolio. Tool shows our previous model underestimates the losses
- As global offshore wind build-out accelerates the whole industry will see higher wake effects from neighboring wind farms

Wake effect within Horns Rev 2



Developments since 2018 CMD and status on long-term key financial targets and estimates

Negative developments since CMD

- Downward adjustment of offshore wind production forecast across our asset and project portfolio
- Feed-in tariff for Changhua 1&2a reduced 6%
- Increased CAPEX estimate for our Deepwater Wind project portfolio in the US, primarily related to transmission assets

Positive developments since CMD

- CAPEX estimates for our construction portfolio have slightly improved
- Lower interest rates leading to lower return requirements on OFTO assets, i.e. lower ongoing UK transmission charges
- Higher than budgeted availability on one of our newer turbine platforms positively impacting some of our assets
- Reduction of our overhead cost base by DKK 500-600m between 2020 and 2022, of which approx. half is fall-away costs when we divest our downstream assets and half is cost reductions across staff functions

2018 CMD – Key financial targets

	Update
Average yearly growth in EBITDA from offshore and onshore wind farms in operation, 2017-2023 of ~20%	Unchanged
Average ROCE, 2019-2025 of ~10%	Unchanged
Unlevered lifecycle IRR from competitive offshore wind tenders ¹ of 7.5-8.5%	7.0-8.0%
The average share of EBITDA from regulated and contracted activities ~90% for the period of 2019-2025	Unchanged

2018 CMD – Other estimates











	Update
CAPEX cost for European construction and development portfolio ² of 13.5mDKK/MW	Unchanged
Average lifetime OPEX – 15mDKK/MW for 3-4MW – 10mDKK/MW for 6-8MW	Unchanged
Load factor for updated portfolio ³ of 48-50%	Around 48%

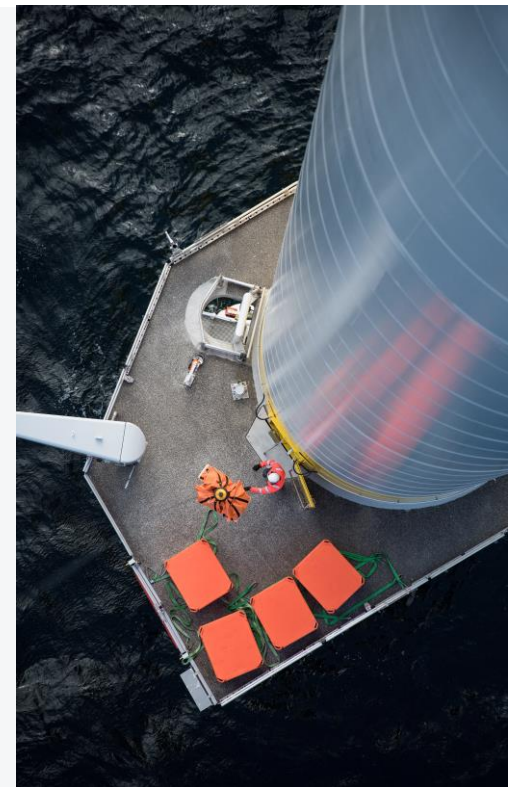
1) Capacity weighted average of Borssele 1&2, Hornsea 2, Gode Wind 3, Borkum Riffgrund 3, Greater Changhua 1&2a and 2b&4 and Revolution Wind

2) Capacity weighted average of Borssele 1&2, Hornsea 2, Gode Wind 3 and Borkum Riffgrund 3













5 3) Capacity weighted average of Gode Wind 1&2, Burbo Bank Extension, Race Bank, Walney Extension, Borkum Riffgrund 2, Hornsea 1, Borssele 1&2, Hornsea 2, Gode Wind 3 and Borkum Riffgrund 3

Construction programme – Offshore

Project	Hornsea 1	Borssele 1 & 2	Virginia	Hornsea 2	Changhua 1 & 2a
Country					
Asset type					
Capacity	1,218MW	752MW	12MW (EPC)	1,386MW	900MW
Expected completion	Commercially operational in Q4 2019	Q4 2020 / Q1 2021	Q4 2020	H1 2022	2022
Status	On track	On track	On track	On track	On track
Comments	All 174 turbines installed Testing and commissioning ongoing	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	Key contracts signed Start of onshore construction



Construction programme – Onshore, Bioenergy and Power Distribution

Project	Sage Draw	Willow Creek	Plum Creek	Asnæs CHP plant	Renescience Northwich	Smart meter roll-out
Country						
Asset type						
Capacity	338MW	103MW	230MW	125MW Heat, 25MW Power	120,000 tonnes waste	1 million installations
Expected completion	Q1 2020	Q4 2020	Q4 2020	Q4 2019	End of 2019	End of 2019
Status	On track	On track	On track	On track	Commissioning delayed	On track
Comments	Road and foundation installation underway	Civil works scheduled to complete by end of 2019 and turbine deliveries expected Summer 2020	Foundation construction began and turbine deliveries expected early 2020	Conversion from coal to sustainable wood chips	Reconfiguration completed Ramp-up of waste throughput and production ongoing	1,000,000 smart meters installed Clean-up and testing ongoing

Offshore market development – US

Massachusetts

- Bids submitted in the 800MW offshore wind solicitation with Bay State Wind project in joint venture with Eversource
- Outcome expected 8 November 2019
- Passed bill which could increase offshore wind capacity to 3.2GW by 2030

Connecticut

- Bids submitted in the up to 2GW offshore wind solicitation with Constitution Wind project in joint venture with Eversource
- Outcome expected in November 2019 following award in Massachusetts
- Legislation signed approving procurement of additional 2GW of offshore wind capacity

New York

- 25-year 880MW PPA for Sunrise Wind signed with NYSEERDA
- Next auction of 800-1,200MW expected in H2 2020. Target 9GW offshore wind by 2035
- BOEM announced that release of final offshore lease areas in early 2020 and lease auctions later in 2020 is unlikely (expected to be two areas of at least 800MW each)

New Jersey

- Subsequent auctions of 1.2GW each expected in 2020 and 2022, respectively
- Target of 3.5GW of offshore wind capacity by 2030

Maryland

- Target of approx. 1.6GW of offshore wind capacity by 2030
- Auctions of at least 400MW each required in 2020, 2021 and 2022, respectively

Virginia

- Executive order signed establishing a non-binding 2.5GW offshore wind target by 2026



Offshore market development – Europe

United Kingdom	<ul style="list-style-type: none">• Target annual build-out of 1-2GW to reach 30GW capacity by 2030• Six offshore wind farms have been awarded a total of 5.5GW in the 2019 UK CfD auction• Decision deadline for Hornsea 3 development consent postponed to 31 March 2020• Crown Estate did not award Race Bank Extension an Agreement for Lease at this stage• Auction framework for up to 7GW of new lease areas announced. Auction expected September 2020
Germany	<ul style="list-style-type: none">• First centralised tender expected in 2021, approx. 900MW to be built annually from 2026• Target for offshore wind capacity by 2030, increased from 15GW to 20GW
Netherlands	<ul style="list-style-type: none">• Government target of 11.5GW offshore wind by 2030• Next tender of up to 760MW with bid deadline 16 April 2020
Denmark	<ul style="list-style-type: none">• 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 has been launched, with expected bid in Q4 2021
France	<ul style="list-style-type: none">• Government target increased from 5GW to 10GW offshore wind by 2028• Next tender (Round 4) with a capacity of 1GW expected in 2021
Poland	<ul style="list-style-type: none">• Ørsted selected by PGE to commence discussions regarding sale of 50% stake in two offshore wind projects in the Baltic Sea with a total capacity of up to 2.5GW• Target of 10.3GW offshore wind by 2040• The Offshore Wind Act expected to be implemented in Q1 2020



Offshore market development – APAC

Taiwan

- Taiwan has met its target of awarding 5.5GW to be commissioned by 2025
- Auctions of additional 4.5GW for post 2025 commissioning being planned. Third round development auction design expected to be announced in Q4 2019
- 600MW Greater Changhua 3 project ready for future auctions

Japan

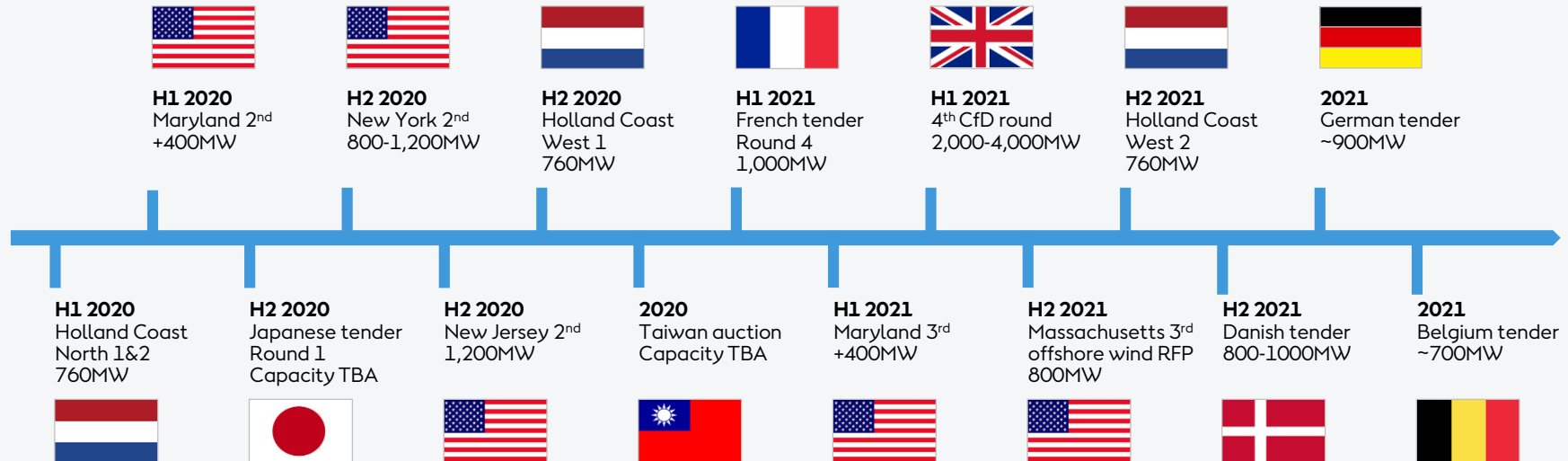
- Target of 10GW offshore and onshore wind power to be constructed by 2030
- Signed MoU to work jointly with TEPCO on Choshi offshore wind project near Tokyo
- 11 areas designated as potentially suitable for development of offshore wind with a capacity of approx. 7GW
- Four areas, including Choshi, have been selected as prospective areas working towards qualification by Q1 2020 ahead of an expected auction in H2 2020

South Korea

- 12GW offshore wind build-out has been targeted in order to reach the 20% renewable mix towards 2030
- The most recent renewable target has been set to increase to 35% by 2040 (up from 20% in 2030)
- Strong need for offshore wind due to onshore limitations and large energy imports
- 10GW offshore wind pipeline under planning and development

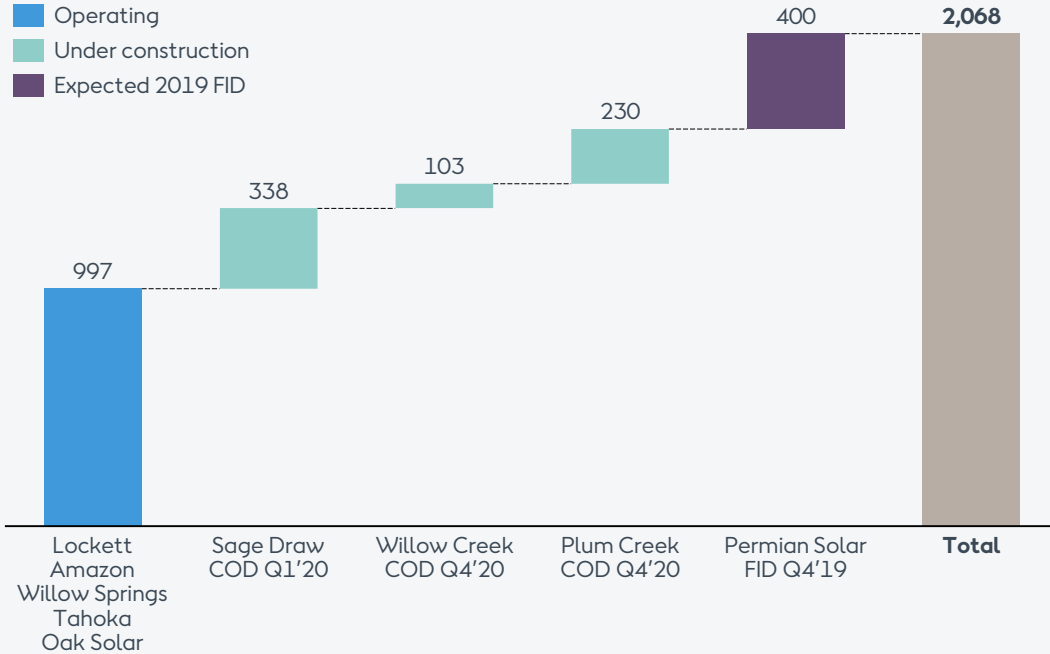


Expected upcoming offshore wind auctions and tenders in 2020 & 2021



Further strengthening of our US onshore portfolio with final investment decision taken for Plum Creek

Near-term capacity MW



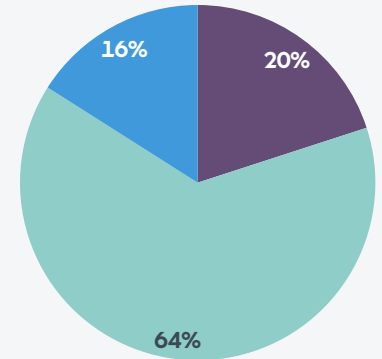
Development pipeline with offtake contracted

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

- Executed 12 year PPA with ExxonMobil
- Target FID in Q4 2019 and COD in 2021

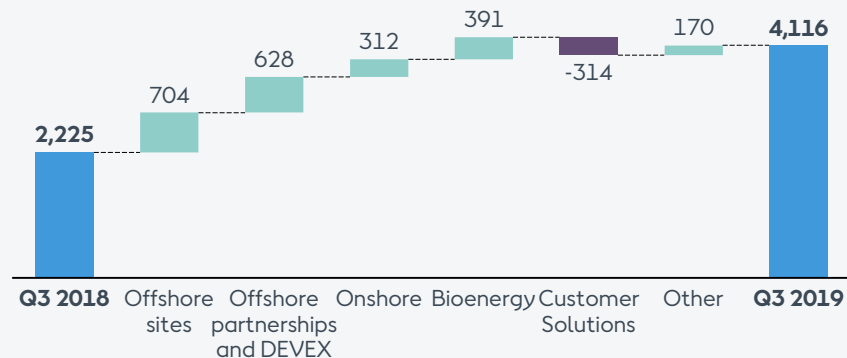
LCE near-term capacity %-split of MW

- ERCOT Solar PV
- ERCOT Wind
- SPP Wind



Results in line with expectations

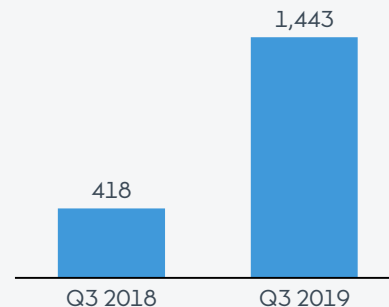
EBITDA DKKm



EBITDA increased by DKK 1.9bn

- Earnings from operating offshore wind farms up 35% driven by ramp-up and higher wind speeds
- Increased earnings from construction of offshore wind farms
- Contribution from Onshore in Q3 2019
- Reversal of provision related to the Elsam competition case (DKK 298m)
- Negative effect from our LNG and gas activities in Customer Solutions
- Other primarily related to implementation of IFRS 16

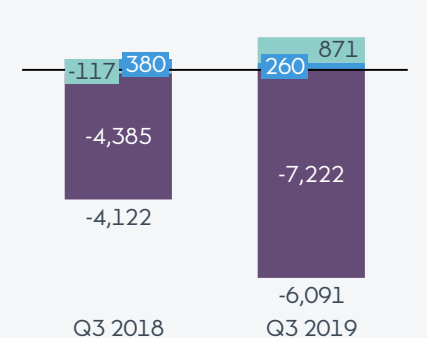
Net profit DKKm



Net profit up DKK 1.0bn

- Higher EBITDA
- Partly offset by higher depreciation from new wind farms in operation

Free cash flow DKKm



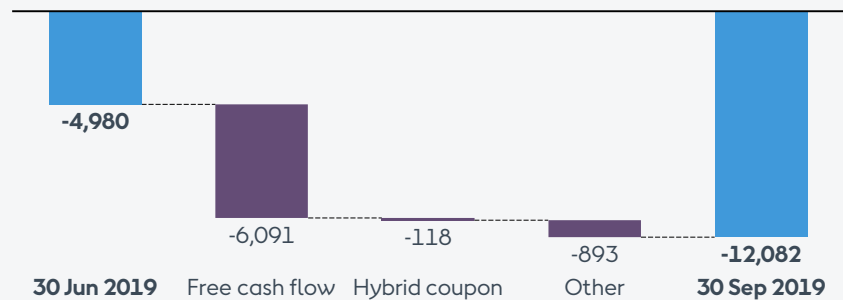
FCF totalled DKK -6.1bn

- Gross investments of DKK 7.2bn
- More funds tied up in work in progress related to the Hornsea 1 construction for partners
- Tax equity contribution from our partner at the Lockett wind farm
- Lower gas inventory

Increase in net debt - Solid financial ratios

Net interest-bearing debt development

DKKm

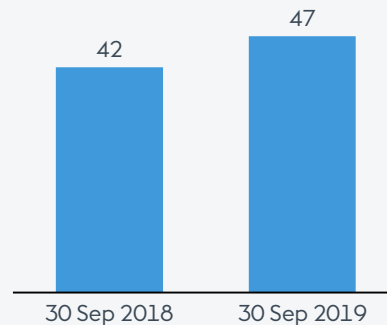


Net interest-bearing debt of DKK 12.1bn

- Free cash flow of DKK -6.1bn
- Other, mainly related to exchange rate adjustments, totalled DKK 0.9bn

FFO / Adj. net debt (LTM)

%

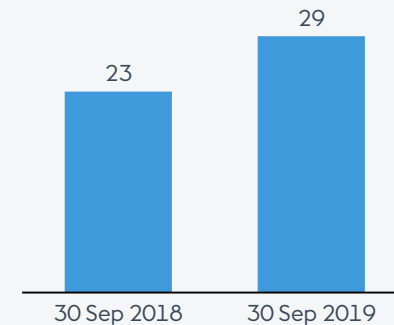


FFO / Adj. net debt of 47%

- Credit metric above our target of around 30%

ROCE (LTM)

%



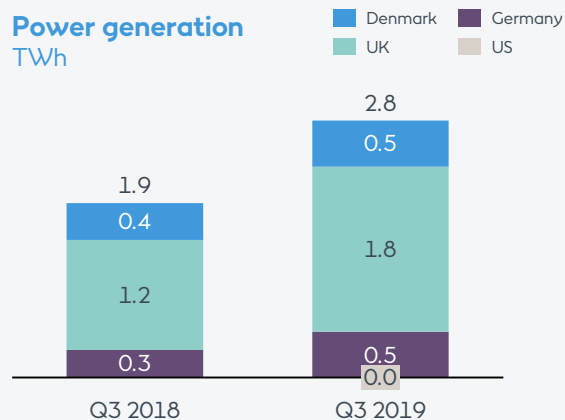
ROCE of 29%

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

Offshore – Q3 financial performance

Power generation

TWh

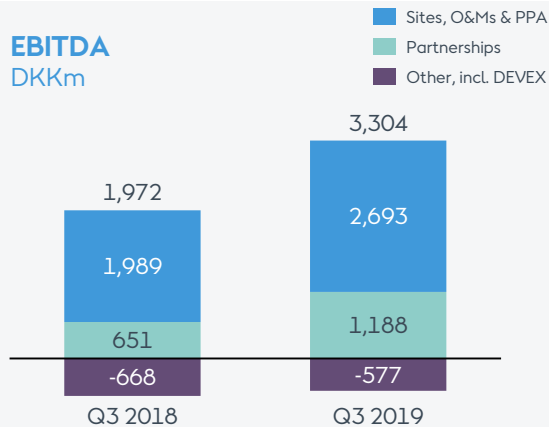


Power generation increased 47%

- Ramp-up of generation from Borkum Riffgrund 2 and Hornsea 1 (Q3'19 +0.5TWh)
- Higher wind speeds than Q3 2018 (8.5m/s vs. 7.7m/s in 2018. Norm 7.9m/s)

EBITDA

DKKm

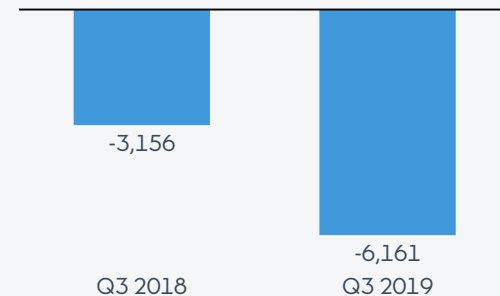


EBITDA increased DKK 1.3bn

- Earnings from operating wind farms increased 35% due to ramp-up
- Partnership earnings up DKK 0.5bn due to the construction of Hornsea 1
- Project development in line with Q3 2018

Free cash flow

DKKm

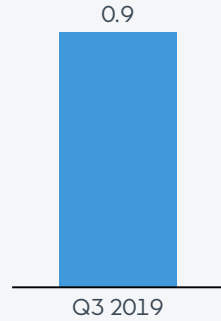


FCF totalled DKK -6.2bn

- More funds tied up in work in progress due to construction of Hornsea 1 for partners
- Higher gross investment than Q3 2018

Onshore – Q3 financial performance

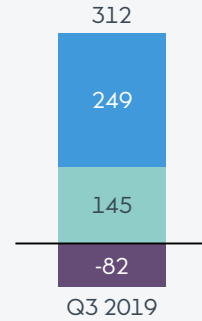
Power generation TWh



Power generation of 0.9TWh

- Wind speed of 6.6m/s in Q3 2019 vs. norm of 6.7m/s
- High availability of 98% across portfolio

EBITDA DKKm

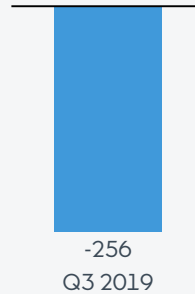


- Sites
- PTCs and tax attributes
- Other, incl. DEVEX

EBITDA of DKK 0.3bn

- EBITDA from Sites of DKK 0.2bn positively affected by high peak power prices in Texas in August
- Production tax credits contributed with DKK 0.1bn
- Partly offset by project development and other costs

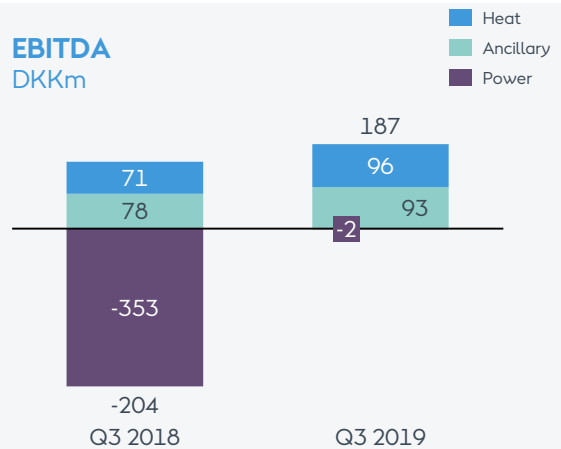
Free cash flow DKKm



FCF totalled DKK -0.3bn

- Gross investments related to Sage Draw, Plum Creek, Willow Creek and Permian Solar
- Tax equity contribution from our partner at Lockett wind farm
- Less funds tied up in net working capital

Bioenergy – Q3 financial performance

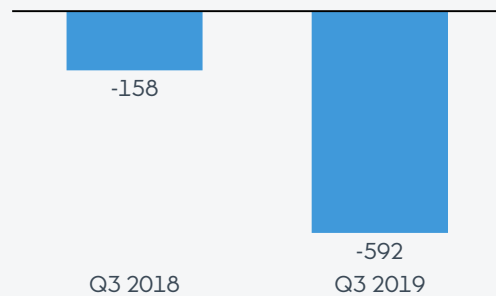


EBITDA up DKK 0.4bn

- Earnings from Power positively affected by reversal of Elsam provision

Free cash flow

DKKm

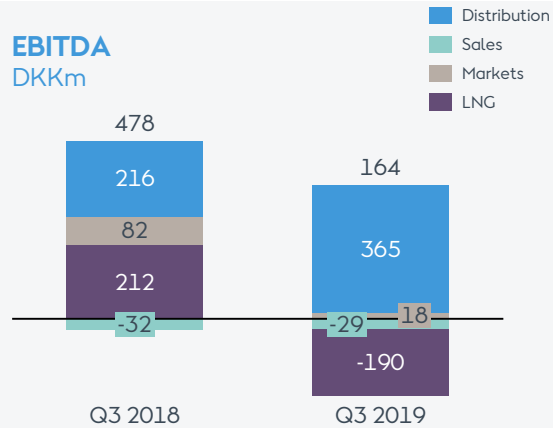


FCF totalled DKK -0.6bn

- Higher inventories and lower payables
- Elsam provision cash flow neutral



Customer Solutions – Q3 financial performance

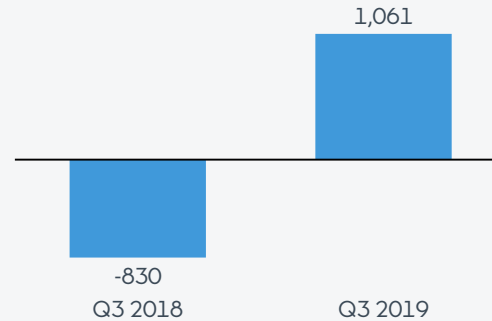


EBITDA decreased DKK 0.3bn

- Lower earnings from LNG due to extraordinarily high earnings in Q3 2018 and lower gas prices. Furthermore, negative effect from oil-indexed LNG purchase agreements
- Lower earnings in Markets due to low gas prices
- Higher earnings in Distribution mainly due to timing between years

Free cash flow

DKKm



FCF totalled DKK 1.1bn

- Lower receivables and lower gas inventories due to the lower gas prices and gas sales
- Gross investments in line with Q3 2018



2019 guidance and long-term financial estimates and policies

2019 guidance

	DKKbn
EBITDA without new partnerships	16-17
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

	DKK 200bn
Total capex spend, 2019-2025	
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 September 2019

Indicator	Unit	9M 2019	FY 2018	9M 2018
Installed renewable capacity	MW	8,487	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	920
- US	MW	30	30	-
- Onshore wind power, US	MW	987	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	5,052	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	MW	900	-	-
- Onshore wind power, US	MW	671	184	-
- Thermal heat, biomass, Denmark	MW	125	125	125
Awarded and contracted capacity (not yet FID) renewable capacity	MW	5,396	4,796	2,962
- Offshore wind power	MW	4,996	3,916	2,962
- Germany	MW	1,142	1,142	1,142
- US	MW	2,934	954	-
- Taiwan	MW	920	1,820	1,820
- Onshore wind power, US	MW	-	530	-
- Solar power, US	MW	400	350	-
Sum of installed and FID capacity	MW	13,539	11,968	10,926
Sum of installed + FID + awarded and contracted capacity	MW	18,935	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.

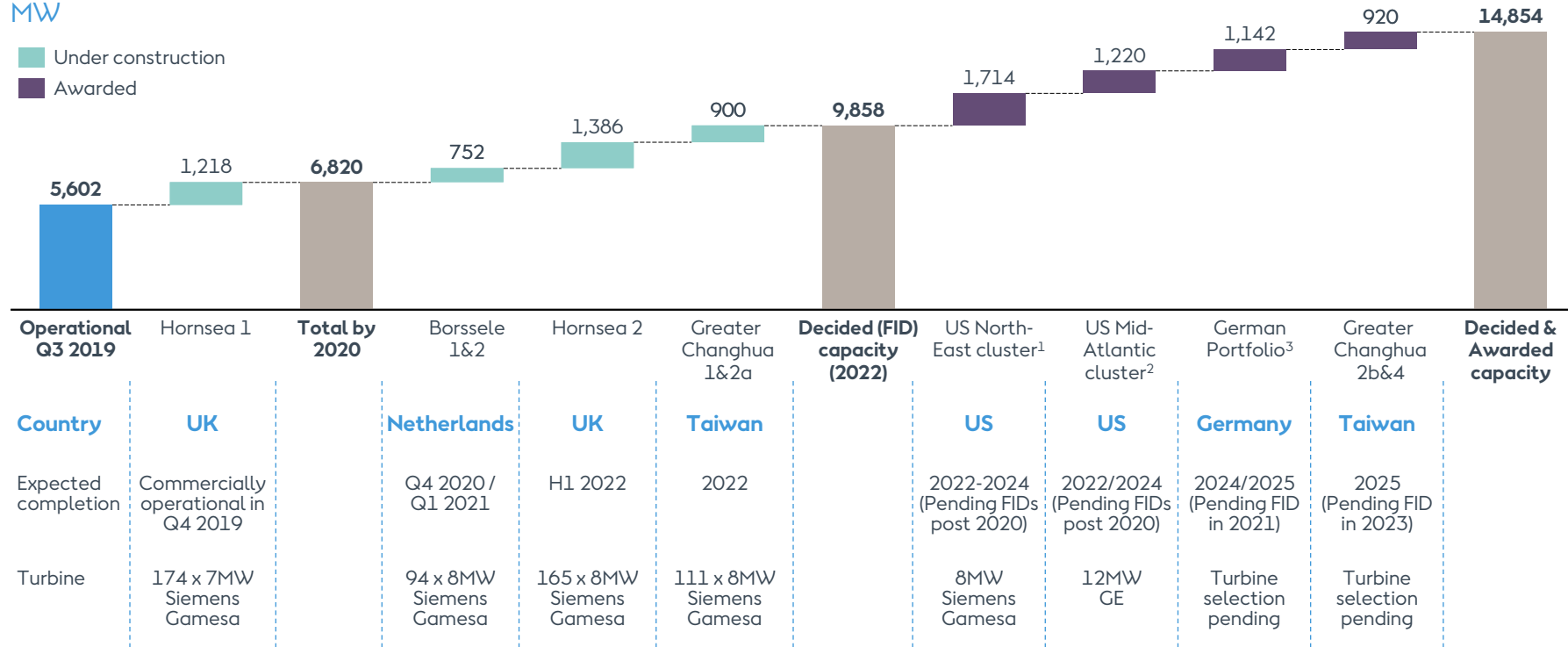
Offshore wind build-out plan

Installed capacity

MW

Under construction

Awarded



1. US North-East cluster: South Fork (130MW), Revolution Wind (704MW), and Sunrise Wind (880MW) with expected COD in 2022, 2023 and 2024, respectively

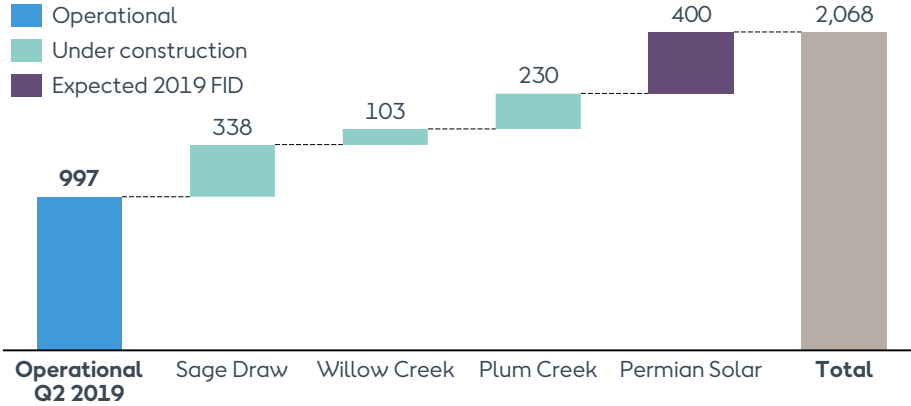
2. US Mid-Atlantic cluster: Skipjack (120MW) and Ocean Wind (1,100MW) with expected commissioning in 2022 and 2024, respectively.

3. German Portfolio: Code Wind 3 (242MW) and Borkum Riffgrund 3 (900MW) with expected commissioning in 2024 and 2025, respectively.

Onshore wind build-out plan

Installed capacity

MW



Region	ERCOT, TX	SPP, SD	SPP, NE	ERCOT, TX
Expected completion	Q1 2020	Q4 2020	Q4 2020	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

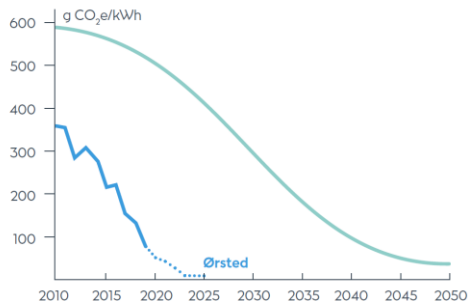


Sustainability and ESG at Ørsted

Green leadership

- We want to help keep global warming below 1.5°C.
- In 9M 2019, 83% of our energy generation was green. By 2025, we target 99%.
- We have reduced the carbon intensity of our energy generation by 84%¹ to 76 g CO₂e/kWh. By 2025, we target a 98% reduction to 10 g CO₂e/kWh.
- 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



— Ørsted's carbon intensity of energy generation
— The International Energy Agency's 2°C scenario for greenhouse gas reductions

Contributing to the global goals



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:



Ensure access to affordable, reliable, sustainable and modern energy for all



Take urgent action to combat climate change and its impacts

ESG ratings of Ørsted

Rating agency	Rating 2018	Benchmark
CDP DRIVING SUSTAINABLE ECONOMIES	B	<ul style="list-style-type: none"> • No. 17 of all energy companies • Our aim is to achieve an A rating
MSCI	AAA	<ul style="list-style-type: none"> • Highest possible rating
SUSTAINALYTICS	83 of 100	<ul style="list-style-type: none"> • No. 1 among direct market cap peers • Highest possible 'Leader' status
G R E S B ★ ★ ★ ★ ★ 2018	A	<ul style="list-style-type: none"> • Highest possible rating
Corporate Responsibility rated by ISS-oeekom Prime	B	<ul style="list-style-type: none"> • Top 3 of 104 electric utilities • Awarded 'Prime' status

Group – Financial highlights

FINANCIAL HIGHLIGHTS		Q3 2019	Q3 2018	Δ	FY 2018	FY 2017	Δ
EBITDA	DKKm	4,116	2,225	85%	30,029	22,519	33%
• Offshore		3,304	1,972	68%	27,809	20,595	35%
• Onshore		312	-	n.a.	44	-	n.a.
• Bioenergy		187	(204)	n.a.	367	152	141%
• Customer Solutions		164	478	(66%)	1,970	2,082	(5%)
Net profit – continuing operations		1,443	418	245%	19,486	13,279	47%
Net profit – discontinued operations		34	(13)	n.a.	10	6,920	(692%)
Total net profit		1,477	405	265%	19,496	20,199	(3%)
Operating cash flow		871	(117)	n.a.	10,343	1,023	911%
Gross investments		(7,222)	(4,385)	65%	(24,481)	(17,744)	(38%)
Divestments		260	380	(32%)	19,950	16,982	17%
Free cash flow – continuing operations		(6,091)	(4,122)	48%	5,812	261	2127%
Net interest-bearing debt		4,980	4,603	8%	(2,219)	(1,517)	(3%)
FFO/Adjusted net debt ¹	%	47.4	41.7	5.7%p	69	50	19%p
ROCE ¹	%	29.3	23.0	6.3%p	32.1	25.2	6.9%p



Offshore – Financial highlights

FINANCIAL HIGHLIGHTS

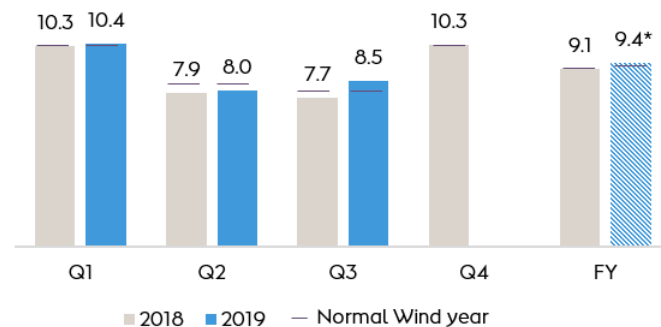
		Q3 2019	Q3 2018	Δ
EBITDA	DKKm	3,304	1,972	68%
• Sites incl. O&Ms and PPAs		2,693	1,989	35%
• Partnership agreements and farm-down gains		1,188	651	82%
• Other incl. project development		(577)	(668)	(14%)
ROCE ¹	%	34.8	25.8	9.0%p

KEY BUSINESS DRIVERS

Power generation	TWh	2.8	1.9	47%
Wind speed	m/s	8.5	7.7	11%
Availability	%	93	92	1%p
Load factor	%	37	32	5%p
Installed capacity	GW	5.6	5.1	10%
Generation capacity	GW	3.6	2.9	24%

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 Q4 2019 follows a normal wind year

Onshore – Financial highlights

FINANCIAL HIGHLIGHTS

Q3 2019

EBITDA	DKKm	312
• Sites		249
• Production tax credits and tax attributes		145
• Other incl. project development		(82)
ROCE ¹	%	8.9

KEY BUSINESS DRIVERS

Power generation	TWh	0.9
Wind speed	m/s	6.6
Availability	%	98
Load factor	%	39
Installed capacity	MW	997



Bioenergy – Financial highlights

FINANCIAL HIGHLIGHTS

		Q3 2019	Q3 2018	Δ
EBITDA	DKKm	187	(204)	n.a.
• Heat		96	71	35%
• Ancillary services		93	78	19%
• Power		(2)	(353)	99%
Free cash flow		(592)	(158)	275%

KEY BUSINESS DRIVERS

Heat generation	TWh	0.5	0.3	67%
Power generation	TWh	0.4	0.7	(43%)
Degree days	#	108	76	42%
Power price, DK	EUR/MWh	38.0	53.3	(29%)
Green dark spread, DK	EUR/MWh	2.1	5.2	(59%)



Customer Solutions – Financial highlights

FINANCIAL HIGHLIGHTS

		Q3 2019	Q3 2018	Δ
EBITDA	DKKm	164	478	(66%)
• Distribution		365	216	69%
• Sales		(29)	(32)	(9%)
• Markets		18	82	(78%)
• LNG		(190)	212	n.a.
ROCE ¹	%	12.7	11.2	1.5%p

KEY BUSINESS DRIVERS

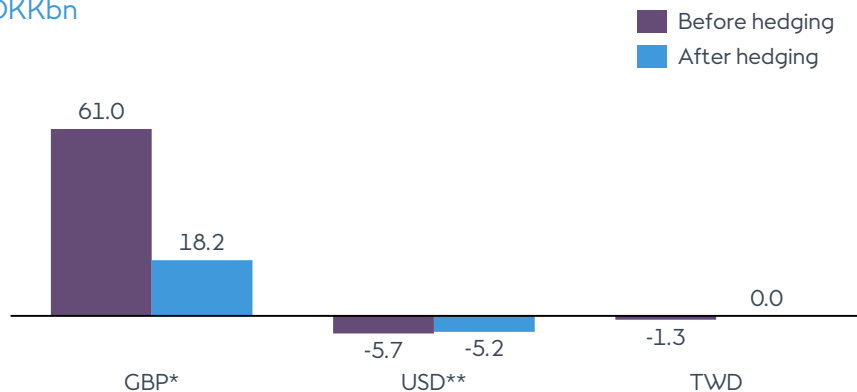
RAB Power	DKKm	11,431	10,957	4%
Gas sales	TWh	31.5	31.6	(0%)
Power sales	TWh	9.2	6.6	39%
Distribution of power	TWh	1.9	1.8	6%



Currency and energy exposure

Currency exposure – 1 October 2019 to 30 September 2024

DKKbn



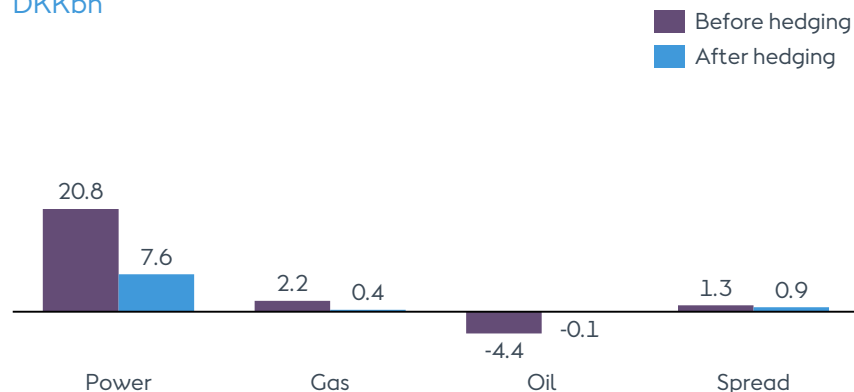
Risk after hedging, DKKbn	Effect of price +10%	Effect of price -10%
GBP: 18.2 sales position	+1.8	-1.8
USD: 5.2 purchase position	-0.5	+0.5
TWD: 0.0 sales position	+0.0	-0.0

*The GBP exchange rate for hedges impacting EBITDA in 2019 and 2020 is hedged at an average exchange rate of DKK/GBP 8.2 and 8.4 respectively.

**USD purchase position is from the time spread between CAPEX and asset revenue

Energy exposure - 1 October 2019 to 30 September 2024

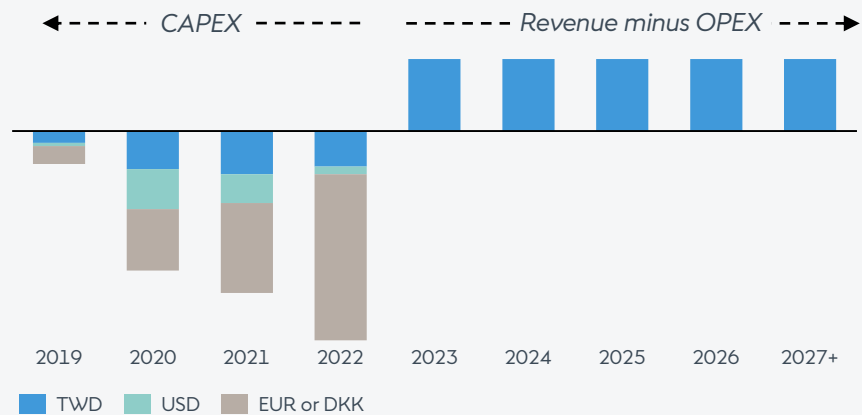
DKKbn



Risk after hedging DKKbn	Effect of price +10%	Effect of price -10%
Power: 7.6 sales position	+0.8	-0.8
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

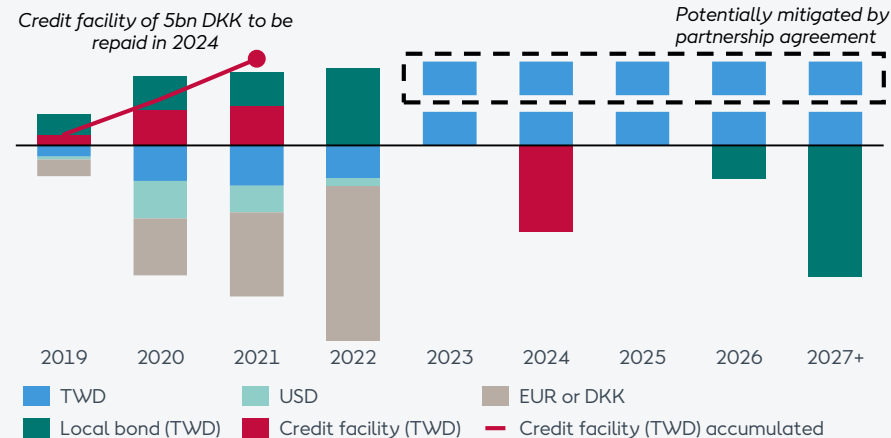
Local currency funding and potential partnership agreements reduce risk towards Taiwanese Dollar significantly

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

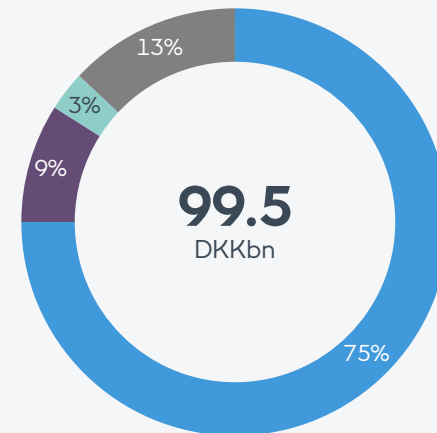


- Local currency funding (revolving credit facility and bond issues) to finance approximately 50% of the CAPEX budget and potential partnership agreement mitigate TWD risk
- Additional mitigating actions:
 - Pursue CAPEX paid in TWD¹
 - Future unhedged TWD income potentially recycled into new projects in Taiwan

Capital employed

CAPITAL EMPLOYED, DKKm	9M 2019	FY 2018	9M 2018
Intangible assets and property and equipment	100,748	84,832	82,590
Equity Investments and non-current receivables	1,390	1,445	1,429
Net working capital, work in progress	8,764	9,654	10,140
Net working capital, tax equity	(4,840)	(3,719)	-
Net working capital, capital expenditures	(5,494)	(2,978)	(3,604)
Net working capital, other items	1,328	1,489	(911)
Derivatives, net	(572)	(2,626)	(3,813)
Assets classified as held for sale, net	10,851	10,372	2,075
Decommissioning obligations	(5,900)	(5,472)	(5,405)
Other provisions	(7,031)	(7,982)	(6,587)
Tax, net	610	(2,629)	2,256
Other receivables and other payables, net	(403)	510	(512)
TOTAL CAPITAL EMPLOYED	99,451	82,896	77,658
OF WHICH CONTINUING OPERATIONS	99,489	83,039	77,814
OF WHICH DISCONTINUED OPERATIONS	(38)	(143)	(156)

Capital employed by segment %, 9M 2019

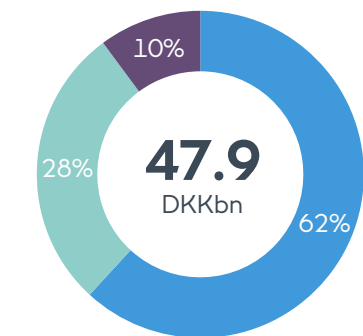


FFO/Adjusted net debt calculation

FUNDS FROM OPERATIONS / ADJUSTED NET DEBT, DKKm	9M 2019¹	FY 2018	9M 2018¹
EBITDA – Business Performance	32,077	30,029	23,855
Interest expenses, net	(627)	(877)	(1,206)
Reversal of interest expenses transferred to assets	(420)	(506)	(439)
Interest element of decommission obligations	(210)	(192)	(197)
50% of coupon payments on hybrid capital	(272)	(272)	(230)
Operating lease obligations, interest element	125	(196)	(267)
Adjusted net interest expenses	(1,404)	(2,043)	(2,339)
Reversal of gain (loss) on divestment of assets	(15,400)	(14,995)	(9,378)
Reversal of recognised lease payment	155	778	796
Current tax	(3,625)	(3,068)	(1,868)
FUNDS FROM OPERATION (FFO)	11,803	10,701	11,066
Total interest-bearing net debt	12,082	(2,219)	8,957
50% of hybrid capital	6,620	6,619	6,619
Cash and securities, not available for distribution	1,048	1,583	1,041
Present value of operating lease payments	-	4,819	5,428
Decommission obligations	5,900	5,471	5,404
Deferred tax on decommissioning obligations	(740)	(757)	(908)
ADJUSTED INTEREST-BEARING NET DEBT	24,910	15,516	26,541
FFO / ADJUSTED INTEREST-BEARING NET DEBT	47.4%	69.0%	41.7%

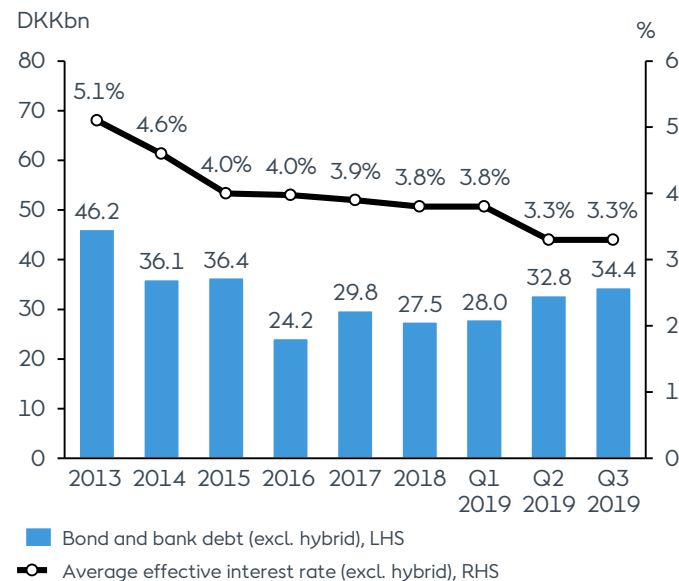
Debt overview

Gross debt and hybrids 30 September 2019



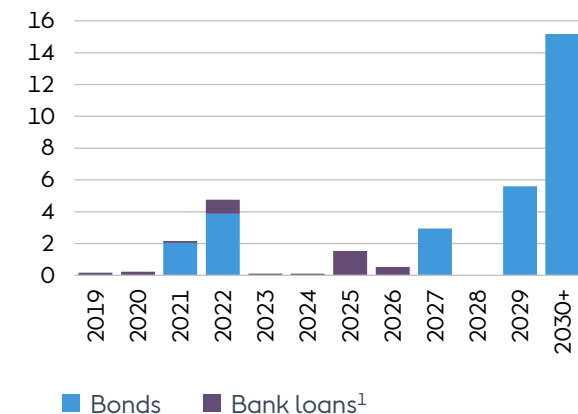
- Bonds
- Hybrids
- Bank loans

Effective funding costs – gross debt (excl. hybrid)



Long term gross debt maturity schedule 30 September, DKKbn

	Cost of debt (%)	Modified duration (%)	Avg. time to maturity (years)
Bond loans	3.5	8.8	11.7
Bank loans	2.2	0.3	5.1
Total	3.3	8.7	11.1



¹Green Revolving Credit Facility in Taiwan not included in maturity schedule. Q3 2019 NTD 6bn (DKK 1.3bn) was outstanding

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's outstanding Green Bonds



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 CO2/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

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.

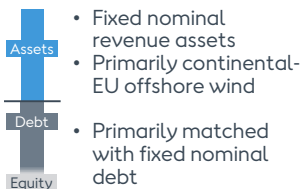


Interest rate and inflation risk management

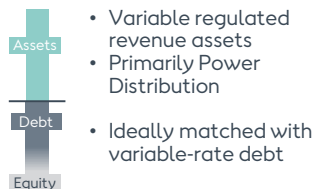
Four risk categories of assets and debt allocation

Illustrative

Fixed nominal



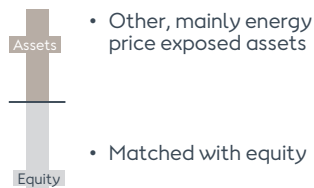
Variable regulated



Inflation-indexed



Other



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

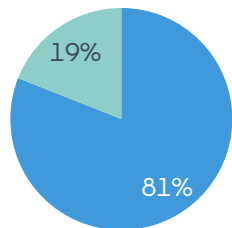
- Assets divided into four different risk categories, based on nature of inflation and interest risk exposure
- Simple risk metrics are used to match assets with appropriate debt within each category
- Fixed nominal-category has first priority for debt allocation, to protect shareholders against inflation 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

Energy risk management

Risk picture

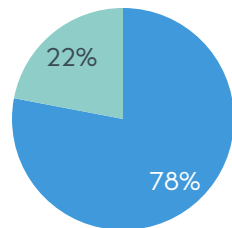
- We manage market risks to protect Ørsted against market price volatility and ensure stable and robust financial ratios that support our growth strategy
- For Offshore, a substantial share of energy production is subsidized through either fixed tariffs or green certificates. Remaining exposure is hedged 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



■ Subsidized exposure
■ Market exposure

Onshore exposure



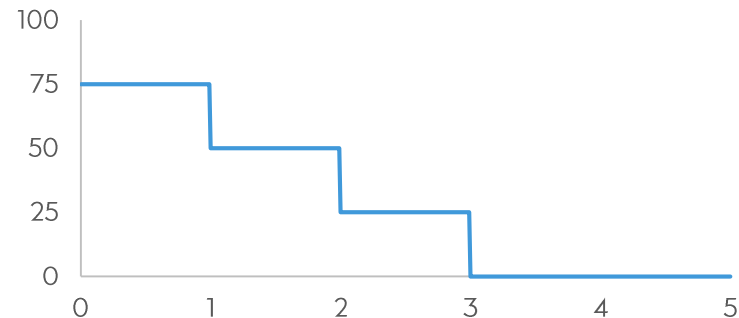
■ Power purchase agreements
■ Market exposure

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

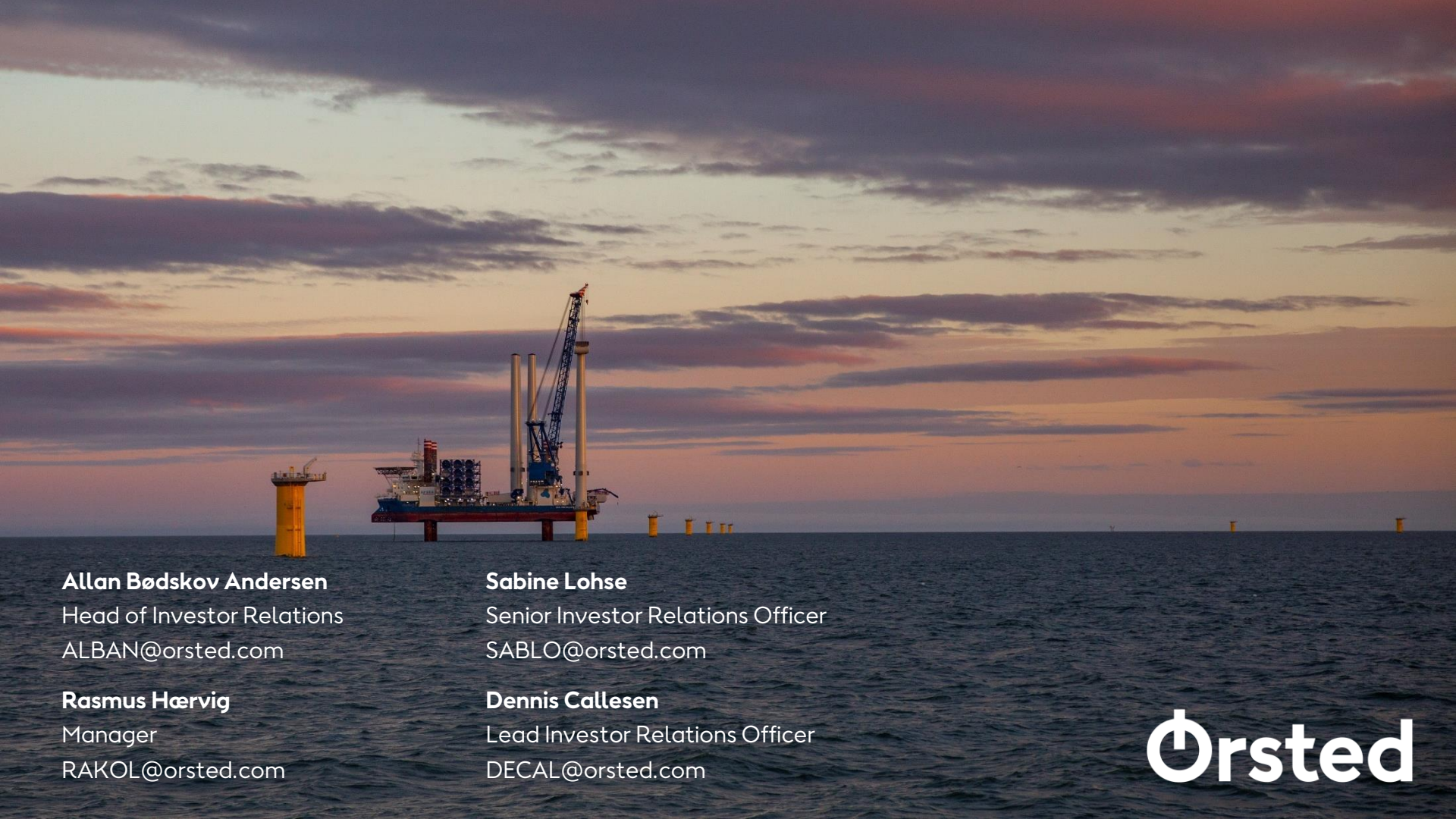
Hedging of open exposure

- 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

A large blue and white offshore installation vessel is positioned in the middle of the sea, equipped with a tall crane and several vertical support structures. The vessel is surrounded by several yellow monopile wind turbine foundations extending into the water. The background features a dramatic sky with soft, colorful clouds in shades of orange, pink, and purple, suggesting a sunset or sunrise. The sea is dark blue with gentle ripples.

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