



Ørsted announces anticipated impairments on its US portfolio, continues to progress projects

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As part of the continued maturation and a pre-final investment decision (FID) review of its near-term US offshore development projects, Ørsted has assessed the aggregate adverse impacts relating to the supply chain, lack of favorable progress in Investment Tax Credit (ITC) guidance, and increased interest rates, which affect its US portfolio.

The Ocean Wind 1, Sunrise Wind, and Revolution Wind projects are adversely impacted by a handful of supplier delays. Ørsted has concluded that there is a continuously increasing risk in these suppliers' ability to deliver on their commitments and contracted schedules. This could create knock-on effects requiring future remobilizations to finish installation, as well as potentially delayed revenue, extra costs, and other business case implications. These impacts will lead to impairments of up to DKK 5 billion, assuming no further adverse developments in the supply chains on these projects.

In addition, our continued discussions with senior federal stakeholders about additional ITC qualifications for Ocean Wind 1 and Sunrise Wind are not progressing as we previously expected. We continue to engage in discussions with federal stakeholders to qualify for additional tax credits beyond 30%. If these efforts prove unsuccessful, it could lead to impairments of up to DKK 6 billion. The level of a possible impairment will be decided based on a probability weighted assessment of the likelihood of obtaining the additional ITCs.

Furthermore, the US long-dated interest rates have increased, which affect our US offshore projects and certain onshore projects. If the interest rates remain at the current level by the end of third quarter, it will cause impairments of approximately DKK 5 billion.

The impairments relating to Ocean Wind 1, Sunrise Wind, Revolution Wind, South Fork Wind, Block Island Wind Farm, and several US onshore projects will be recognised in our interim report for the first nine months of 2023.

While Ørsted's near-term US offshore wind development portfolio does not meet our value creation target on a lifecycle basis, we remain convinced that the value-creation of the portfolio will be within 150 to 300 basis points spread-to-WACC on a forward-looking basis.

Adjusted for the anticipated impairments, we maintain a ROCE target for the period 2023-2030 of approximately 14%.

Ørsted continues to progress projects

Ørsted will continue to progress the US near-term offshore wind projects including obtaining final federal and local permits, working with suppliers to mitigate delays and continuing our dialogue with stakeholders to try to qualify for at least 40% ITCs on all projects.

We will work towards taking FID on Ocean Wind 1, Sunrise Wind, and Revolution Wind projects towards the end of 2023 or in early 2024. Pending FID, Ørsted now expects to commission Ocean Wind 1 in 2026.

David Hardy, Executive Vice President and CEO of Region Americas at Ørsted, says: "The US offshore wind market remains attractive in the long term. We will continue to work with our stakeholders to explore all options to improve our near-term projects including continued dialogue about ITC qualification, OREC adjustments, and other business case levers."

The information provided in this announcement does not change Ørsted's previous EBITDA guidance for the financial year of 2023 or the announced expected investment level for 2023.

Call with management

For analysts: Ørsted will host an analyst call tomorrow, Wednesday 30 August, at 8:00-8:55 CEST with CEO Mads Nipper, CFO Daniel Lerup, and CEO of Region Americas David Hardy. See dial-in details below.

For media: CEO Mads Nipper, CFO Daniel Lerup, and CEO of Region Americas David Hardy will host a call for media tomorrow at 8:55-9:30 am CEST. See dial-in details below.

Investor call 08:00-08:55 CEST

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Media call 09:00-09:45 CEST

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Attachments

- [CA OCW1.pdf](#)