

FINANCIAL RESULTS

Q3 2020

CEO Christian Rynning-Tønnesen

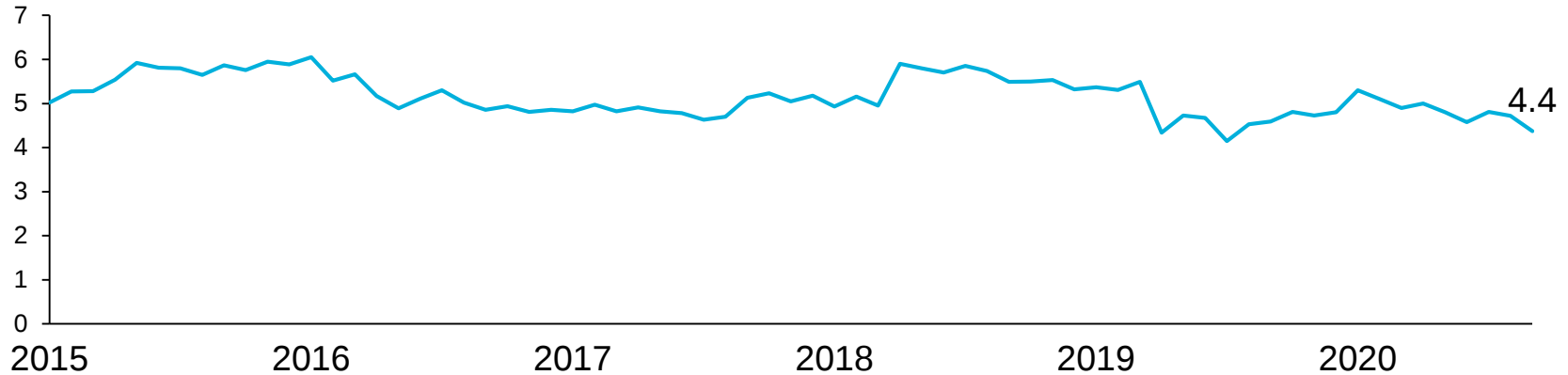
CFO Anne Harris

29 October 2020



Health, safety and environment

TRI-rate¹



- ▶ Health and safety
 - A fatal accident at the Tidong hydropower project in India
 - Two other serious work-related injuries
- ▶ Environment
 - No serious environmental incidents in the quarter

¹TRI rate (12 months rolling): Total recordable injuries per million hours worked

Key events in Q3



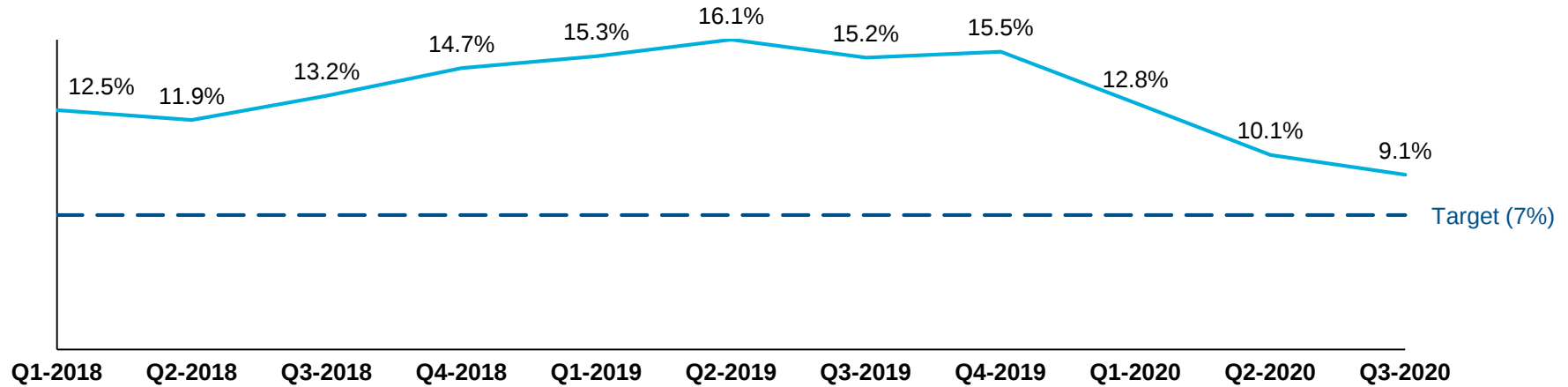
- ▶ Nordic power prices still at a low level
- ▶ Underlying EBIT of NOK 1100 million and net profit of NOK 1917 million
- ▶ Reversal of impairments, positive net effect NOK 1314 million
- ▶ Growth initiatives in Brazil and Ireland
- ▶ New long-term financial hedging contract

Financial results

NOK million	Q3 2020	Q3 2019	Year to date 2020	Year to date 2019
Operating profit/loss (EBIT) underlying	1 100	1 970	5 090	11 320
Profit before tax	2 355	1 703	1 881	12 418
Net profit	1 917	656	520	7 531

- ▶ Q3:
 - Net profit positively affected by reversal of impairments
- ▶ Year to date:
 - Underlying EBIT year to date down 55%, primarily due to very low Nordic power prices (down 74%)
 - Net profit year to date affected by currency effects

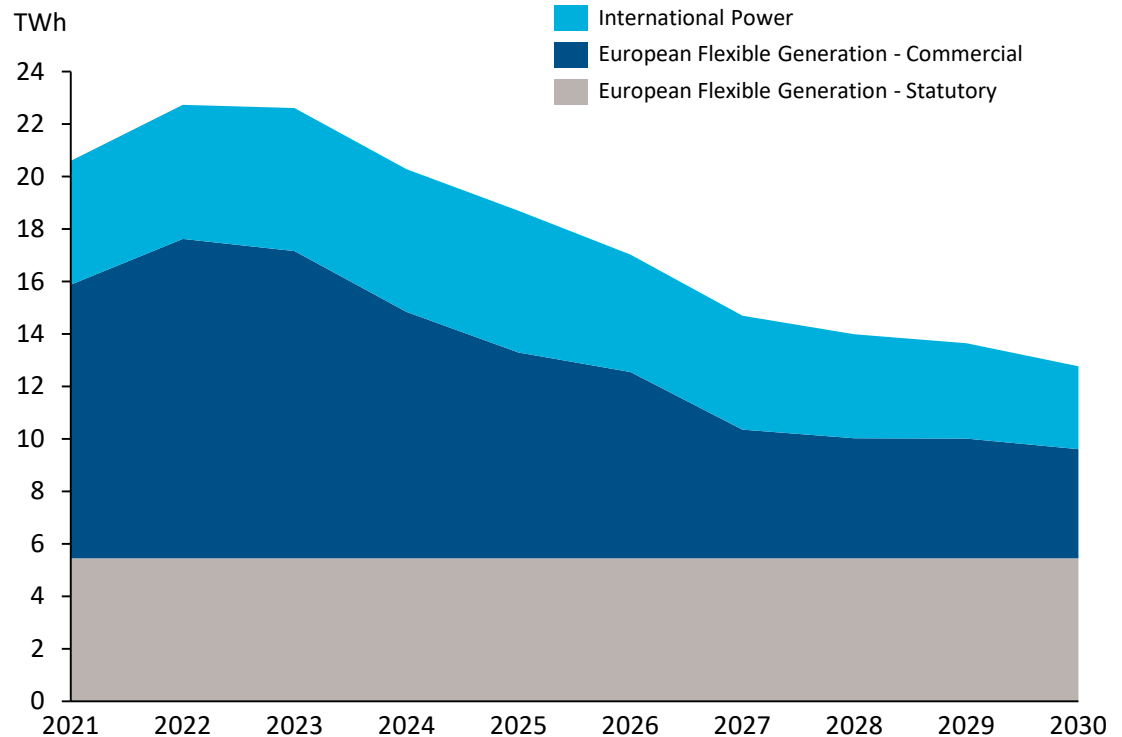
Financial performance



- ▶ 12 months rolling return on capital employed* continued down, but above target of 7%
- ▶ Decrease primarily due to a significantly lower underlying EBIT
- ▶ Average capital employed increased by 7% compared with year-end 2019

Long-term hedging

- ▶ New 15-year financial hedging contract in Q3
- ▶ Hedged volume of more than 20 TWh the next years
- ▶ Hedged volume has a stabilising effect on earnings



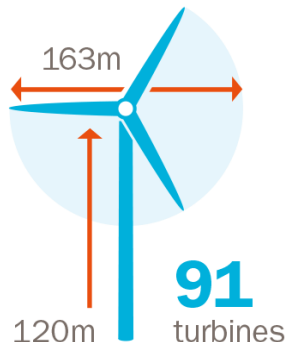
Large wind power project in Brazil

Ventos de Santa Eugenia

wind project

519 MW

wind power in northeastern Brazil



Total investment

NOK 4,2 mrd

up to 1 200 jobs
during construction

10 wind farms
generating

2.3 TWh

per year



Supplies enough
electricity for

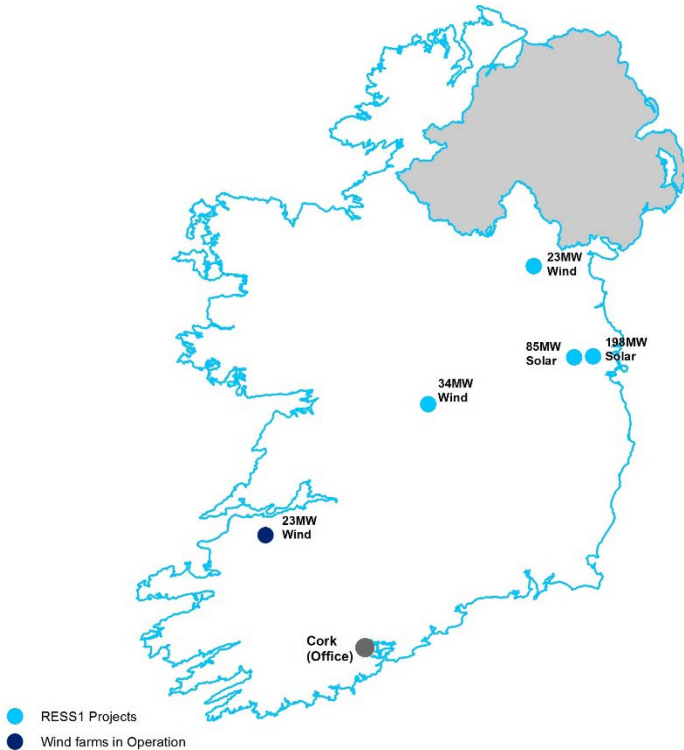
1.17 million

Brazilian homes



Successful participation in Irish auction

- ▶ Statkraft secured contracts for over 330 MW of renewable power in government auction
- ▶ Two wind and two solar projects will be developed towards investment decision
- ▶ Large project portfolio in Ireland



Outlook



Energy market

- ▶ Short-term Nordic power prices pushed down by hydrology. Expected to normalise over time
- ▶ Medium- to long-term effects of Covid-19 remain uncertain

Unique assets

- ▶ Europe's largest reservoir capacity and flexible power plants enabling revenue optimisation
- ▶ Large share of hedging contracts

Strong competitive position

- ▶ Solid financial platform
- ▶ Low cost hydropower in Europe
- ▶ Flexible investment programme aligned with financial capacity

Strong organisational culture

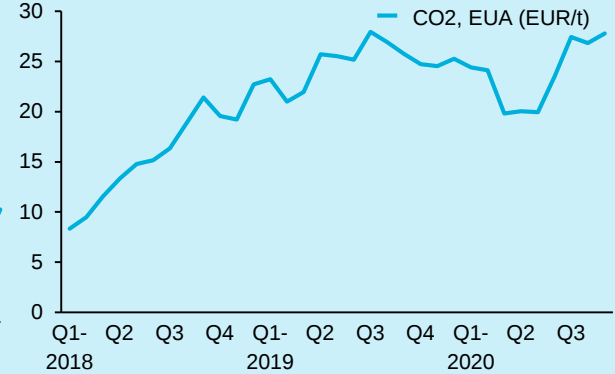
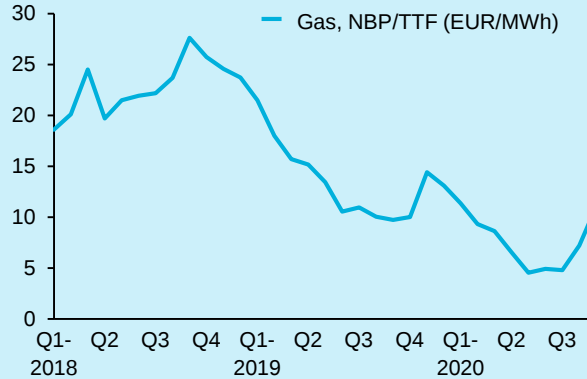
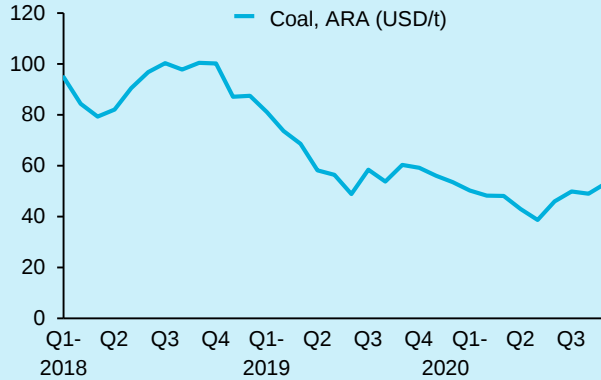
- ▶ Solid competence base and highly motivated employees
- ▶ Commitment to act in an ethical and socially responsible manner

Key figures

NOK million	Q3 2020	Q3 2019	The year 2019
Net operating revenues and other income underlying	4 500	5 013	29 318
Operating profit/loss (EBIT) underlying	1 100	1 970	16 744
Net profit	1 917	656	11 327

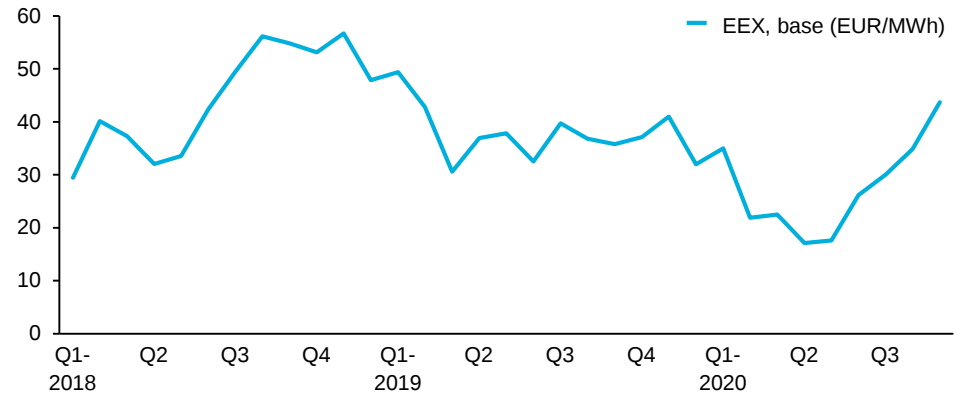
- ▶ Nordic prices measured in EUR down 74% Q-on-Q
- ▶ Overall generation down 3% Q-on-Q

Price drivers and the German power market

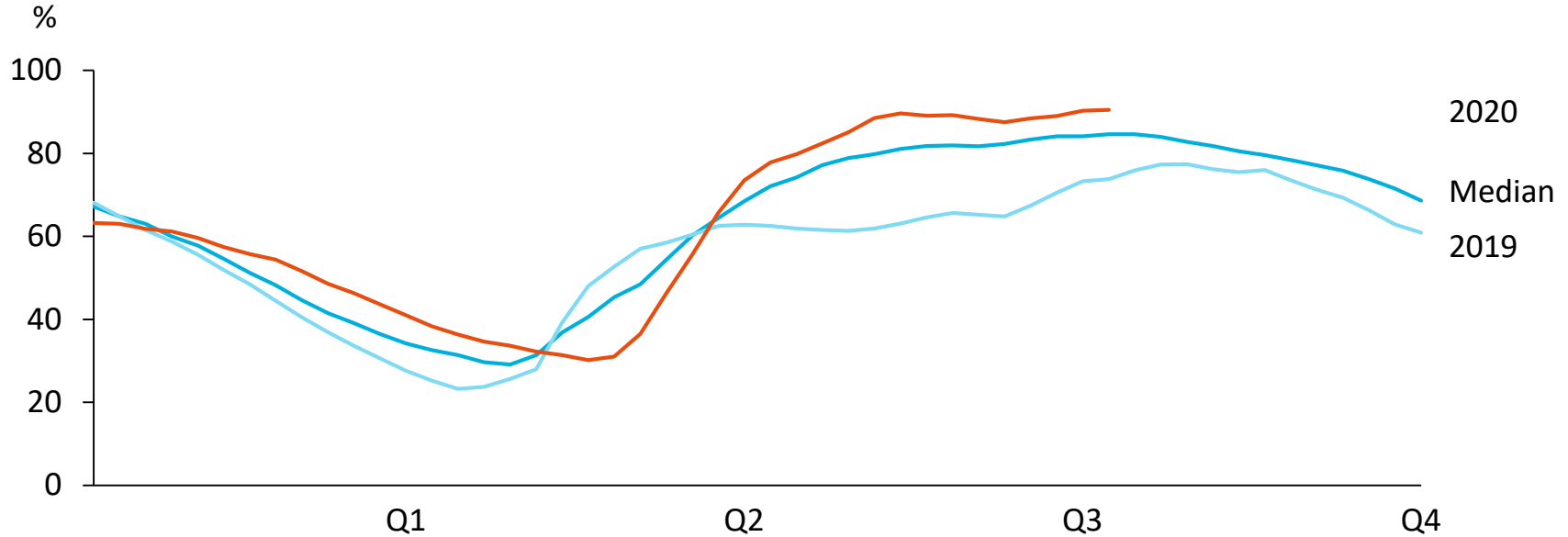


Q3 2020 vs. Q3 2019

- ▶ Coal and gas price down
- ▶ CO₂ price up
- ▶ German power price (base) down 3%



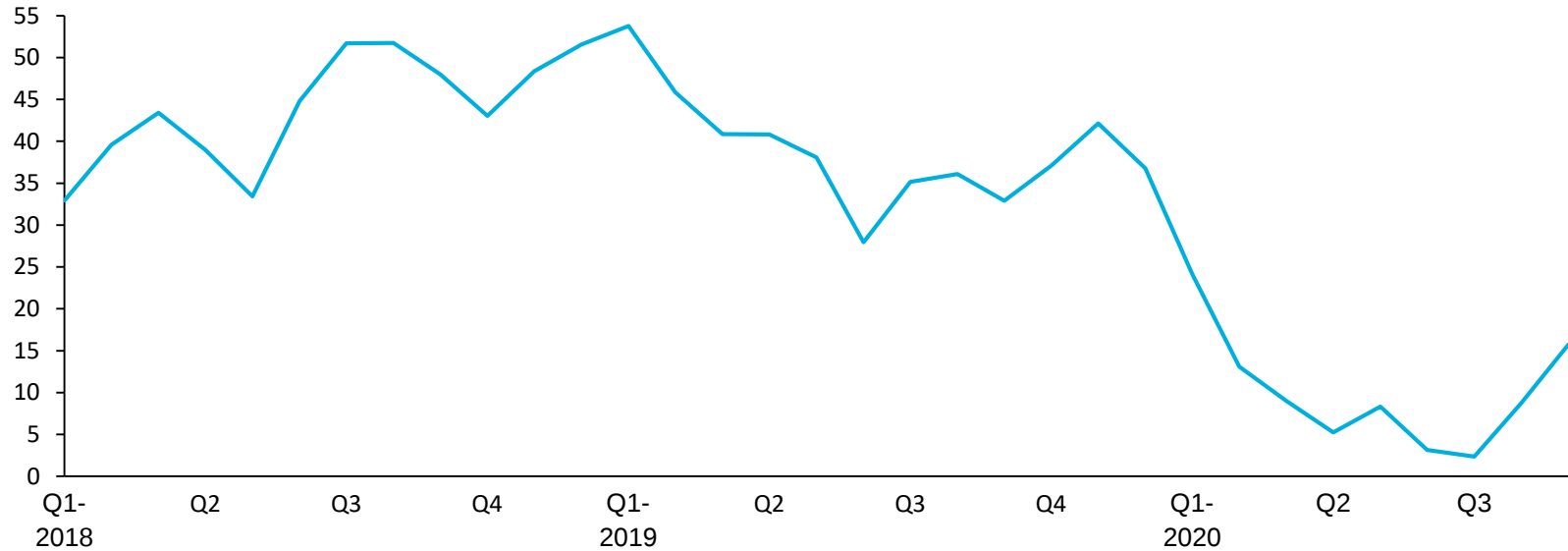
Nordic reservoir level



- ▶ Hydrological surplus in the Nordic market
- ▶ Nordic reservoir level (total market) at 107% of median at the end of September

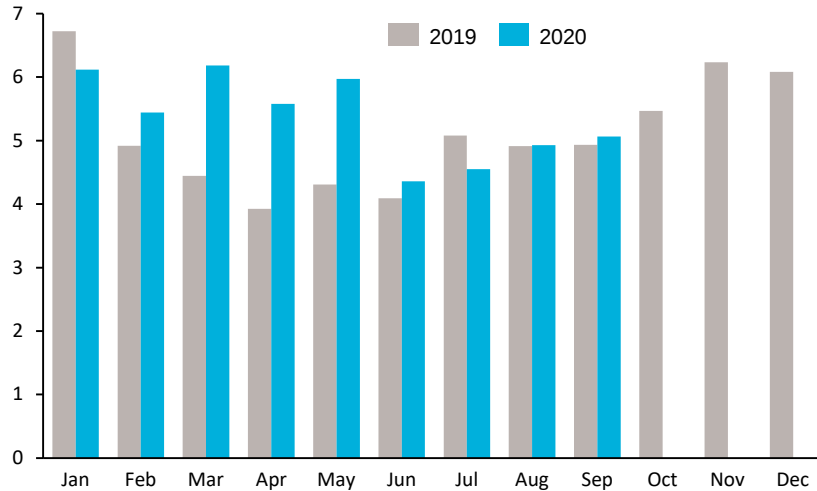
Nordic system price, monthly average

EUR/MWh



► Nordic power prices 9 EUR/MWh, down 74% vs. Q3 2019

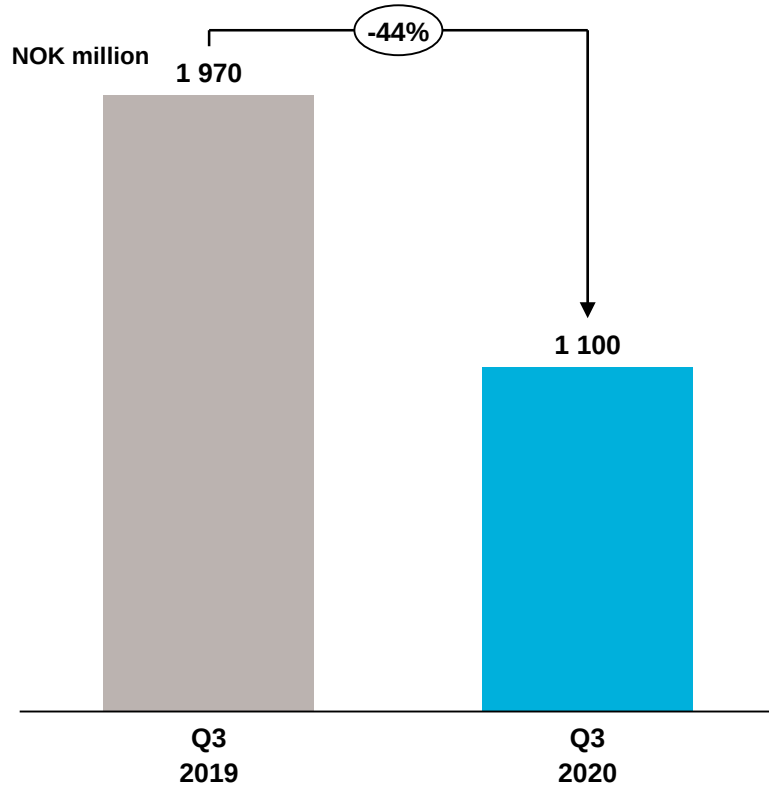
Energy management



Q3 generation down 3% Q-on-Q

Technology	TWh	Change in TWh
Hydropower	11.2	-1.1
Wind power	0.9	0.2
Gas power	2.4	0.5
Bio and solar power	0.1	0.0
Total	14.5	-0.4

Negative development in underlying EBIT



- ▶ Underlying EBIT down NOK 869 million Q-on-Q
 - Net operating revenues and other income down NOK 513 million
 - Operating expenses up NOK 357 million

Reversal of impairments and impairments

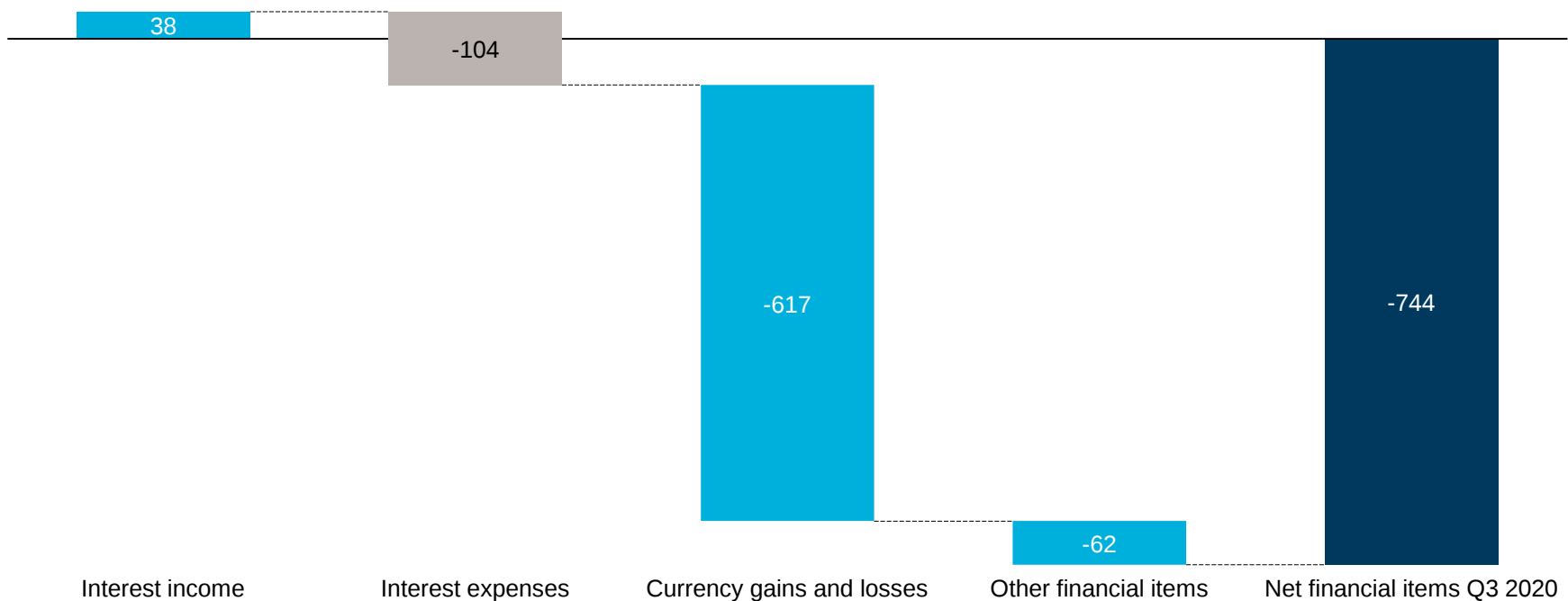
Consolidated operations	Amount
European Flexible Generation: Gas-fired, pump-storage and biomass assets in Germany	1 764 million (reversal)
International Power: Hydro assets in Peru	116 million (reversal)
European Wind and Solar: Wind assets in Sweden	- 559 million (impairment)
Sum consolidated operations	1 314 million

Equity accounted investments	Amount
International Power: Hydro assets in Chile	- 170 million (impairment)

Financial items

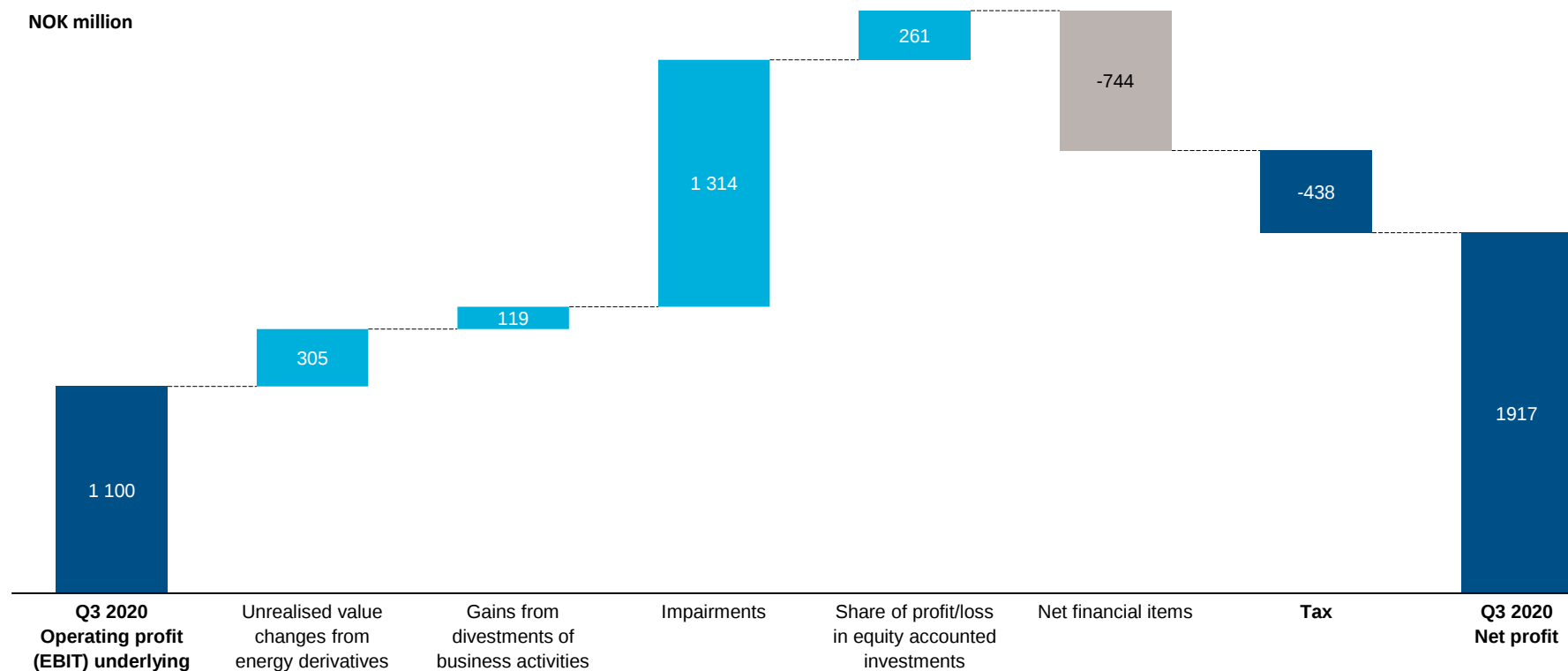
Breakdown Net financial items Q3 2020

NOK million



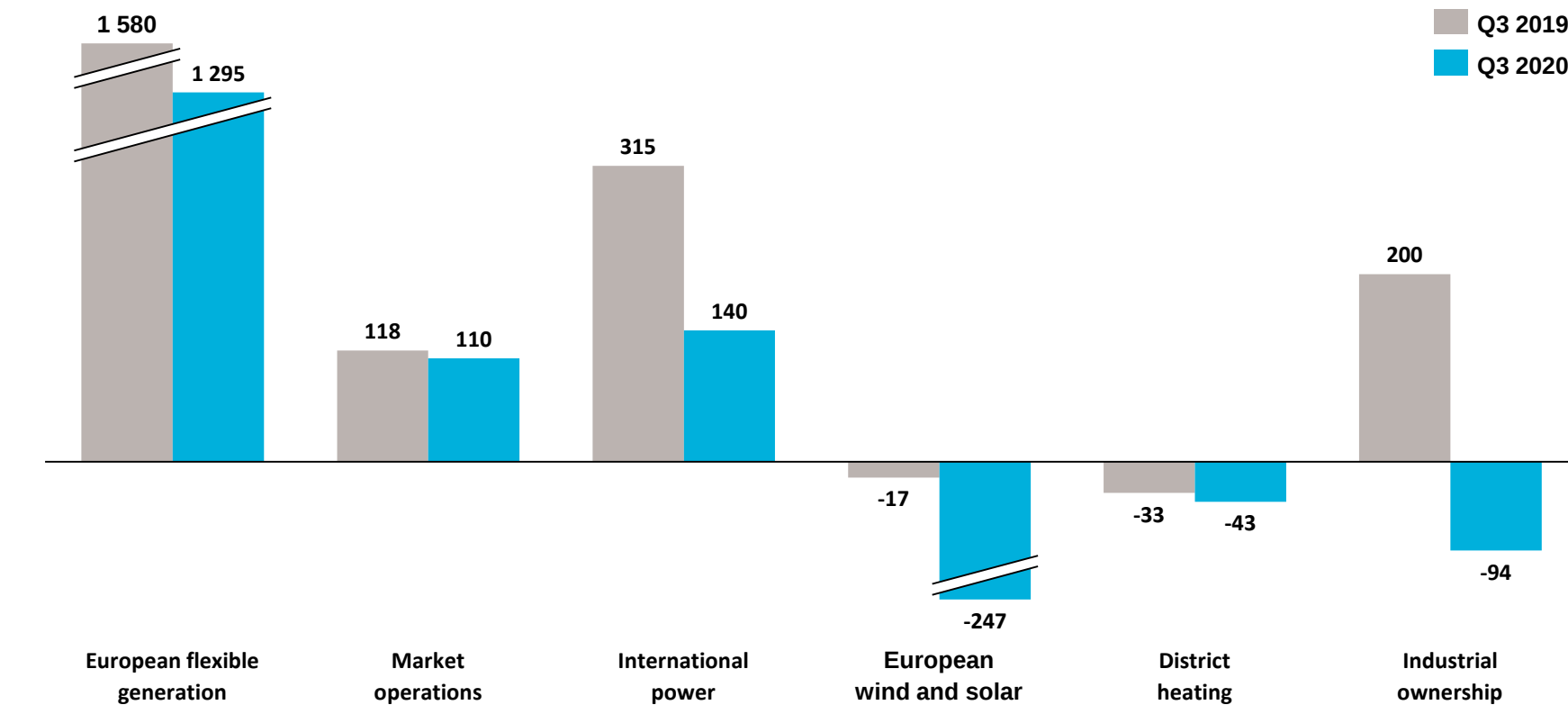
Q3 net profit breakdown

NOK million

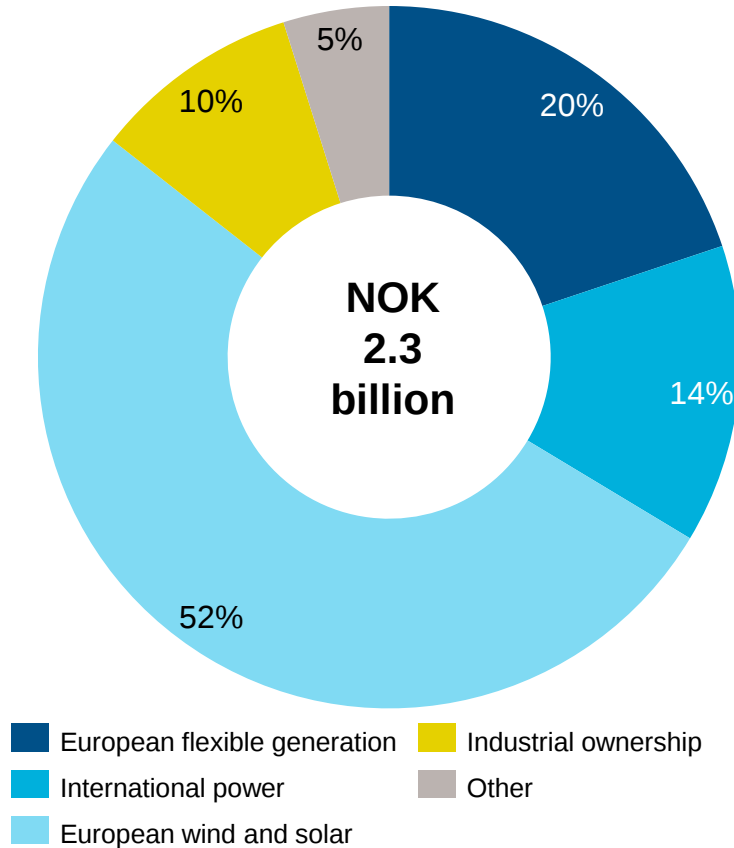


Q3 segment EBIT underlying

NOK million



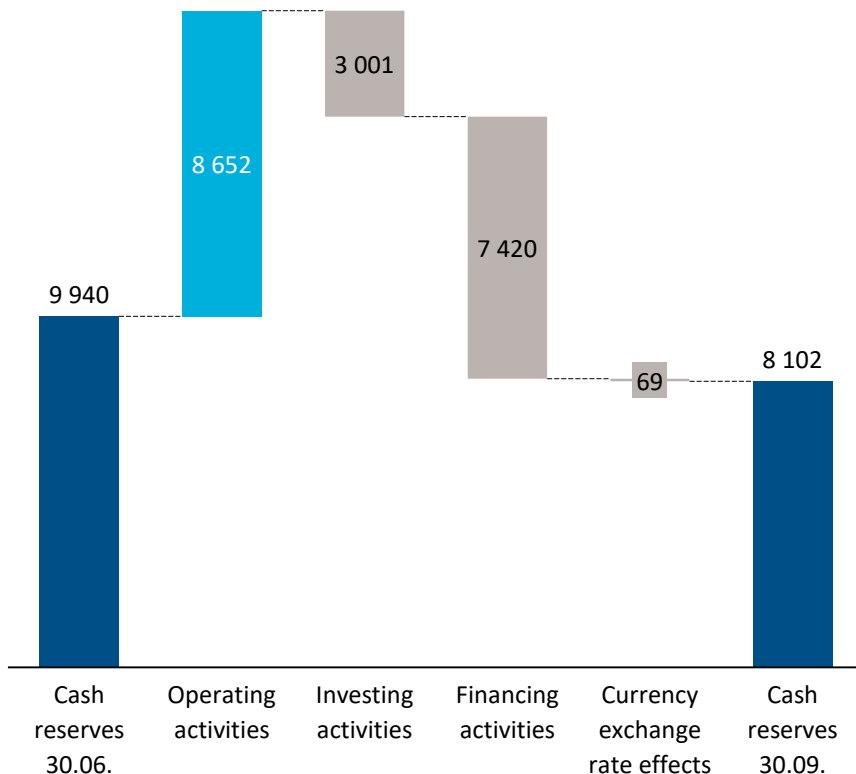
Q3 2020 capital expenditure¹



- ▶ Distribution of CAPEX in the quarter:
 - 58% new capacity investments
 - 35% maintenance/other investments
 - 7% shareholdings
- ▶ Maintenance primarily related to Nordic hydropower
- ▶ Wind power under construction in Norway and UK
- ▶ Hydropower under construction in Albania, India and Chile
- ▶ Year to date investments of NOK 6 billion
 - 56% new capacity investments
 - 34% maintenance/other investments
 - 10% shareholdings

Cash flow and financial position

NOK million



- ▶ NOK 28 billion in net interest-bearing debt (NOK 16 billion end of 2019)
- ▶ Net interest-bearing debt-equity 22.5%
- ▶ Current ratings provide a framework for our investments going forward

Summary



- ▶ 2020 result affected by very low power prices
- ▶ Robust financial position and solid foundation to face increased uncertainty
- ▶ Investment plan with large degree of flexibility

THANK YOU

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