

Ørsted
Q4 2025 earnings call
Transcription

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Rasmus Errboe

Hello, everyone, and thank you for joining today's call.

2025 has been a defining year for Ørsted. We have taken significant steps to solidify our financial foundation and improve the robustness of our business. At the outset of the year, we stepped away from our long-term capacity ambitions and established four strategic priorities to secure a more focused and competitive Ørsted.

We have sharpened our strategy to focus on maintaining our global leadership position within offshore wind with an emphasis on our core markets in Europe and select markets in APAC, where we have a distinct competitive advantage and can leverage our unique offshore wind capabilities. As the global leader in offshore wind, we will continue working with governments, industry and investors to strengthen the conditions required to support future offshore wind development.

At the recent North Sea Summit in Hamburg Monday last week, governments in our core markets demonstrated their willingness to strengthen these conditions when they signed the Joint Offshore Wind Investment Pact for the North Seas alongside the wind industry and transmission system operators. The pact will turn the North Sea into the green power plant of Europe, reaffirming 300 gigawatt of offshore wind capacity by 2050 and charting a path of more evenly distributed offshore build-out between 2031 and 2040 with up to 15 gigawatt installed capacity per year in Europe, which includes a sound investment framework for offshore renewables through mechanisms such as national and cross-border two-sided Contracts for Difference. This will unlock massive investments in Europe in the coming decades and is a giant leap towards powering Europe with renewables, secure and cost competitive electricity.

Further, the agreement between the Danish and German government to develop Bornholm Energy Island will strengthen energy security and deliver enough affordable electricity to power the equivalent of more than 3 million German and Danish homes. The agreement reached at the North Sea Summit are very positive framework developments for future offshore wind opportunities in Europe. And with our focused strategy on offshore wind in Europe, we are ready to invest in the build-out.

Throughout 2025, we have executed on our 4 strategic priorities, and these will remain our focus over the coming years. Let me go through our progress across each priority.

Our first priority is to strengthen our capital structure, and we have delivered significant progress on this during 2025. A key part was the completion of the rights issue, and we are thankful for the strong support we received from our shareholders. The completion of the rights issue supports our target of a solid investment-grade rating, and it has reinforced our ability to realize the full value potential of our existing portfolio and capture future value-creating offshore wind opportunities.

As part of the updated targets presented in connection with the rights issue, we planned to secure more than DKK 35 billion in proceeds through our partnership and divestment program across 2025 and 2026. The transactions signed during 2025 and early into this year amount to around DKK46

billion in proceeds, and we have thus exceeded our projections and finalized the programme ahead of our expected timeline. Pending closing in 2026 of the transactions already signed related to Greater Changhua 2 and our European onshore business, this includes the closing of divestments related to stakes in Hornsea 3, West of Duddon Sands and 3 U.S. onshore projects.

Another important element in supporting our capital structure and financial foundation is the continued performance of our operational portfolio. Despite wind speeds below the norm throughout the year, we have delivered DKK 25.1 billion of EBITDA, in line with our guidance. This is mainly driven by an increase in the availability across our offshore portfolio due to strong performance every single night and day by our generation team.

Our second priority is to deliver on our 8.1 GW offshore wind construction portfolio, and we have seen significant progress across the portfolio throughout 2025. Some of the major milestones achieved include the commissioning of Code Wind 3 as well as delivering first power at Borkum Riffgrund 3 in Germany. And in Taiwan, we have completed the installation of turbines and delivered first power at Greater Changhua 2b and 4. In the U.S., we have progressed well on several installation scopes, including completing the installation of all 3 offshore substations for our 2 projects. All of these milestones are delivered under complex and dynamic conditions and are attributable to a strong risk and execution management by our EPC organization and our project teams.

I will shortly go through the continued construction progress in detail. But first, I want to touch on the lease suspension orders that our two U.S. offshore projects, Revolution Wind and Sunrise Wind received from the U.S. Department of the Interior, BOEM, requiring the projects to suspend all ongoing activities on the Outer Continental Shelf for the following 90 days. Both project companies pursued litigation in the U.S. District Court of the District of Columbia separately, including motions for preliminary injunctions against the orders while the lawsuits over them proceed. Revolution Wind's motion for preliminary injunction was granted on January 12, 2026; and Sunrise Wind's motion for a preliminary injunction was granted on February 2, 2026. Both projects have subsequently resumed work of the halted activities while their lawsuits over the orders proceed, and we are determining how it may be possible to work with the U.S. administration to achieve an expeditious and durable solution.

Our third priority is to ensure a focused and disciplined approach to capital allocation, always prioritizing value over volume with a strategic emphasis on offshore wind opportunities in Europe and select markets in APAC. During the year, we demonstrated this disciplined approach in relation to Hornsea 4, which we are now reconfiguring for potential future development. The decision was taken prior to incurring significant breakaway costs, and we continue to hold the seabed lease, grid connection and key permits.

In November, we secured the rights under the Irish tender to develop the 900-megawatt fixed bottom offshore wind farm Tonn Nua, alongside with our partner, ESB. As a potential final investment decision will not be until early 2030s, this is an early-stage opportunity and the project needs to be assessed and matured through our stage-gate process, including meeting our value

creation criteria.

Finally, on our fourth priority, we have also taken steps in improving our competitiveness with the announcements of significant adjustments to our organization. Due to the sharpened strategic focus of our business going forward and the fact that we'll be finalizing our large construction portfolio in the coming years, we will adjust our organization accordingly to become more efficient and flexible.

Let's turn to Slide 5, where we'll talk through some of the operational highlights for the full year.

First, I am pleased with the operational performance with our EBITDA, excluding new partnerships and cancellation fees amounting to DKK 25.1 billion for the full year, driven by strong availability rates within our offshore business, which stood at 93 % for the full year. This ensured a material earnings contribution and is an increase of 5 percentage points compared to last year. Also, we delivered a net profit of DKK 3.2 billion, primarily driven by the solid operational performance in the year.

For several years, we have had a target that renewables should consist of 99 % of our generation by 2025. And I'm very pleased that we reached this ambition or this ambitious target in 2025. The increased share of renewable was driven by the closing of our last coal-fuelled CHP plant in the second half of 2024. Furthermore, 2025 was the year where we became the first energy company to complete a green transformation of its own energy production. We have reduced Scopes 1 and 2 emissions intensity by more than 98 % since the beginning of our transformation in 2006. We will continue our decarbonization journey focusing on reducing our upstream and downstream carbon emissions to deliver on our 2040 net zero target.

Lastly, with our continued focus on safety, we reduced the total recordable injury rate to 2.5 in 2025. It is the fourth year in a row that we reduced our total recordable injury rate, and we continue to strengthen our safety commitments through targeted initiatives and sharing of best practices with suppliers, all aimed at lowering the incident rate and bringing our people home safe every day.

Let's turn to Slide 6 and an overview of our construction projects. I will cover the more advanced projects individually and in more details as usual on the next slide, while putting a few remarks on the remainder of the construction portfolio here.

For Borkum Riffgrund 3, all offshore installation works have been completed. The grid connection has been commissioned by the transmission system operator and was announced ready for first feed in early Q4 2025. First power was achieved early December according to plan. Turbine commissioning is ongoing and progressing according to schedule, and the project is expected to be fully commissioned towards the end of Q1 2026.

For Hornsea 3, construction is progressing according to schedule. The onshore works at the landfall cable route and converter stations remain on track. For the offshore scope, the project will be using 2 HVDC offshore converter stations. The first platform is undergoing final equipment installation in Norway, which is progressing well. And the second platform arrived in Norway from the fabrication

yard in Thailand in December to complete the same final works. Our turbine and foundation installation partners have taken delivery of their new build installation vessels, and we have started offshore activities preparing the seabed for export and array cable installation. We continue to closely monitor a number of items related to the delivery of the project. This includes the schedule of the project's grid connection, where we are working closely with National Grid on our onshore grid connection works to support commissioning this year. Further, we continue to focus on manufacturing of turbine monopile foundations to ensure they are delivered according to plan, enabling us to commence installation in spring 2026. The manufacturing has started as planned and two suppliers have started to deliver completed monopiles, the first of which have arrived in Teesport ready for mobilization. There are multiple suppliers contracted for the scope. And if relevant, we can utilize the flexibility gained from this to mitigate risks should they occur. Next steps in the project will be the commencement of the main offshore installation activities, starting with the installation of the offshore export cables, the first offshore converter station as well as foundation installation.

For Baltica 2, the project is progressing on schedule as we move towards offshore construction. There has been good progress in the recent quarter, and the degree of completion has increased to 25 %, up from 15 % last quarter.

This includes further progress on the manufacturing of the four offshore substations and further fabrication on the turbine foundations with 48 of the 111 turbine foundations fabricated at this stage. The fabrication of the export cable has also commenced.

For the onshore substation, majority of the equipment have been delivered to the sites and onshore export cable installation is on schedule, supporting timely grid integration milestones. The project team is focused on ensuring progress of the transmission system, fabrication of the key components and the onshore and offshore substations.

Next steps are the preparation of the seabed ahead of turbine foundation installation, which is planned to start during Q2 this year. The installation of the offshore substations will also start towards the end of this year.

Turning to Slide 7 and an update on our Greater Changhua 2b and 4 project in Taiwan.

With the progress achieved during the quarter, the degree of completion is now at 75 % up from 65 % at Q3. The project achieved a major milestone during the quarter as the installation of turbines was completed for the project. At this stage, 17 of the 66 turbines has been commissioned and are producing power and the commissioning works of the remaining turbines is ongoing. The project remains focused on the installation and energization of the remaining array cables.

At this point, 57 out of the 66 array cables have been installed, and it is the expectation that the remaining array cables will be installed during the first quarter. Also, the project will resume works to replace the export cable for the Greater Changhua 2b section. Onshore work related to this is ongoing and the replacement work offshore will commence during the summer. The project remains on schedule for commissioning during Q3 2026.

Turning to Slide 8 and an update on our Northeast program, starting with Revolution Wind.

Despite offshore construction being on pause for three weeks due to the suspension order, Revolution Wind continues to make progress, and the degree of completion has increased to approximately 87 %, up from 85 % in Q3 2025.

During the quarter, all remaining array cables were installed. The export cables, interlink cable and both offshore substations have now been energized. At this stage, 59 of the 65 turbines have been installed.

In the coming period, the project will focus on completing installation of the remaining turbines and continue ongoing commissioning activities. First power for the project is expected within weeks.

Turning to Slide 9 and an update on the progress at Sunrise Wind.

During the quarter, despite offshore construction being paused for six weeks due to the suspension order, the project has made progress illustrated by the degree of completion increasing to 45 %, up from 40 % in the third quarter.

The first installation campaign of turbine foundations has been completed according to plan with 44 of the 84 turbine foundations installed. Onshore construction and commissioning are progressing well. The onshore portion of the export cable has been installed and jointed and the nearshore section of the export cable was successfully installed.

In terms of fabrication, all turbine foundations, array cables and the remaining sections of the export cable are now complete. All turbine towers and nacelles have been fabricated and the majority of blade sets have been fabricated with the remaining sets progressing according to plan.

In the coming period, the project's focus is on resuming halted activities with safety as a top priority. This includes the offshore installation of the mid- and far-shore section of the export cable.

The project is working diligently to maintain the installation schedule, which includes first power in the second half of this year and commissioning of the project in the second half of 2027.

Turning to Slide 10 and an outlook for our deliveries in 2026.

We will continue to focus on delivering on our strategic priorities over the coming years as this will improve our financial foundation and ensure that we can compete from a position of strength for new offshore wind opportunities in our core markets.

Specifically, in 2026, we will continue to have a very significant focus on our generation and ensure that we deliver in line with our expectations. We will be commissioning more than 2.5 GW offshore wind capacity across three continents. And for the remainder of our construction projects, we will continue our efforts building on the solid progress achieved during 2025. We will assess new opportunities within offshore wind across three avenues.

First is on the auction and tender front, where there are several relevant opportunities for us to assess during 2025 in our core markets. And from 2027 and onwards, we are expecting a material

step change in terms of the number of auctions. Second, we will continue maturing our proprietary pipeline and bring the projects forward if the value creation is there.

And thirdly, we continue to assess the potential for any project-specific collaborations. Those will remain the buckets that we are looking for when we think about offshore wind growth and filling our pipeline for the back end of this decade and onwards. We will be patient and we will prioritize value over volume.

To support this, we will further progress on measures to improve our competitiveness. This includes the initiatives within our Trading and Revenue function as well as our Generation organization. In addition, we will deliver according to plan on our announced adjustments to our organization, so it will become more efficient and flexible.

With this, let me hand over to you, Trond.

Trond Westlie

Thank you, Rasmus, and good afternoon from me as well, everyone. As always, unless I state otherwise, the numbers I refer to will be in Danish kroner. And then let's turn to Slide 8 and the EBITDA for '25.

For the full year, we had a solid operational performance and delivered EBITDA, excluding new partnerships and cancellation fees of DKK 25.1 billion, as Rasmus previously said. And this is in line with our guidance for the year. Let me walk you through the main development.

For our offshore business, the overall site earnings came in DKK 500 million higher compared to last year. This was driven by higher availability rates, ramp-up generation for Gode Wind 3 and compensation at Borkum Riffgrund 3, leading to an increase of approximately DKK 1.5 billion. This was, to a large extent, offset by the lower wind speeds, lower earnings by approximately DKK 1 billion compared to 2024.

Earnings within Partnership increased compared to last year as negative effects in '24 were not repeated to the same extent in '25.

For other costs in Offshore, there was an increase primarily driven by changes in cost allocation methodology with no impact to the total EBITDA.

In our onshore business, earnings increased by approximately DKK 200 million compared to last year. The increase was due to the ramp-up of generation at Sparta Solar, Eleven Mile and Mockingbird, partly offset by the farm-down of the same projects.

Within Bioenergy and other, earnings in our combined heat and power business increased by approximately DKK 300 million, driven by the higher achieved prices and improved spreads, only partly offset by lower generation. Earnings in our gas business increased by approximately DKK 300 million, mainly driven from our offtake contract with the Danish Underground Consortium and its

ramp-up production from the Tyra field.

The negative effect from other was mainly due to a provision for severance payment relating to the rightsizing of the organization initiated in the fourth quarter.

The total impact of severance payments and provision amount to approximately DKK 750 million in '25 and covers the period of the executions in '25 through '28.

Let's turn to Slide 13 and our guidance for '26.

For the full year of '26, we expect an EBITDA more than DKK 28 billion. Let me go through the expected drivers for the different segments.

In our offshore business, overall earnings are expected to be higher in '26. Our offshore site will benefit from ramp-up generation of Greater Changhua 2b and 4 and Revolution Wind and wind speeds in line with historical averages, whereas 2025 was below historical averages. This is expected to be offset by lower market prices, lower earnings from trading activities and subsidy step down for Borkum Riffgrund 2 as well as Gode Wind 1 and 2 stepping out of subsidy, leading to expected sites earning to be in line with the '25 level.

We expect earnings from existing partnerships to increase compared to '25, mainly driven by construction agreement at Hornsea 3. Within our offshore business, we anticipate lower expensed project development costs as well as lower fixed costs.

For our onshore business, we expect earnings to be in line with '25. This is driven by the ramp-up of generation from new assets, offset by divestment of European onshore business, which we expect to close during second quarter this year.

For our Bioenergy segment, we expect earnings to be in line with '25.

The gross investments for '26 are expected to amount to DKK 50 billion to DKK 55 billion, which is in line with our previously expected investment level.

Furthermore, our committed capital of approximately DKK 145 billion for the period 2025 throughout '27 remains unchanged as this already accounts for the planned divestment of the European onshore business.

Let's turn to Slide 14.

In the fourth quarter of '25, our EBITDA, excluding new partnership and cancellation fees amounted to DKK 8.1 billion, which represents an increase of approximately DKK 500 million. This was driven by the offshore business, where earnings increased compared to last year due to higher wind speeds as well as lower fixed cost levels.

Our net profit for the quarter totalled a negative of DKK 3.4 billion. This was impacted by the negative non-cash EBITDA impact from the closing of the Hornsea 3 transaction and the impairment that have been recognized following the lease suspension orders to our two projects in the U.S. as well as the sale of our European onshore business.

As part of closing the Hornsea 3 transaction, we have recognized a non-cash impact of DKK 4.8 billion to reflect the accounting net present value effect of the asymmetric distribution structure. The impact was rebased upon closing as the project was slightly less advanced compared to our expectation at the time of signing. The underlying transaction structure and valuation remains the same.

The lease suspension order have resulted in increased costs due to anticipated extension of contracts for both our projects, leading to an impairment of approximately DKK 600 million in the fourth quarter of '25.

As part of the decision to divest the European onshore business, we have reassessed the book value of the segment. In previous acquisitions of the business, we have recognized goodwill in our accounts. And as part of the decision to undertake the divestment, this has been written off, leading to an impairment of DKK 1.6 billion.

Adjusted for impairments and cancellation fees, our return on capital employed, ROCE, came in at 8.4 %, which is a decrease compared to last year, driven by an increase in capital employed. The reported ROCE came in at 5.4 %.

We had expected that '25 ROCE would be lower than the ROCE in '26 and '27. However, it has come in lower than expected, primarily driven by the impairments relating to the suspension order on Revolution Wind and Sunrise Wind and the impairment of goodwill related to the divestment of Ørsted's European onshore business. Our target for average ROCE for '26 and '27 is to be around 11 % and above 13 % for the period '28 to '30 with the expected improvement of ROCE in '26 and '27, primarily driven by increased operational earnings coming from the commissioning of the projects that we are currently constructing.

Let's turn to Slide 15 and our net interest-bearing debt and credit metrics.

At the end of Q4 '25, our net debt amounted to DKK 19 billion, representing a decrease of approximately DKK 64 billion during the quarter, which was primarily driven by the proceeds received from the closing of the rights issue.

Cash flow from operating activities include contribution from our operational earnings as well as payments related to both the divestment of 50 % stake in Hornsea 3 transmission assets and the construction agreement that was entered into as part of the divestment.

For the divestments, this includes payment under the SPA agreement relating to Hornsea 3 divestment as well as the divestment of a stake in Badger Wind, U.S.

Our gross investments amounted to DKK 15.1 billion, reflecting the continued investment into our renewable construction projects.

Our key credit metric, the FFO to adjusted net debt stood approximately at 43 % at year-end, reflecting a significant increase compared to previous years. The increase is primarily driven by the proceeds of the rights issue and the closing of Hornsea 3 transaction and is currently well above our

target of 30 %.

And finally, let's turn to Slide 16 and focus on our divestment program.

With the closing of Hornsea 3 transaction as well as the signing of our Greater Changhua 2 farm-down and the divestment of our European onshore business, we have successfully delivered on the partnership and divestment program, which we announced as part of our second quarter '25 update. We had a target of delivering proceeds of more than DKK 35 billion across the announced transactions. And with securing proceeds of assets around DKK 46 billion, we have now ensured strong delivery on this.

In combination with the completion of the rights issue, this is a significant contribution to the strengthening of our capital structure, and it will ensure that we have a robust financial foundation throughout the coming years. Also, to pursue new value-creating opportunities while we are delivering on our construction program. Upon completion, our projects will ensure significant contribution to increasing our financial headroom. With this, we have reduced our dependency on divestments of operational assets, and we will now be able to undertake a more value-accretive and flexible approach to partnerships and farm-downs going forward.

And with that, we will now open for questions. Operator, please.

Operator

This concludes the presentation, and we will now open for questions. This call will have to end no later than 15:30. Please respect only one question per participant, and then you can go back to the queue for a second question.

Anyone who wishes to ask a question may press star and one on the telephone. You will hear a tone to confirm that you have entered the queue. If you wish to remove yourself from the question queue, you may press star and two.

Questioners on the phone are requested to disable the loudspeaker mode while asking a question. Anyone who has a question may press star and one at this time. The first question comes from the line of Harry Wyburd from BNP Paribas.

Harry Wyburd

Hi, good afternoon, everyone. Thanks for taking my question. It's on the North Sea agreement or the Hamburg agreement. Could you help me draw a line between the commitments that were made there, which are obviously huge and the money that you expect to be put behind the CfD auctions.

So, I guess anyone who's familiar with AR7 will be - you're familiar with the concept of the pot size. I believe that governments in Europe or around the North Sea will put a big pot size behind these CfDs given affordability constraints?

And have you had any informal commitments from governments on whether they are willing to put a lot of money behind the CfDs that would be able to procure that many gigawatts? And then maybe as an add-on to it, there was a 30% cost reduction commitment in that agreement as well.

Where would you see those cost reductions coming from? And I presume it's not just hoping for lower interest rates. Is this coming from the supply chain? Is this coming from OEM manufacturers? Is this coming from your processes? Could you give us some color on how you would deliver that cost decrease? Thank you.

Rasmus Errboe

Absolutely. Good afternoon, Harry. There is no doubt that the agreement that was made between the nine heads of states in Hamburg last Monday, we are very pleased with that agreement. One thing is, of course, that the governments stand shoulder to shoulder and commit to up to 300 gigawatts by 2050. That's sort of one thing.

I think the more important part actually is that as opposed to previous agreements made on this one, the nine countries involved are a bit more specific about the how, how is this actually going to happen. So it is by tendering out up to 15 gigawatts of offshore wind every single year from 2031 to 2040.

And 10 of the 15 gigawatts are expected to be with CfDs. That commitment provides two things to the industry. It provides certainty about a more linear build-out. So basically stepping away from the more lumpy build-out and less coordinated build-out that we have seen in the last years.

And what it also provides is the right sort of frameworks in terms of how to tender out offshore wind, i.e., a consistent approach centered around CfDs across all the nine involved states. So those two things combined, Harry, in our view, provides the necessary predictability for the industry, which is exactly what we need to again break the curve and bring down cost.

As you rightfully point out, the commitment from the industry has been to reduce levelized cost of electricity by roughly 30% towards 2040. And it is coming from this predictability. It drives significant investments in the supply chain.

The European supply chain has already invested, I believe, more than EUR 14 billion in the last three years across manufacturing vessels and ports. And that brings you to roughly 10 gigawatts. And then if you go to 15 gigawatts as is now set out, it's sort of roughly EUR 10 billion more.

Those investments will provide sort of cost down on the supply chain. And obviously, also the predictability will make it easier for the developers to also enter into framework agreements and also, you can say, deliver the projects that has been won. So that is what's going to drive down the cost again towards 2040.

And then for the second part of your question on sort of the pot size, we would have to see what comes out in the individual auctions in the coming years, the same way as you have seen in the U.K. But I would, as an example, just highlight the agreements that has just been made between

Denmark and Germany where the cap or the budget set aside for the three gigawatts of offshore wind between Denmark and Germany is around DKK 140 billion committed by the Danish and German government split roughly with 30% to Denmark and 70% to Germany. So this is just an example about the commitments that we are starting to see here.

Harry Wyburd

Okay. Thank you. Thanks for a very thorough answer. Thanks.

Rasmus Errboe

Thanks.

Operator

The next question comes from the line of Kristian Tornøe from SEB. Please go ahead.

Kristian Tornøe

Yes, thank you. And good afternoon from my side. So my question is on your farm-down program where all transactions have now been signed. But sort of reflecting on them, I would claim that some of these transactions have lowered the financial transparency given the increasing level of non-cash EBITDA as a consequence of these transactions.

I understand why you've had to do this, but I'm just curious how problematic you consider this movement and not least, if you are to consider further divestment transactions in the future, should we expect you to go sort of back to the old model, which were more simple?

Trond Westlie

Well, part of the proceeds coming from these transactions is, of course, paying for some of the equity value, but some of them are also a part of our working capital like the OFTO. So it goes into the operating cash flow. And as a result of the accounting rules, making sure that we actually apply to those, we also have to address that.

So I do think that we have been very transparent in telling the sort of the split between our expected more than DKK35 billion were divided into the three major and the other smaller divestments. So as of now, Hornsea 3 has provided us with DKK10 billion, of which DKK4 billion is proceeds and a bit more than DKK6 billion is on the working capital.

On the onshore U.S. transaction, it is DKK 5 billion in proceeds. On the EU onshore, it's short of DKK 11 billion in proceeds. The Changhua transaction, which we're going to close in Q3 this year. It is, of course, an asset value of DKK 16 billion. And the reason for having that asset value is, of course, because we are consolidating the full project until COD and then we deliver the full package to Cathay.

And then West of Duddon Sands of DKK 4 billion. And that asset value of all those transactions is DKK 46 billion. Going forward, we do not have any concrete plans as of now. And we do believe

that in case we are doing transaction, we will, of course, inform about the content of this transaction, depending on the structure of the transaction every time.

Operator

We now have a question from the line of Peter Bisztyga from Bank of America.

Peter Bisztyga

Hi, good afternoon. So a question on your growth profile towards the end of this decade. Once everything is operational, hopefully, in 2028, I presume any new projects that you might win in offshore auctions over the next couple of years won't be operational until after 2030. So there's going to be a window of like two or three years where you're just building up unproductive capital without kind of any new earnings coming in.

So I'm just wondering, first of all, how do you think about that? And given your planned divestments have exceeded your target by a sort of fairly material amount. I'm just wondering if that gives you flexibility to accelerate investments, for example, in U.S. onshore solar and battery or something like that to fill that growth gap. So interested in your views on that point, please.

Rasmus Errboe

Absolutely. Thank you, Peter. A few reflections. I think, first of all, important to emphasize that we as you also allude to that we are very much in a position now on the back of the successful divestment program that Trond talked about and the successful capital raise last year, we are in a place where we have the financial robustness to pursue value-accretive offshore wind opportunities in our core markets. And we are seeing quite a few opportunities already during 2026. As we talked about before, sort of there is a tender coming in Denmark.

There is a tender coming in the Netherlands. There is a tender coming in APAC. And when you get into 2027, you are starting to see a significant pickup. So that is sort of one avenue for future growth for us, one potential avenue.

Another one is obviously also to move forward with the projects that we already have, the more proprietary projects. We talked about sort of Hornsea 4 as an obvious example that we'll be able to bid in from '27 and onwards.

And then at the same time, as I also alluded to before, we are also pursuing, you can say, project-specific collaborations where relevant, all to further fill up the pipeline on the other side of the build-out that we have right now.

You are right in the sense that we will see a drop in our gross CAPEX in '28 relative to the levels we are at now. That is quite clear, which is also why we have put the measures in place in terms of having a more flexible and rightsized organization to manage that dip, if you will.

We are quite sort of bullish on the long-term projections for offshore wind in our core markets and the growth for the longer term. You talked about sort of unproductive CAPEX and so on in the years

towards the back end of the decade. And you also mentioned U.S. onshore. Just reminding us about our capital allocation principles.

So it is to make sure at all times, we have a robust capital structure. We honor the dividend commitment. We intend to honor the dividend commitment by paying out first time in 2027 on the back of '26. Bucket number 3 is value-accretive growth. And then bucket number 4 is, of course, potential rebalancing towards our shareholders.

Those are the principles that we have and we have had for a while, and we intend to follow them. We continue to invest in our U.S. onshore business. As we have said before, we have separated it out now to be more of a stand-alone business. We finalized that in October last year.

We are right now constructing two projects in U.S. onshore, 500 megawatts in total. And we will continue to develop the business, but you should not expect a rebalancing of capex, as you alluded to before, our key strategic focus is offshore wind in our core markets, i.e., in Europe.

Peter Bisztyga

Perfect. Thanks very much.

Operator

The next question comes from the line of Jenny Ping from Citi.

Jenny Ping

Hi. Thank you very much. Actually, my question was fairly similar to Peter's with really the pivot more to your point around project collaboration. I just wondered whether this actually meant in order to fill in the back end of the decade growth profile, you would be open to buying into projects that other people have won that's already kind of getting to -- have got CfDs, etcetera, that's getting to FID stage that would deliver back in the decade just to keep the momentum of the growth.

And then just along the same lines in terms of the balance sheet, I'd be very keen to understand the opportunity to re-leverage the U.S. projects. Obviously, you're making very good progress in the delivery of that. Is it the case that these projects we shouldn't even think about the opportunity to project finance them and take equity out before reaching COD? Or are banks actually starting to warm up as you deliver the construction? Thank you.

Rasmus Errboe

Thanks a lot. Jenny, I will take the first part and then leave the U.S. project financing question to Trond. So we are pursuing growth across three buckets. It's tenders and auctions in one bucket. It is developing our proprietary pipeline in another bucket.

And then the third one is, as you alluded to, to potentially enter into agreements with other developers potentially about projects. There is a significant backlog right now of offshore wind projects in several of our core markets. And we have that as we -- which is not new, we have had

that for a while, one of the three buckets that we are potentially pursuing.

That being said, you mentioned sort of momentum of growth. It is important just to reemphasize that we will be patient. We will be patient and we will always prioritize value over volume.

We are setting ourselves up in a way where we have and are sort of able to cater for a slight dip in our construction activity towards the back end of the decade. But we do believe there are quite a few opportunities out there across the three buckets in terms of future growth.

Trond Westlie

When it comes to the balance sheet effects of the U.S. projects, when we sized the rights issue and also deciding on the farm-downs and the sales proceeds, we made sure that we had enough capital not to plan for project financing before COD in the U.S. That has been a major element to this to make sure that we have the financial solidity as well as the liquidity in place to make sure that we can continue constructing on our 8.1 gigawatts.

Having said that, the timing of project financing when it comes to those projects is, of course, dependent on the political uncertainty and how the financial market in the U.S. and also elsewhere, but mostly in the U.S. looks at certainty of those projects coming into play. So it will be an opportunity for us at some point in time, but we have not planned or concluded on that time.

Jenny Ping

Okay. Thank you. Sorry, just to be clear, so M&A is on the table under this bucket of project collaboration?

Rasmus Errboe

Project level, yes.

Jenny Ping

Yeah. Okay. Brilliant. Thank you very much both.

Operator

We now have a question from the line of Deepa Venkateswaran from Bernstein. Please go ahead.

Deepa Venkateswaran

Hi, thank you for taking my question. It is somewhat similar to the previous questions, but it's probably a more philosophical question. So in the past, Ørsted was always a lead developer, you farm down to financial players. You haven't done too many projects with other industrial players, but we know many of them are looking for partners.

I think Vattenfall said that they're looking for partners for their German offshore project at BASF -- have, and we know SSE, for example, will be looking at these. So where do you see from a perspective of value creation Ørsted kind of coming in as perhaps, maybe not in the driver's seat,

but as a secondary partner, would those sort of transactions be okay with you? And yes, or is there any commitment that you need to be the lead developer operator constructor of these projects? I think that's my question. Thank you.

Rasmus Errboe

Thank you, Deepa. So in terms of market by market, I would rather say our focus is on the core markets that you know that we are focusing on. So the U.K., Denmark, Poland, Germany, the Netherlands, Belgium, that continues to be the case. And then again, we have the three buckets that I mentioned before. It becomes too speculative for me to sort of get into what kind of potential partnerships it could be that is a bit premature.

Deepa Venkateswaran

But in principle, would you be okay with building something with another industrial player?

Rasmus Errboe

The answer will be the same, Deepa, that it becomes a bit too speculative for me to talk about potential future collaboration models.

Deepa Venkateswaran

Thank you.

Operator

Next question comes from the line of Alberto Gandolfi from Goldman Sachs. Please go ahead.

Alberto Gandolfi

Thank you. Hi, it's Alberto Gandolfi, and thanks for taking my question. I just wanted to talk about growth, but from a slightly different perspective and a bit more granularity. The first one is how much capital do you feel comfortable in committing in the next 12, 18 months given the lingering risks around Sunrise, just in case we still have another move and appeal by the administration, the court case is pending.

And while you are talking about offshore, in particular, would you mind telling us how many gigawatts you could potentially bid for in these regions? There's a very good slide where you talk about all these countries in Europe and Asia. So how many gigawatts in terms of permitting leases could you potentially bid for if you wanted to?

And if you can tell us, given you talk about value over volume, how do you define value? Is there an absolute IRR we should be thinking about given where the cost of capital is today? Do you think you need to now put more contingencies? So can you tell us how we should be thinking about risk, quantity, and returns? Thank you so much.

Rasmus Errboe

Thank you, Alberto. So sort of three buckets in your question, maybe partly overlapping in my answer. So, first of all, you're saying what kind of capital are we comfortable committing considering the situation we have in the U.S.? I'm not going to put out any numbers here.

What I can say is, and Trond can, of course, elaborate here, that we have our committed capex program in '25 to '27, and we have DKK 145 million in total. And we are still there across our projects. And then we have, as we also talked about, we have completed the farm-down program. We have completed the equity raise.

So we are in a position now where we have a robust balance sheet. Part of sizing the equity raise was to be able to withstand the regulatory uncertainty that we are also now seeing unfolding in the U.S., but also to deliver on our business plan. But I'm not going to put out a specific capex number, which is the same reason for why I'm also not going to put out a specific gigawatt number because this is exactly where we have changed our approach, if you will.

So we're not chasing gigawatts. It is value over volume. You will remember from the beginning of the year that one of the first things we did after I took over was that we cancelled our 2030 targets in terms of gigawatts, because our focus is on value. And as I said before, we do believe that the opportunities are out there.

On value, you said sort of how do we define value? Our value criteria are unchanged in the sense that we guide that it is 150 to 300 basis points on top of our cost of capital. We stand by that. And then at the same time, internally, we obviously also look at the absolute IRRs of the projects that we are considering moving forward.

But we only guide externally on the 150 to 300 bps on top of our cost of capital. And then, of course, when we look at value, we also look at the flip side, which is risk. And we are carefully assessing risks in our opportunities that we are looking at.

We are looking at the breakaway profiles of the opportunities. We're looking at the farm-down, potential farm-down risk as we also talked to as part of putting Hornsea 4 back to development. So those are some of the things we look at when we assess new opportunities.

Operator

We now have a question from the line of Ahmed Farman from Jefferies. Please go ahead.

Ahmed Farman

Yes, hi. Thank you so much for taking the time. I have a sort of broad question on the two U.S. projects, but sort of with a few sort of subsegments. So last year, you provided us an estimate of the remaining capex to be spent in the second quarter.

So sort of the first question is, could you just remind us where that is? Could you remind us on the monetization, the timing of the monetization of the ITC for Revolution Wind? And then Rasmus, you referenced expeditious and durable solution, trying to sort of find that in your strategy. I would be interested if you could elaborate on that point further. Thank you.

Rasmus Errboe

Thank you, Ahmed. So, I will take capex and the durable solution and then leave ITCs to you, Trond. So, yes, just to reiterate, the remaining capex for Ørsted share across Revolution Wind and Sunrise is around roughly DKK35 billion. So basically, you can say broadly unchanged relative to what we have said before.

In terms of the dialogue track, as you indirectly alluded to, so we are focusing on two things here in the U.S. One is obviously to finalize construction of Revolution Wind and Sunrise as fast as well and as safe as possible for our colleagues. And the construction is actually progressing quite well across both taking into account that we have been out for 3 weeks on one and roughly 6 weeks on the other.

But I can, of course, talk much more about that construction progress. The other part of the work we do is on seeking to, via dialogue, see if there is a path for a more expeditious and sort of a durable solution across the two projects. I will follow the same line as I have had before here. I don't want to go into the content of dialogues we may or may not have with other developers, with the administration, with suppliers, etcetera. But we are pursuing still two tracks.

Trond Westlie

On the ITC element, the element on the ITC and what we expect is the money to come in sort of a year subsequent to COD. And that's sort of the planning phase that we are looking at.

Ahmed Farman

Okay. Thank you very much.

Operator

The next question comes from the line of Mark Freshney from UBS. Please go ahead.

Mark Freshney

Hi, thank you. If I could just drill down a bit on to the ITC. My question is, is it possible to monetize the ITC and do the transactions with the bank while the lease suspensions are still in place? So do you need those lease extensions removed to get the, I think it's like DKK 25 billion from both of the construction assets in '27 and '28. So that's my first question.

And just secondly, it sounds, standing back, it sounds like we're now focusing on growth beyond the five construction projects. Given the kind of opportunities you've laid out and the kind of optimism, it seem, and given the need to maintain a strong balance sheet, can we infer that the dividend payout ratio will be sort of low, potentially somewhere around where it was at the time of the IPO, which I think was about DKK 2.5 billion? Thank you.

Trond Westlie

When it comes to the ITC, I would probably answer you, Mark, in two different ways. When it comes

to the tax equity part, it is still a good market there in the onshore sector. And there is no differential really relative to tax credits and where they come from.

So when it comes to that, having said that, there is, of course, the political surroundings in this uncertainty as well as the legal elements as you talked to about the suspension orders and so forth. So yes, there is, of course, elements here that we are discussing with investors. But the progress of this is continuing as we have planned.

But as you allude to, there is uncertainty parameters that we need to contain or address during the course of the way. But as of now, the progress is there. There's no sort of nothing hindering the process, except for, of course, that we to have to cater for those elements.

On the dividend side, we will not, at this point in time, give any guidance on the levels as such. We will come back to that in due time. But as of now, it's too early for us to expand on where that level is going to be starting to be paid in '27.

Mark Freshney

Okay. Thank you.

Operator

We now have a question from the line of Casper Blom from Danske Bank. Please go ahead.

Casper Blom

Thanks a lot. A question regarding the ramp-up of Revolution and Sunrise Wind. You mentioned, Rasmus, that you expect the first power from Revolution within the first next couple of weeks and with Sunrise, you say in the second half of this year.

Can you give any kind of guidance to how much you expect to squeeze out of these two projects this year? And maybe a percentage of how much power you expect to generate compared to how much it will be when these projects are fully up and running? Any flavour to the impact that the projects will have on this year's earnings would be very nice to have? Thank you.

Rasmus Errboe

Thank you, Casper. I, of course, see what you're doing, but I'm not going to guide on sort of EBITDA at the project level for '26. But I can give you sort of a little bit of colour of sort of where we are and then leave it for you to make your own assessment.

So on Revolution Wind, as I said, we have now installed 59 out of 65 turbines. We expect first power, as I said, within weeks. We have energized the export cable. We have energized what is called the interlink cable, energized the offshore substations and also the onshore substation.

So therefore, you can say moving forward quite well. But more details about sort of remaining installation and ramp-up, I cannot give. Our guidance remains that we expect COD for the full wind farm in the second half of 2026 and the first power within weeks, as I said.

On Sunrise, again, we also here do expect first power this year. But again, what we have stated in recently is that we would expect for it to be in October 2026 and then COD by second half of 2027. And also Sunrise is progressing according to plan. We have sort of the fabrication progress is going quite well.

We only have 7 sets of turbines left and so on and 44 out of 84 foundations installed, offshore substation installed, onshore converter station, 90% done, energized onshore cable 100% done. So it is moving forward according to plan despite the setbacks we have received.

Casper Blom

All right. Thanks for the flavour, Rasmus.

Operator

The next question comes from the line of Olly Jeffery from Deutsche Bank. Please go ahead.

Olly Jeffery

Thank you. Just asking about a different topic. Could I get an update on the Elsam related case, which has been ongoing for a while? I think the amount there potentially liable for is DKK 4.4 billion, depending on how that court case outturns.

When do you expect, can we expect a judgment this year? And if so, do you any time lines on that? Is there a kind of date for when we will get more information on how that turned out? Thank you.

Trond Westlie

Well, the Elsam case has been there for quite some years. So it has been a long way to go. When the case was up last time on the final ruling on the main case, that was back in, I believe, 2017 or '18. We did win that. Subsequent to that, there are, I think, around 1,100 small cases that have been added up to this case coming up.

And the case has started up now. It is the amount that you have said. We have disclosed that both in the rights issue and it's also in the annual report. We do not have any provisions for this. We do have a view that it will end up as it has been ended up before.

But the case is ongoing, and we expect to have an answer or a decision here midyear somewhere. And then again, just to be clear on that, the decision made this time may be appealed by both parties.

Olly Jeffery

Understood. Thank you very much.

Operator

We now have a question from the line of Rob Pulleyn from Morgan Stanley. Please go ahead.

Rob Pulleyn

Hi, thank you. And thanks for all the answers so far. The remaining question I would like to ask is, given obviously lots of interest in your future partnerships you mentioned and also the market is very interested in potential collaboration with your Norwegian neighbours.

And to leave to park that particular topic, there is a related one is that, that particular neighbour has a U.S. project and pipeline as well. And so from a high level, could you talk to whether you would be interested in increasing your exposure in the U.S. market at all? Thank you.

Rasmus Errboe

Thank you, Rob. So yes, you are right that sort of with respect to Equinor that we continue to be pleased having them as a shareholder. They were very supportive at the capital raise. They are a 10% shareholder, and we have a very good dialogue with them.

We have no expectations whatsoever to increase our exposure to offshore wind in the U.S. roughly a little less than a year ago, shortly after I took over, we adjusted our strategy for Ørsted. And one of the things we did when we came to the U.S. was to refocus to basically only focusing on finalizing the two projects we have, Revolution Wind and Sunrise Wind on the offshore side.

We maintain the leases we have. And we sort of continue to comply and we have them for sort of optionality, but we have no expectations to acquire new projects in the U.S.

Rob Pulleyn

That's super clear and very helpful. Thank you very much. I'll hand it over.

Operator

The next question comes from the line of James Carmichael from Berenberg. Please go ahead.

James Carmichael

Hi, afternoon guys. Thanks for taking the questions. Just first one, just quickly on the 2,000 headcount reduction that you mentioned. I was just wondering if you could say how many, if any, of those occur naturally, I guess, as part of the European onshore disposal, how many effectively go over to CIP with that asset base?

And then just while we're talking onshore, just wondering if you could maybe remind us of your commitment to the U.S. onshore business given the strategic focus on offshore and Europe that you talked about? Thanks.

Rasmus Errboe

Thank you very much. So if we take the people aspect first, just as a reminder, we communicated in October that we would be reducing the number of people working for Ørsted towards the back end of 2027 with roughly 2,000 positions. We are moving forward according to plan in that regard.

And we have said goodbye to around 500 colleagues in the back end of last year. And on top of that, it is roughly 200 people who are employed in our Europe onshore business, and they will all

transfer to the new buyer and is included in the reduction that I talked about towards end of 2027.

It is very important to me that we continue to treat all of our employees, those staying and those leaving in the best possible way. And I believe we are. Then the other part of your question was sort of what is our commitment to our U.S. onshore business.

We are moving forward according to plan with our U.S. onshore business. It is going well. We have separated it out as a separate unit, as I mentioned before, effective from October last year.

And the business is going well. We are moving forward projects. We have right now roughly 500 megawatts under construction. One wind project, 260 megawatts battery wind in MISO and one battery, 250 megawatts in ERCOT. And then on top of that, we have 6 to 7 gigawatts of capacity that meet the IRS definition of qualification through 2029.

And we have this development portfolio consisting of a mix of solar, wind and storage, slightly more weighted towards solar in the near term. So moving forward well.

James Carmichael

Thank you.

Operator

We now have a question from the line of Louis Boujard from ODDO BHF. Please go ahead.

Louis Boujard

Yes, hi, good afternoon everyone. Thank you for taking my question. Maybe remaining a little bit on the efficiency measures. I think that you mentioned that you recorded also DKK 600 million of cost of implementation. Is this the total cost of implementation for the redundancy measures that you plan? Or shall we forecast additional costs going forward?

And on top of it, I think that you mentioned as well that you are taking some initiatives into the trading and revenue division or activity. I would like to know if you could provide eventually some example of where you could eventually make some improvement on this topic in order to reach and to converge towards the DKK 2 billion savings that you previously mentioned? Thank you very much.

Rasmus Errboe

Thank you, Louis. You asked two questions, and we were simply not able to get the first part of your question, but it sounded like it was for Trond. But I will answer the latter, the second part, and then I would ask you to ask the first one more time. Sorry about that. It's a little bit of a dodgy line.

So you asked about trading and revenue and examples and so on in terms of the efficiency measures that we are talking about. So just as a reminder, as part of the rights issue, we communicated that we expect DKK 0.5 billion to DKK 1 billion of incremental EBITDA from '27 and onwards full year effect. And sort of a few examples.

One is increased value from selling and buying certificates. Another one is increased activity day-to-day in today, day ahead. Another one is more third-party origination of PPAs, three examples. Our focus is on our core, which is power in Europe.

So you should not see this as us increasing our risk appetite across gas or elsewhere, but we focus on our core. But those are a few examples of where we see the uplift. And then I would have to ask you to ask the first one more time.

Louis Boujard

Yes. Thank you for giving me the opportunity to reask the first question. So the question was about redundancy measures and potentially, I think that you mentioned DKK 600 million of cost that you have recognized in Q4 regarding indeed the rightsizing of the company.

And I was wondering if you could confirm if it is the total cost that should be expected for the redundancy measures or if there is other additional costs that we could expect in '26 and eventually 2027?

Trond Westlie

Thank you, Louis. It's good to hear the question. Yes, just to recap, what we say is that we have approximately DKK 750 million charged in '25 for rightsizing and restructuring. Of that, the provision is slightly more than DKK 500 million of that and the DKK 200 million to DKK 250 million is what is cost relative to the rightsizing effects that we did in '25.

Accounting rules has its limitation relative to providing for restructuring and how concrete they have to be. So I would say that we have catered for the ones that we have decided and have clear sight on how to do. There might be some additional. We do not, as of this point, see it as significant. But of course, as we go along and look at the road map towards '28, it might come up, but we will be transparent on it.

Louis Boujard

Thank you for the clarification.

Operator

The next question comes from the line of Dominic Nash from Barclays. Please go ahead.

Dominic Nash

Good afternoon and thank you for my question. The question I've got is looking at your 30% cost reduction in wind costs by 2040, I believe. Do you think that, that's achievable without a Chinese supply chain?

And could you let us know how advanced you are in discussions with sort of Chinese providers of turbines and offshore wind products and where you think that puts you relative to your the competitive disadvantages and advantages against your sort of developer peers? Thank you.

Rasmus Errboe

Thank you, Dominic. So in short, the first part of your question, yes, I do believe that the European supply chain is able to deliver on the commitments put out Monday last week. The European supply chain is quite robust. And only the last three years, it has invested more than EUR 14 billion across 20 European countries in the supply chain, 50% roughly on manufacturing, 20% in vessels, 30% in ports.

And with the predictability that is now sort of there from the North Sea offshore wind investment pack, we do expect to see further ramp-up from the supply chain, roughly EUR 10 billion required to get our numbers to get to 15 gigawatts per year and we believe that is possible. As for our own sort of approach, we are a global company present across three continents and we do operate in a business with a global supply chain.

And, of course, the robustness and diversification are important priorities for us and we do assess different technologies and suppliers. And when we do it, we do it based on quality, technological maturity, capability, ESG, regulatory, etcetera.

We do also follow the development in China on the turbine side, as you are alluding to as part of our normal market sort of surveying. But we have no projects in our portfolio or in our pipeline using Chinese turbines. So we are following the development in the market like any other developer would do. And as I expect also most of our colleagues are.

Dominic Nash

Sorry, can I just follow up? Apologies. I know that probably like a second question, but it's similar. I presume that if someone were to use Chinese products in the North Sea and it were seen to be cheaper, that once that's been sort of derisked, then other developers would follow them or do you think they'll still remain the European supply chain?

Rasmus Errboe

That becomes a bit too speculative for me, Dominic. I think our view is, as I stated before, I can best speak on our own behalf.

Dominic Nash

Thank you very much.

Operator

We now have a question from the line of Ingo Becker from Kepler Cheuvreux. Please go ahead.

Ingo Becker

Yes. Thank you very much. Good afternoon. First, I have a question, please, on your DKK 35 billion divestment. I think you broke it down before in terms of the total program, but I'm interested in the balance sheet date with the view of your fiscal year-end balance sheet, how much of the DKK35

billion has been cash effective booked in the balance sheet and how much is left in the cash flow statement?

There's a DKK 12.5 billion figure which would mean DKK 22.5 billion cash effective would be left, but I'm not sure that's the right way of looking at it. And my second question would be on your '28 EBITDA. I know you have not given guidance, but you gave us a helping hand last year by helping us with the likely composition of that number and the consensus made out of this, something like DKK 37 billion.

Not asking you to confirm that DKK 37 billion. But if we assume for one second that DKK37 billion is the right figure, does this change with the proceeds moving from DKK35 billion to DKK46 billion, taking potential accounting effects into account. So would the EBITDA still be the same or would it change?

Trond Westlie

When it comes to the cash effects, it's basically Changhua and European onshore that has not been a part of the cash effects per the end of '25. So if you look at the debt effects going forward, the effects that's going to happen, it's two elements on Changhua. It's because we have 100% of the assets until COD.

When we sell off 55%, we will, of course, deconsolidate the project and the project has then approximately DKK 20 billion in debt. So that debt will be then deconsolidated as a part of the transaction. In addition to that, there will be approximately DKK5 billion in proceeds. And then in addition to that, it's around DKK 10 billion coming out of Europe onshore sale when it closes.

That is the three elements of the sort of the transaction elements that is not included per year-end '25.

When it comes to the '28 numbers, we have not guided on those numbers. So I will, of course, not take your hypothesis as a starting point. What we can do is that we are still saying that the numbers is between 11 and 12 for the 8.1 gigawatts for the first full year EBITDA effect of those projects.

And relative to have an understanding of the elements, we also said during the capital increase, we said that the U.S. projects is around DKK 4.5 billion of that. The DKK 4.5 billion consists of approximately around DKK 1 billion for Revolution, our 50% ownership and our 100% ownership of Sunrise is about DKK 3.5 billion. So just to be clear that we can reiterate those numbers for the first full year of the COD year for those projects.

Ingo Becker

All right. Thank you very much.

Operator

Ladies and gentlemen, that was the last question. I would now like to turn the conference back

over to Rasmus Errboe for any closing remarks.

Rasmus Errboe

Thank you all very much for joining. We appreciate the interaction and the interest. And as always, if you have any further questions, please do not hesitate to reach out. Our IR team will be here to answer all of them. Thank you. Stay safe, and have a great day.