Ørsted

Q4 2024 earnings call

Transcription

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Rasmus Errboe

Hello, everyone, and thank you for joining today's presentation. This is my first earnings call as CEO of Ørsted. And I'm honoured and humbled to step into this role after having been with the company for 13 years. Together with our skilled employees, I and the rest of the Group Executive Team, will work relentlessly to create value for our customers, shareholders, and stakeholders at large. Ørsted has a strong foundation with unique capabilities, and I'm looking forward to taking the lead on the transformation necessary to navigate the headwinds that Ørsted and our industry currently face.

While I'm only a few days into the role, I know Ørsted and the challenges we face very well, and I am convinced that the measures we are introducing today are needed, in particular with respect to the lowering of our projected investments towards 2030 by approximately 25% on a like-for-like basis, through a more disciplined approach to capital allocation.

Ørsted will continue to be active across our three regions, and our number one priority will be to deliver on our committed construction programme. That being said, when we pursue new development opportunities across offshore wind, onshore wind, solar PV, battery energy storage, and also carbon capture, we will, first and foremost, prioritise the most financially attractive offshore wind opportunities in regions and countries where we see the most attractive framework conditions and investment environment. And where we have the most distinct competitive differentiation and ability to leverage and unfold our business models across the full lifecycle.

As it has been the case in the past, offshore wind is where we have our unique and most distinct capabilities, and our capital allocation going forward will continue to reflect this. Further, our reduced growth ambitions towards 2030 will inevitably lead to Ørsted becoming a more focussed company. We are currently constructing more than 8 GW of offshore wind, but with an expectation to see a lower construction of gigawatts per year towards the back end of 2030, we will, in the coming years, be rightsizing our organisation to fit our future needs. At the same time, we expect to see growth, in particular in our generation and trading and revenue business, as further offshore wind farms will be commissioned in the years to come, adding to our existing operating fleet of 10 GW offshore wind.

At the same time, I want to reiterate that despite the recent and highly disappointing challenges related to our US offshore wind projects under construction and the adverse impact it has had on our capital structure, we remain fully committed to our target of having a solid investment grade credit rating.

With that said, let me start with the performance highlights and strategic milestones achieved during 2024.

For the full year 24, we achieved an EBITDA of 24.8 billion DKK, in line with our guidance of 24 to 26 billion. Adjusted for cancellation fees and new partnerships, this represents an increase of 700 million compared to last year and in earnings mix, where our offshore and onshore assets were significant contributors, highlighting again the strong operational platform we have.

During 2024, we also managed to settle a large number of contracts related to Ocean Wind 1 and Flagship 1. Some of these settlements were finalised at better than assumed terms, leading to a total net reversal of cancellation fees of 7.3 billion. At this point, we have less than 2 billion remaining in the provision, meaning that we have nearly worked our way through all the contracts related to the projects and significantly better outcomes than we had expected.

The total group EBITDA for 2024, including the new partnerships and these cancellation fees, was 32 billion, which was one of the highest EBITDA levels in the history of the company. As part of 2024 accounts, we have recorded total impairments of 15.6 billion for the year, with the majority relating to the adverse developments within our US offshore wind portfolio. While a portion of the impairments are driven by the increase in the long-dated US interest rates, as well as prevailing market uncertainties outside of our control, we are very disappointed with the execution challenges and will ensure an increasingly sharp focus going forward on delivering these projects according to the updated schedules and budgets. We will also work towards being more granular in our communication around the progress and the risk in our offshore construction projects.

For the full year, adjusted for impairment losses and cancellation fees, we delivered a return on our capital employed of 10.1%, which is slightly below our average ROCE target towards 2030. We will come back to this number later in the presentation.

Lastly, our continued and relentless focus on safety continues to pay off, as we have reduced our total recordable injury rate in 2024. It is the second year in a row that we experience a reduction, and we see it as a result of our long-term focussed efforts. While we are very pleased with this development, we will never rest when it comes to safety, and we will go to work every day with an aspiration to bring it down even further.

Turning from the performance highlights towards our strategic milestones, where I am pleased to say we made significant progress through the year. First, we have commissioned around 2.4 GW of total renewable capacity across offshore and onshore assets, representing a significant contribution to the buildout of our operational fleet of assets. In addition, we very recently took the final investment decision on our Baltica 2 project in Poland. All major component and vessel contracts for the projects have been signed, locking in the majority of the project's Capex, which significantly de-risk the projects. We are satisfied with the value creation of the project, which has an attractive risk reward profile. This FID highlights that solid investment opportunities continue to exist, despite the challenging industry backdrop, and I am proud of the team getting the project to this important milestone.

Another key milestone for 2024 was the award of 3.5 GW of offshore wind in the UK Allocation Round 6, with an inflation linked offtake for 1.1 GW share of the Hornsea 3 project and 2.4 GW for the Hornsea 4 project. We are very satisfied with the outcome of the auction in one of our core markets, and we acknowledge that the UK government has shown resolve in adapting its support schemes for offshore wind to reflect current market conditions. In addition to the UK, we find the recent regulatory development for offshore wind in Poland and Denmark encouraging.

Within our divestment programme, we achieved significant progress during 2024 and delivered in line with our expectations. During 24, we secured proceeds of around 22 billion across five divestments. This demonstrates our ability to take projects to the market, and we continue to see an interest for our broad asset portfolio. Despite the challenging market conditions, we are on track to deliver on our divestment programme towards 26, which Trond will talk more about later in the presentation.

During the year, we also shut down our last coal fuelled combined heat and power plant, the Esbjerg Power Station in Denmark. This marks the end of a chapter in our green transformation, and is the last major step in our journey to meet our industry-leading, science-based targets of reducing our scope 1 and 2 emissions intensity by 98% by 25. Going forward, our entire energy generation will essentially be fossil free.

On innovation, we introduced new, groundbreaking technology as part of the installation of Gode Wind 3, and we have successfully developed and used a first-of-its-kind, noiseless monopile installation technique, which enables a further reduction of the potential impact from construction activities on the marine environment, as well as constructing in a more cost-effective way once we have adopted this at scale.

Let's turn to slide five, where I will walk you through the adjustments to our business plan. While we did achieve significant strategic steps during 2024, we also saw adverse developments and continued challenging market conditions. While the majority of these industry-related challenges were reflected in the updated business plan we presented a year ago, we have seen further challenges materialising, which have put our capital structure under pressure. In addition to the number of ongoing activities we have talked about before, we are now taking further measures to improve our value creation and competitiveness, as well as ensuring that we have a self-funded plan that can improve our capital structure in the medium-to-long term. These measures are all within our control, and they will contribute to our business being more efficient, more focussed, and more simple going forward.

As I mentioned, we will first and foremost prioritise offshore wind opportunities in the markets with the most attractive investment environment and where we can leverage our distinct capabilities. This focus will lead us to pursue and invest into few opportunities than we have previously anticipated, and combined with a dedicated focus on executing the current construction portfolio and our 2026 targets, we have chosen to step away from our previous 2030 gigawatt ambition. That being said, I want to make it absolutely clear that we still fundamentally believe in the long-term attractiveness of offshore wind and renewables more broadly.

As an extension of the lower than expected buildout, and following the adverse developments that have impacted our capital structure, we will reduce our investment programme to 2030 with around 25% compared to our previous ambition. This decision is in line with our commitment to ensure a strong capital structure that can support a solid investment grade rating.

We want to be a focussed and efficient business, and therefore, we are introducing additional measures to achieve this. We are delivering on the cost savings plan launched a year ago, which will bring permanent cost savings of 1 billion per year as part of organisational efficiency initiatives, and we will take further measures to go beyond this. We will not be expanding in constructing at a pace similar to our current build-out programme, and we will, as a natural consequence, be continuously rightsizing our costs and organisation in the years to come, to fit our value and capacity ambition.

The final part of this is a very clear prioritisation of value over volume, including a more focussed capital allocation. On the back of the challenged renewable industry and the adverse developments experienced in recent years, we will employ an even more focussed approach to our capital allocation, and we do see that we have plenty of opportunities in our core markets to leverage our core capabilities. With the opportunity set that we have, we will only select and progress investments within the most attractive market opportunities and continuously assess which markets we should continue to prioritise.

Turning to slide six and our investment programme. In February last year, we provided guidance on our long-term investment programme, where we expected to invest around 270 billion towards 2030. When you take an adjusted view of this number today, reflecting the same group of projects, we see that the Capex programme would have increased by around 10% on a like-for-like basis. This is primarily based on both cost increases for the offshore projects under construction, as well as cost increases in the projects in our pipeline, which we have not yet committed to.

As a result of the adverse developments in 2024, we have decided to prioritise our investments and reduce our total gross investment by approximately 20 - 25% on a like-for-like basis towards 2030, which means we expect to invest in the range of 210 to 230 billion towards 2030. This range can be categorised into three components. First, we invested around 43 billion last year into our construction portfolio. Second, the incremental investment level into our 9 GW construction portfolio is planned to be around 130 billion and will take place towards the back end of 2027.

When we look beyond our construction portfolio and the committed Capex, we have an investment capacity of around 40 to 60 billion. The allocation of this capital will be prioritised to the most value accretive opportunities going forward, while ensuring a continued stable capital structure.

I will now turn to slide seven and our current buildout plan. As of today, we have 18.2 GW of installed renewable capacity, more than half of which is within our offshore business. We currently have 9.2 GW of renewable capacity under construction, of which 8.4 GW is offshore capacity. The capacity under construction will come online throughout the next three years. And once fully commissioned by 2027, the installed capacity of our portfolio will increase by around 50% in total, and almost double for offshore wind. It will not be easy and further challenges will arise, but delivering on this plan in the coming years will make us enter the back end of this decade from a position of strength, and will solidify our position as the undisputed global leader in offshore wind.

We have a high degree of Capex visibility for the projects under construction, and we expect to hold investments of around 30 billion from now on and onwards to complete installation of the construction portfolio. It is important to highlight that we do have a meaningful investment capacity to support further growth beyond this buildout. However, I will reiterate and emphasise that it is solely the value creation and capital structure that will drive our future capital allocation decisions. Within the strategic parameters that we have set, we have named a few of our near-term opportunities, including Hornsea 4, where we have secured offtake, but not yet taken a final investment decision. And as we ensure to limit capital commitments in the early stage of project development, we can prioritise or deselect based on risk reward of the projects. We do have a broad opportunity set of development projects, both near and long term, and we will only progress the opportunities that are aligned with our capital allocation principles.

Despite stepping away from our 2030 ambition, it is important to highlight the broad set of opportunities that we have available. We have numerous options, ranging from centralised and decentralised tenders, seabed licences, as well as greenfield opportunities across our three regions. And this showcases that the long-term outlook for the renewable industry and Ørsted remains attractive.

Let's turn to slide eight and our earnings outlook and return on capital employed. When looking at our earnings growth in the coming years, we expect to deliver significant growth. By 26, we expect to reach an EBITDA level in the range of 29 to 33 billion, which imply a CAGR of 12%. The earnings increase towards 25 will predominantly be driven by ramp-up generation within our offshore business. Trond will cover this in further details in a minute.

Looking at the earnings increase from 25 into 26, this consists of two main categories, with the first one being ramp-up generation from our offshore and onshore assets, including full-year contribution from assets being commissioned during 2025. And secondly, we expect to see higher earnings from our existing partnerships agreements due to timing of transactions. This second component is obviously associated with some uncertainty. As you may notice, the EBITDA guidance range for 2026 has been slightly lowered as a result of the delayed installation and, thus, ramp-up generation from our Revolution and Sunrise Wind projects.

When we turn to our ROCE for the period up to 2030, we continue to see it at an attractive level. When comparing to the outlook that we saw one year ago, our ROCE will improve as a result of the lower investment programme. However, this is offset by the higher cost and schedule delays that we have seen to our US construction projects, as well as higher costs for our pipeline projects. The totality of these developments lead us to revise our ROCE for the period to around 13%. We continue to guide on this metric towards 2030 as the different scenarios and opportunities that we internally are assessing and working within on this longer-term horizon, all will yield a similar level of ROCE over the period.

Let’s then turned to slide nine, where we'll give a status on our construction projects.

Our German programme, our Gode Wind 3 project, is producing at full capacity. The final part testing is expected to be completed within the coming two months. At Borkum Riffgrund 3, all foundations and turbines have been installed, and our mitigating actions have successfully managed the installation of the project according to the schedule. As mentioned at our Q3 earnings call, the German transmission system operator has seen a delay to the grid connection, and therefore, first power is not expected until the end of this year. The delay of the grid connection will be compensated according to market regulation, and is reflected in our EBITDA guidance for 2025.

In Taiwan, we continue to progress the construction of Greater Changhua 2b and 4, with the expected completion of the offshore substation jacket and topside during the quarter. The fabrication of foundations and cables continue to progress as planned, and turbine foundation installation is expected to start in the first half of 2025, and we expect to see first power over the summer. Commissioning of the project is currently expected at the very back end of 25, with the risk of it becoming early 26.

Revolution Wind construction remains well under way. We have currently 52 monopiles installed, 18 turbines installed, and the vast majority of the export cable in place. Nearly all remaining components, including monopiles and array cables, are fabricated. We have a strong visibility on the fabrication and installation of remaining components, including the offshore substation monopile, where we have secured a viable path forward for the installation. The onshore substation work continue to progress, according to our updated plan. We have a suitable level of contingency in the project, reflecting the remaining risks, and we are delivering according to the updated schedule. We expect to complete offshore construction work later in 2025, and commission the project in the back end of 2026.

For Sunrise Wind, we continue to progress the construction. As we shared a few weeks ago, the project has seen adverse developments in terms of higher costs and schedule delays, which have been factored into the business case now. While we work extremely dedicated to deliver on the updated schedule and timeline, we have seen good progress in terms of onshore construction work, as well as fabrication of the offshore components, such as monopiles, turbines and export cables. We expect to commence the offshore construction work during the first quarter of this year.

Regarding the US, we have closely followed the recent political and policy developments, and we are currently reviewing the executive order on wind energy that was issued on January 20. Appointees are being confirmed as we speak and are stepping into their positions, and these officials will interpret and implement these policies. We will continue to update our assessment throughout this process.

For the Hornsea 3 projects, the construction continues to progress as planned, both with the onshore scope, as well as the offshore activities, which will commence later this year. The offshore works will relate to pre-construction activities such as boulder clearance and rock dumping. Also, the construction work for the co-located battery storage solution is planned to start during the second quarter of this year. We currently expect to commission the project at the back end of 2027.

Lastly, we have taken the final investment decision on our Baltica 2 project. The project holds a 25-year inflation-indexed CFD contract, and has secured all major components and vessel contracts for the project, locking in the majority of the Capex. We are satisfied with the value creation of the project, which has an attractive risk reward profile, and we expect to commission the project in late 2027. In onshore, the construction of our European and US portfolio continue to progress well, with construction work ongoing in the US, Germany, and Ireland.

Let me then finish my part of the presentation with slide ten, summarising our value creation.

Even though we will be reducing our investment programme, we do have investment capacity to pursue the most attractive projects amongst the growth opportunities we have in our portfolio, in addition to our current under construction portfolio. Our targeted value creation remains in place with spread to WACC target of 150 to 300 basis points. We remain firmly convinced that our business will continue to deliver value through a solid and attractive platform.

Our operational renewable assets continue to deliver strong cash flows based on a high degree of contracted and regulated revenue. And as I have highlighted on the previous slides, we have a high degree of visibility on the near-to-medium term capacity expansion and EBITDA growth through our construction portfolio of renewable assets. The combination of earnings from our operational assets, construction portfolio, as well as the return requirement for future investment capacity, will continue to ensure attractive returns on our investments, with a ROCE of around 13%.

With this, let me hand over to Trond, and a walkthrough of our financials.

Trond Westlie

Thank you, Rasmus. And good afternoon, everyone. First, let me start with slide 12 and the EBITDA for the year 2024. For the presentation, all numbers are quoted in Danish kroner DKK. In 24, we realised the total underlying EBITDA of 24.8 billion. Total EBITDA, including new partnerships and cancellation fees, is 32 billion one of the highest EBITDA levels in Ørsted history. The operational earnings have been solid and consistent throughout each of the quarters, and delivered in line with our expectations.

Let me walk you through the main earnings developments for the year. For our offshore business, the overall earnings came in around the same level as last year. The earnings from sites increased significantly, driven by ramp-up generation, higher wind speeds for the year, and higher prices on green certificates and inflation indexed assets. Also, the sites' performance was positively impacted by around 900 million as a result of change in our cost allocation methodology, which does not affect the overall earnings profile.

Earnings from our existing partnership decreased compared to last year, and were mainly related to updated assumption and increased provisions in the operation and maintenance contracts of the UK offshore transmission assets. The losses reflect a net present value of the remaining lifetime of the projects, and are driven by expectedly higher costs relating to assumptions on transmission charges and servicing of the offshore substations. Despite not only these assets, we have assumed the operations of them to ensure that we can maximise the generation output of the wind farms and ensure any potential downtime in the export cables are identified and fixed as quickly as possible.

Also, we have seen higher costs for Borkum Riffgrund, which have led to reduced earnings under the construction agreement. Lastly, there is an increase of other buckets, primarily driven by the cost reallocation of overhead that I mentioned before of about 900 million. For onshore, earnings increased by 1 billion, in line with expectation, primarily due to ramp-up generation from new assets that have been commissioned during 24.

Within Bioenergy and Other, earnings from our combined heat and power plants were around the same level as last year, whereas earnings from our gas business decreased. As a temporary positive effect from revaluation of our gas at storage, recognised in 2023 was not repeated to the same extent this year. Finally, we have continued to work through the contracts relating to Ocean Wind 1, and for the full year we have reversed cancellation fees of 7.3 billion due to better than assumed outcomes of the contract settlements.

Turning to slide 13 and our financial guidance for 25. For the full year of 25, we expect an EBITDA in the range of 25 to 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 25. For the sites, our earnings performance is expected to increase, driven by ramp-up generation of a number of projects, as well as compensation for the grid delay at Borkum Riffgrund 3 in Germany. Similarly, we expect to see higher availability rates in 25 compared to 24, leading to an increase in earnings. We also expect earnings increase from inflation-linked ROCEs and Cfd farms, partly offset by lower offtake price assumptions for our merchant assets, as well as lower earnings at Anholt and the older German assets, as they respectively see a phase-out and a step down in the subsidy level. Also, we expect to incur ramp-up cost relating to Revolution Wind and Sunrise Wind, as they are preparing for operations, but we do not expect any ramp-up generation.

Earnings from our existing partnerships is expected to increase, as we do not anticipate the negative effects in 24 to be repeated in 25. For our offshore business, we anticipate a higher share of project development costs to be expensed, and likewise, higher fixed costs. For our onshore business, we expect an increase in the earnings performance. This is driven by the ramp-up capacity, as well as expectedly higher availability rates. These elements are partly offset by the impact of the lower generation capacity following the divestment of a portfolio of projects to ECP.

For our Bioenergy segment, we expect earnings from our combined heat and power plants to be in line with the same level as last year. For our gas business, we expect earnings to increase, driven by the higher gas volumes that will be available following the full reopening of the Tyra field.

Finally, we expect gross investments in the range of 50 to 54 billion, driven by investments into our offshore and onshore construction activities. Our gross investment guidance is particularly sensitive to our divestment programme and may be impacted by changes in timing of transactions.

Let's turn to slide 14 and our resources and uses. When we look at our funding composition towards 2030, the reduction in our future expected buildout, as well as our investment programme, ensure that we continue to have a fully self-funded plan. To fund our investment programme of 210 to 230 billion, the largest contributor remains anchored in the strong and stable cash flow generation from our operational portfolio, contributing to more than half of our funding needs. Funding from partnership and divestment programme will make up around 30%, reflecting a sizeable share as well. It is planned to be more front-end loaded, as it is an element of our funding programme that we consistently have shown over the years that we can deliver, also with our 24 divestments in mind.

The final two components are our tax equity funding, as well as the debt and hybrids. When we look at our tax equity funding, the majority of this is expected to come from our Revolution and Sunrise Wind projects. The net issuance of debt hybrid will also remain limited as we progress over the coming years.

On uses side, we have strong visibility on the gross investments as we are constructing and advancing renewable portfolio of more than 9 GW. In addition to this, we have some hybrid coupons, as well as minority dividend payments that we are planning to undertake. With the measures we have taken to ensure focus on the improvement of our credit metrics, we have a headroom in our funding plan to strengthen our capital structure.

Let’s go to slide 15 and our divestment programme.

During 24, we have delivered proceeds of around 22 billion, which was in line with our expectations, and puts us on track to deliver on our target of proceeds of 70 to 80 billion for the period 2024 to 2026. As we said one year ago, we have a number of transactions in the market, and the transactions announced during 24 is a testament to this. We continue to have a broad set of opportunities that we can bring to the market and ultimately progress with the transactions that are the most attractive to us. When evaluating the attractiveness of the transaction, we do such based on three non-prioritised criteria, which are value creation, capital recycling, as well as risk diversification.

While conditions for divestments are different compared to years ago, we do see benefits from our experience within the farm-down market that we have accumulated through frequent engagement for more than two decades, and we continue to see a sufficient appetite in the market, particularly for high-quality assets. Over the coming two years, we anticipate to deliver the remainder of our targeted proceeds, while we continue to assume a relatively balanced split of proceeds across the three years. It will ultimately come down to the timing of transaction, which can shift the distribution of the previous proceeds between the calendar years.

Let's turn to slide 16 and our capital structure.

Throughout 24, we have taken a number of steps to support the trajectory of strengthening our capital structure and ensuring a solid investment grade rating. First, we managed to settle contracts related to Ocean Wind 1 at better than assumed terms, such that we have preserved more than 7 billion in 24, which would have had an FFO, as well as net debt impact. We have also introduced a reduction in our development expenses through market prioritisation, which will lead to a reduction of 3 billion towards 2026. And we continue to progress this number.

Furthermore, we have succeeded in reducing our cost base on a like-for-like basis by 1 billion through simplification and efficiency increases. Finally, we have so far delivered on our targets for our divestment programme, where we have secured proceeds of 22 billion during 24 and remain on track to secure in the range of 50 to 60 billion over the coming two years. However, following the recent adverse developments in our US offshore portfolio, we have seen further pressure to our credit metrics in the short term. In addition to progressing what we already have initiated, we are taking further measures to strengthen our balance sheet. In short, this includes a reduction in our investment programme and introducing additional cost efficiency measures.

Turning to our credit metric, we ended the year at 13%. This is better than we assumed a year ago, given that we have reached settlements on the contracts relating to Ocean Wind 1 at better than assumed terms. During 24, we have paid off 6.3 billion of cancellation fees, and if you remove the impact of these to our credit metrics for the year, the number would have been around 22%. Looking at our short-term credit metric projections, we do see that the recent adverse development within our US offshore portfolio impact put pressure on our credit metric in the short term. As such, the improvement of our credit metric will be slower than we previously assumed, but we still remain on track to deliver on the trajectory towards the FFO to net debt of 30%.

We have taken note of recent rating agencies decisions following our impairment announcement earlier in January, and our swift reaction to mitigate the pressure on our balance sheet and the additional levers we have available is how we signal very clearly that we are serious about our rating commitments and the trajectory of improving our capital structure, even as it requires more of us compared to our expectations a year ago. With that, let's go to the Q&A session.

Operator

Ladies and gentlemen, this concludes the presentation, and we will now open up for questions. This call will have to end no later than 15:30. Please respect only one question per participant, and then go back to the queue for a second. question. Anyone who wishes to ask a question may press star, followed by one on their telephone. You will hear a tone to confirm that you have entered the queue. If you wish to remove yourself from the queue, you can press star and two. Questioners on the phone are requested to disable their 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. Please go ahead.

Harry Wyburd

Hi. Thank you very much. And firstly, congratulations to Rasmus. And also, assuming he might be listening, all the very best to Mads as well. And thank you for your stoicism over the last few years. The question is a very high level one for Rasmus, and it is do you think this is enough? And I ask that from two perspectives. Firstly, is there enough of a buffer here, if anything else goes wrong, so loss of bonus other than the US, etc.? And then secondly, is this enough of a growth proposition, given that you've discontinued your 2030 targets? And would you, for instance, consider coming back maybe in the summer or the autumn with a CMD or new investment plan, given that presumably you didn't have a huge amount of time to put the current plan together since the earlier write downs a few weeks ago? Thank you.

Rasmus Errboe

Thank you, Harry, and thank you very much. Two part to your question, is there enough buffer in the plan? And, secondly, is there enough growth in the plan? As per the above, we are today presenting a fully self-funded plan, and we do believe that it is indeed sufficiently robust. There is no doubt that we have seen increased pressure on our metrics, and obviously, in particular due to the recent events in in the US, first on Revolution Wind, and then Sunrise, as we communicated in Q3 and then a couple of weeks ago. We have been through both projects quite diligently, obviously. We have rebased the schedule, we have rebased the Capex. And based on what we know today, we have a good feeling about those projects.

Overall, obviously, when you are constructing a construction programme of 8.4 GW of offshore wind, I cannot sit here today and say that there are no risks associated with that. Of course there are. But what I can tell you, Harry, is that it will be our number one priority to deliver on that construction programme in the next three years in everything we do. And by doing so, we also believe that what we are presenting today is a robust plan.

As for the growth part of your question, you are right that we have downwards adjusted our Capex projections towards 2030 today. But bear in mind a couple of things. First of all, by delivering on our construction programme now, especially on the offshore side, we will be almost doubling our offshore capacity towards the back end of 2027. That is, to me, a very meaningful growth, and it is something that will, in our view, absolutely solidify our position as the undisputed global leader in offshore wind.

And then as for additional opportunities in our portfolio, as we have also communicated today, we have 40 to 60 billion DKK of uncommitted capital available towards 2030. And we do believe that that is, to us, a very meaningful amount and something we will now use in the absolute best investment propositions that lands on our table and be very financially disciplined in the way we decide to allocate that capital.

Harry Wyburd

Thank you very much.

Operator

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

Kristian Tornøe

Thank you. A somewhat similar question. The 20 billion range you are indicating for your investment programme, the 210 to 230, should that be viewed as your buffer here? Say the bonus adders are removed, which according to your notes, are a bit more than 5 billion, then it takes 5 billion away from this spread. Is that the right way to think about it?

Rasmus Errboe

Hi, Kristian. I don't think about it like that. I think what you need to take away from the numbers is the fact that out of the 210 to 230, 130 of them are committed. And then 43 billion spent in 24. And then there is something left, which is the 40 to 60, and that is where we see the range, in our view. That is the way to think about it. And then specifically on your point on the energy communities 10% that we have, we have based our investment decisions on current valid Treasury guidance. And we do find it unlikely that changes with retrospective effect will be entered into with respect to our energy communities 10%. You really need to differentiate between assets under construction and then development. But again, like we've done before, we have been very explicit in our annual account in the notes, on exactly what would the implications be of us not having those 10% energy communities, and that is the 5.3 billion.

Kristian Tornøe

Understood. I could have asked in a different way. Would you be able to go higher than the 230? Or if anything happens, for whatever reasons, would you have to offset it and remain no higher than the 230?

Rasmus Errboe

We believe that an investment plan towards 2030 between 210 and 230 is the right number for us. We believe that is a robust plan, and we believe that that is the right plan for us.

Kristian Tornøe

Fair enough. Thank you.

Operator

The next question comes from the line of Peter Bisztyga from Bank of America. Please go ahead.

Peter Bisztyga

Hi, thank you for taking my question. You talk a lot about cost pressures that have caused your credit metrics to deteriorate. Obviously, we're aware of the 4 billion cost overrun at Sunrise Wind. But the Capex inflation that you presented today is actually 30 billion, approximately, versus the 270 billion Capex plan that you've had until now. Just trying to square where the other 25 billion has come from and why that wasn't disclosed before today, because your Q3 slides still show that 270 billion. And also, in terms of your credit metrics deterioration, how much of that also comes from Opex costs being higher than anticipated? Thank you.

Rasmus Errboe

I suggest I take the first part on the cost pressures, and then leave it for you, Trond, on the Opex, on the credit metrics. Peter, your question on where does the 30 billion of additional gross investment come from, of course, I fully understand. The way to think about it is that on a like-for-like basis since the CMU update we did in February, we have seen Capex increases from our US projects of roughly half of that amount, a little bit more. The vast majority of the remainder of the 30 billion is Capex related to uncommitted projects at the time. That is our expectations of the projects that we have in our portfolio that are not committed as of now and also we're not at the time, how much we believe that they would have gone up. I think that is the best way to think about the 30 billion. And then on the second part, Trond.

Trond Westlie

On the cost increases in 2025, it's more about the allocation on what is capitalised and not, which is driving the majority of that. Our total cash out will be reduced, as I said, on the Devex previously. And there are some elements of not repeated compensations from 2024 that comes into that element as well.

Peter Bisztyga

That's clear, thank you.

Operator

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

Alberto Gandolfi

Thank you. Hi, it's Alberto Gandolfi. I have a question that is in two parts as well. First of all, let me congratulate Rasmus, sorry, I was lacking manners, for being very brave and reducing Capex, which

I personally believe is the right thing to do. But question about this, we're always thinking two, three steps ahead here. And I was thinking that with potential in the medium term, power prices coming down, some contracts expiring, is there a risk in a renewable business like this, that when you take Capex down, your medium-term profits at some point begin to plateau? Is there a risk that your 2030 net income, not EBITDA, is actually very similar to what you're going to see in 2026? Because your fixed costs continue to go up and your margins are coming down.

The question is, what's the priority here beyond that level? Do you think, at that point, your FFO to net debt will be in check, so that if the market rewards growth, you're going to start to increase investments? Or do you think that the FFO to net debt will be in an acceptable level, meaning going back to about 30% much later in the decade, so we should not expect any optionality on growth before maybe much later in the decade? Thank you so much.

Rasmus Errboe

Thank you, Alberto. I think I understand the question. First of all, on the power prices and on the sensitivities to our earnings and our FFO, and thereby, our FFO to net debt, just reminding you about an important part of our value proposition is that we have roughly 80% of contracted revenue in our business. And we don't specifically guide on that, as you know, but we do expect that the proportion will be roughly the same towards the back end of the decade.

And then, it's not for me today to be very specific or speculate in our FFO to net debt levels. Trond has been quite clear about our expectations in the short term, but it is not for us to speculate in the longer term. And then, of course, the last point I would like to make in terms of our profitability also in the back end of the decade, a point that I have made before, that right now we are constructing 8.4 GW. And as I'm sure you can appreciate, that is not our expectation for our future construction levels, also towards the back end of the decade with projections that we have today. That obviously also means that we will look into our costs and the rightsizing of our organisation, especially towards the back end of the decade, when we have delivered on our execution programme. That would also have implications on our numbers.

Alberto Gandolfi

Thank you so much.

Operator

The next question comes from the line of Casper Blom from Danske Bank. Please go ahead.

Casper Blom

Thanks a lot. And also a congrats from my side to you, Rasmus. I would like to ask on the 40 to 60 billion of available funds that you have not committed as of now. Obviously, there's Hornsea 4 that could be an opportunity, but could we also see you thinking a little bit out of the box here? Could it also be that you could see opportunities of consolidating stuff here? Could it be that it could all end up going into onshore, because that's where you see the opportunities?

I heard you on the call being very clear and saying that it comes down to value creation, but just trying to understand how far you would take that, given that you still have a legacy of being an offshore wind developer? I hope you understand where I'm heading a little bit, a little bit talking to the strategy of sticking to being a developer of offshore wind and then afterwards trying to sell some of that development? Or whether you would be more opportunistic in terms of just searching to where the value lies?

Rasmus Errboe

Thank you, Casper. Hornsea 4, consolidation, and onshore. On Hornsea 4, first and foremost, of course we fully appreciate that that is a very big and very important project. We remain pleased with the outcome of the AR6 last year. And we are right now, as we speak, moving the project forward towards a potential FID. If we take FID, we will do it very likely throughout 2025, simply because of the obvious regulation in the UK, where you have to meet your milestone delivery date in the beginning of 2026, 18 months after award. We will obviously not be moving that project through an FID if we are not fully comfortable with the value creation of the project. It is value over volume for us, and that will clearly also be the case for Hornsea 4.

That being said, the reason we are happy with the opportunity still is also clearly due to the fact that if there is anywhere in the world where a project of that scale makes sense for us, it is in the UK. And if there is any place in the UK, it is in the Hornsea zone. We are moving that project forward. It's a big project, so we will carefully consider.

With respect to your point, what can you do with the money, as I hear you? We will, first and foremost, prioritise the most financially attractive opportunities in the regions where we are, but also with a strategic emphasis on offshore wind. This is, in our view, where we have the most distinct competitive differentiation, and also the most unique capabilities in many ways, across the full lifecycle development, construction, and operations. We remain committed, as I said, to onshore wind, solar, battery and carbon capture. And we will move the best project forward. But, of course, offshore wind is where we historically have deployed the vast majority of our capital. That would also be the case going forward.

In terms of consolidation in the industry, I don't think that is needed for me to speculate about that today.

Casper Blom

Fair enough. Thanks a lot, Rasmus.

Operator

The next question comes from the line of Rob Pulleyn from Morgan Stanley. Please go ahead.

Rob Pulleyn

Hi. Good afternoon, everyone. Congratulations, Rasmus, on the new role, and good luck. There are lots of questions. Can I just pick up on the Hornsea 4 one, please? Because I'm still a bit confused here. On the previous answer, you said you're pleased with the outcome. You're moving to FID, but you seem to be questioning the value creation. And obviously, you have a double-edged inflation linked to CFD, so why is this questionable? If I may say, it sounds like Capex was higher than anticipated, given a previous answer. And given you mentioned you were going to be more transparent on projects, would you mind advising where the Capex would be for this project and whether it would be covered by that 40 to 60 billion of uncommitted Capex? That's a multi-part question on Hornsea 4. Thank you very much.

Rasmus Errboe

Thank you, Rob. The last part of your question, yes, the Hornsea 4 would be one of the projects that would be part of the uncommitted capital of 40 to 60 billion DKK. In terms of your comments on the value, I would not say that it is questionable. That was not my intent, at least. What I would say is that this is a very attractive project for us. But an FID really means something, that's the point in time where you commit for the long run. And obviously, right now, while we, of course, as part of the bid, had matured the case as much as make sense, what we're doing now is further maturing the case. And also talking to select key suppliers, etc., basically firming up the case towards an FID. And before that work is done and before Trond and I have been through every detail of a case like that, it is not prudent for me to be very bullish on whether or not we take an FID. Nothing has changed, if you will, since we bid the case.

And then specifically on your point on Capex, I don't want to disclose our specific Capex projections for Hornsea 4 at this stage, but of course, I'm sure you can find some relevant benchmarks in the Hornsea zone.

Rob Pulleyn

Thank you. I'll turn it over.

Operator

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

Jenny Ping

Thank you very much. I've got a couple of questions on slide 14, please. Just looking at the sources of funds, I wanted to ask the following. One, with regards to hybrids, what sort of conversation have you had with the rating agencies? Because 7.5% of 220 billion seems like a big number in terms of your hybrid capacity. Is that something that you've already had confirmation from rating agencies that they would allow?

Secondly, just on the tax equity piece, we already touched on that in terms of your expectations of the IRS allowance, but when do you expect to get the cash for it?

And then thirdly, just on partnership and divestments, if you can give us any more granularity around which assets that you are looking to sell, above and beyond what's already been said in the past, that would be helpful. Thank you.

Trond Westlie

When it comes to the hybrid part of the 50%, the cap of hybrid is basically 15% of the total capitalisation. In that regard, I think the clearing path is very clear, to put it this way. In that sense, and as I said, it's a piece of the funding plan going forward, but it's not a big piece of the funding plans going forward. When it comes to the tax equity part, the timing of that credit is really on the commissioning of the project, that's the timing of the tax equity.

Operator

The next question comes from the line of Deepa Venkateswaran from Bernstein. Please go ahead.

Deepa Venkateswaran

Thank you so much, and congratulations, Rasmus. My question is how you've adapted the near-term numbers? The Capex cut, it seems, is more backend loaded. What I wanted to understand is you've had this delay in Sunrise Wind, there is a higher cost, but it doesn't seem like your Capex for 25, 26, 27 has changed. Just wondering what you're doing to get the metric back to that 30% FFO to net debt by 26 in your chart? And can I also, as part of the divestment programme, confirm what your assumptions on Sunrise Wind is and whether that risk has been factored?

Trond Westlie

On the FFO part, I think that the path forward to that is really to go along and say that we are assuming the farm-downs being spread out for both 25 and 26 in an even rate. In addition to that, if you take the FFO of 2024 and add on the cancellation payments, and then some additional cost efficiency measures going in, both for 25 and 26 and 27, I would believe that you are going to get very close to the 30% FFO to net debt level. On the second part, I forgot that, can you repeat, please?

Deepa Venkateswaran

What's the assumption on the Sunrise Wind farm-down in your plan that you presented today? When is that happening?

Trond Westlie

As we've been talking and talking about before, we are not saying anything about specific farm-downs or specific assets that we have in the market, and we are working on. But our modus operandi and our business plan is, of course, the ordinary one, to own 50% of our assets. And that, of course, is going to include the 100% ownership we have on the projects that we are running. In that sense, but the timing of such, we have not been very clear about.

Deepa Venkateswaran

But have you factored any risks of any delays, if something like Sunrise Wind was included in your new plan?

Trond Westlie

When it comes to that, the answer is, of course, yes. We have factored in certain elements of delays in the farm-downs, but that is not in the effect of the actual... It's more a capital availability element than a net debt element that we're looking at.

Deepa Venkateswaran

Thank you.

Operator

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

Olly Jeffery

Thank you. It's a follow up on the Sunrise project. I just want to get your sense of how confident you are that you could sell a project like Sunrise ahead of its commissioning date in the second half of 2027, given the complications that there have been with the project? How confident are you could sell that?

And then also, just on the US projects, Revolution and Sunrise, do you feel that the US supply chain for the continued construction of those products could be compromised by a lack of demand from further build-out of other offshore wind projects this decade? And if you think it's robust, why do you think that supply chain will be robust? Thank you.

Trond Westlie

When it comes to the farm-down, we have a long experience on making sure that we have good partnerships and investors in assets in different parts. In that sense, of course, we are prewiring this in the market. We are talking to investors all the time. Having said that, of course, we are aware and see that the market has changed the last year, and I think we've been talking about that. That there's more assets out for sale now than there has been for quite some time. Having said that, we are still good on investor interest in the farm-downs that we are working on right now.

Rasmus Errboe

And if I can take the supply chain point. Hi, Olly. I think two points to the question. First, specifically on Revolution Wind and Sunrise, it is predominantly a European supply chain delivering on the project, of course, with elements of local presence. But, no, we don't see any implications whatsoever on the supply chain of those two projects of the current uncertainty in the market. When you look at US offshore wind going forward, we are carefully following the market right now. And we see some colleagues moving forward with projects and also a couple of colleagues stepping away from projects. As I said, we are firmly committed to moving forward Revolution Wind and Sunrise, but everything on the other side of that, we will carefully consider. And over time, if that trend continues, that could have an implication on the supply chain in the US. But I think it is too soon to have a firm view about that.

Olly Jeffery

Thank you.

Operator

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

Mark Freshney

Hello. Thank you for taking my question. Rasmus, when you presented a year ago, you pointed out that Hornsea 3, which is the material farm-down because the Capex is so high, you gave some extra colour around that, which I recall was expecting to have that farm-down done in Q1 2025. I was just wondering what the expected time is? If I think back, you and your colleagues presented many years ago, and you justified why you didn't use project finance, and you use 50% farm-downs and equity funded. Surely, there are other solutions to extracting capital from projects, as you saw with the Brookfield deal. Can we expect you potentially to look at other ways of structuring transactions, other than selling large equity interests, for example project finance? Thank you.

Trond Westlie

It's my turf to talk about the farm-downs, Mark. When it comes to the timing of the Hornsea 3, yes, it is a big project. And as a result of that, as we said last year, we are working on the farm-down during the 25, and that is still ongoing. The timeline internally has not really slipped. And there is no recollection here that we said first quarter this year, but we said during 25. And as such, when it comes to the structure of these transactions and the availability of cash, going forward, we are looking at farm-downs as the most significant part of the funding coming from the proceeds. And then, of course, it's got to be partly some other assets, some smaller assets in there to up the number to get to the proceeds that we need to reach. But other than that, we haven't really looked at other types of structuring funding for these projects.

Mark Freshney

Thank you.

Operator

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

Dominic Nash

Good afternoon, and thank you for taking this question. And at risk of probably labouring a point here, can I just go through these numbers? I think that Jenny started them on slide 14. And I don't think you answered her third point, which is we've got 30% of your gross growth needs coming from farm-downs and disposals. And that's probably, what, 250 billion in total, so 30% of that is 75, and that's to 2030. But you still have a target of 70 to 80 billion of proceeds between 24 and 26. Am I getting this one right or wrong, which is basically what you're saying, is that everything you do in 24, 26 is essentially the whole farm-down out to the end of the decade?

And secondly, on this, the secondary market, can you give us some colour on how the secondary market is going? Is it a buyer's market, is a seller's market at the moment, and whether your buyers are more inclined, the best price to get on post commissioning or pre commissioning, please? Thank you.

Trond Westlie

On the logic, yes, it's true that most of our farm-downs and proceeds will happen until 26. And from then on, it's going to be more limited and more marginal as we see it now. Then again, the precision of 27 to 30 years, then not as precise as the 27 targets of the job that we need to do to 27. So, that is correct.

When it comes to the market, as such, it is a buyer's market out there on the asset side. We see that on the interest or the return requirements from the buyers. It is, as you've seen in the market, both the last few weeks, as well as you saw both in the third and fourth quarter of last year, you saw that there were more assets coming into the market, with more projects coming into market for either de-risking or for selling. In that sense, it's absolutely a buyer's market out there. Having said that, there is, as we see it, still good interest for high-quality assets with a high-quality operator. And we do think that, as I said, we have good tractions on the farm-downs as we are progressing those as we speak, really.

Dominic Nash

Thank you very much.

Operator

The next question comes from the line of Helene Kvilhaug Brøndbo from DNB Markets. Please go ahead.

Helene Kvilhaug Brøndbo

Hello. Thank you for taking my question. I was just wondering if you could walk us through what steps are remaining before you get your energy community bonus tax credits for Revolution and Sunrise? And by when would you have expected to get those subsidies?

Rasmus Errboe

Hi Helene. Thank you very much for the question. In terms of the steps, I think the important thing to take away is that that we have based our investment decision on the current valid Treasury guidance. Therefore, we are basically working towards that. We will just continue our normal course with our energy community. As such, there are no specific steps that we need to adhere to going forward, both with respect to Revolution Wind and Sunrise.

On the monetisation of tax credits, that's what you are then working on, as Trond also said before, between now and COD for both projects, where we are further progressed on Revolution Wind where we are in the market. Also because Revolution Wind is on a more progressed timeline than Sunrise with respect to COD at the back end of 26 for Revolution and the back end of 27 for Sunrise.

Helene Kvilhaug Brøndbo

When will you get final approval from US government that you will get those for sure?

Trond Westlie

It's a process in the US. I'm not quite sure on the actual practical steps, but I do think it applies after commissioning, you actually do a tax return, and then you get some credits. But I have to refer that administrative understanding question to IR afterwards.

Helene Kvilhaug Brøndbo

Thank you.

Operator

The next question comes from the line of David Paz from Wolfe Research. Please go ahead.

David Paz

Thanks for the time. I just had a question on Revolution. Can you please describe the move to second half of 26 from 2026 in your last slide? Just maybe describe the process from end of construction in late 25 to commission in the second half of 26. Thank you.

Rasmus Errboe

Yes, absolutely. The key driver behind that change in the timeline, as you are alluding to, is the completion of the onshore substation in the Eversource scope. That has been the key driver, where we have added roughly 12 months to our schedule and delayed COD to the back end of 2026. The Eversource scope is progressing according to plan. We're obviously following it very, very closely. It is on the critical path. But again, moving forward according to plan. And that is the key driver behind the change in schedule.

David Paz

Got it. Thank you.

Operator

Next question is a follow up from Peter Bisztyga from Bank of America. Please go ahead.

Peter Bisztyga

Hi. We've had a few questions about the timing of Sunrise Wind and various aspects of that, excuse me if I've missed it, but I'm not sure whether you've actually addressed whether your current efforts to shore up your capital structure are going to be sufficient in the possible scenario that you can't sell it for whatever reason. Could you clarify that, please?

Trond Westlie

When it comes to the planning and the farm-downs and the 30% funding part, as we said, we have several alternatives in the portfolio. But, as I said earlier, the element is that our modus operandi is to get down to 50% of 100% assets. And, therefore, that's still our aim and our goal. When it comes to the contingency elements and how we're going to run the alternatives, in case any of the assets is not going to be able to farm-down, that is catered within the contingency measures that we have. But other than that, I cannot comment to that any more than that.

Operator

The next question is a follow-up from Rob Pulleyn from Morgan Stanley. Please go ahead.

Rob Pulleyn

Hi. Thanks. Just following up on the US and continuing the last question, that hasn't been asked, I think. How seriously do you consider some of the stated risks in the US regarding potential relocation of your acreage and/or permits for Sunrise and Revolution to progress? That's the first follow-up.

Secondly, I think a bit conceptual there's been lots of questions on farm-downs, but it sounds like you've got lots of multiple assets out there in the market to try and get the proceeds desired. Conceptually, the UK bundle sale of high-return operating projects you did in October, is that a needs-must event to help the balance sheet fire sale, if you will? Or is this something the market should become more used to, for a variety of reasons, that the 50% sell down preference just isn't adequate anymore?

And lastly, and high level, just one for Rasmus. Very high level, what would you do differently to the previous management, given the challenges of which you've inherited? Thank you very much.

Rasmus Errboe

Thank you very much, Rob. Three questions, I will take the first and the third. With respect to the US, and I understand your question being around current political and regulatory environment. We are very closely following all relevant policy developments in the US and have been for a very long time. And what we are doing now is that we are reviewing the executive order on wind energy that came out in the 20th. And then we are, as I said earlier on the call, awaiting cabinet secretaries to take office, which is happening as we speak. As you know, Doug Burgum has been instated as the Secretary of Interior and Chris Wright as the Secretary of Energy. And we are now waiting for the view on how to implement this order. That's a more general comment, because I think you really, truly need to differentiate here between, as I've said, assets under construction and then future development.

As for specifically Revolution and Sunrise, remember, these are active in construction, and we are fully committed to moving them forward with these projects and deliver on our commitments. Therefore, we do not expect that the executive order will have any implications on assets under construction. But for assets under development, it's potentially a different situation.

As for the last question, it doesn't feel for me today to go into details about what I will do different than previous management. Mads and I are two different persons, we have two different backgrounds, but we have a shared passion for the green transition. And I have enjoyed working with Mads. I will leave it at that for now. And then you can be rest assured that going forward, I will do my absolute utmost to deliver on the priorities that we have put forward in the adjusted CMU today.

Trond Westlie

On the farm-down question, going forward, I do think that you will see us more coming back to the ordinary business model of ordinary farm-downs to 50%, and see the UK minority transaction as not necessarily a one-off, but not a significant element of proceeds going forward.

Rob Pulleyn

That's very clear. Thank you, guys.

Operator

The next and last question comes from the line of Jenny Ping from Citi. Please go ahead.

Jenny Ping

Hi. Thanks very much. Sorry, I got cut off earlier on my last question. The 15%, just going back to the hybrids, 15% threshold. From what I can see, you're already close to that. Again, just checking you really do have 2.2 billion EUR worth of capacity as per your slide 14 to issue hybrids.

And then secondly, slightly differently, just going back to Capex, Rasmus, thank you for the explanation on the 30 billion difference. But looking at it a slightly different way, looking at offshore, specifically, if I take off the 40 to 60 billion, which most of it sounds like Hornsea 4 and Baltica 3 away from the 180 that was there before, your starting point on a like-for-like basis is really 130 compared to the 173 that you talk about, minus the seven of onshore in 2024. That's actually a 20-plus percent increase in the underlying offshore Capex. Can you shed a bit of light around that, whether that calculation is correct or if there's any further adjustment that's needed? Thank you very much.

Trond Westlie

When it comes to the hybrid part, we were at 13.6% at year end, so you're right, we're close. And as I said earlier, hybrid is not a significant part in our funding plans going forward. And to the other questions, if Rasmus managed to follow your numbers.

Rasmus Errboe

Thank you, Trond. You shouldn't read it like that. First of all, remember that Baltica 3, as an example that you are alluding to, as we have said before, is a project under reconfiguration that we will only move forward if we can find a way to make the business case stack up in a very robust manner. We have not intended to provide any specific, different capital allocation split between our technologies in the 40 to 60 billion that we have in the uncommitted capital. I think the starting point is the comment that I made earlier today about our continued commitment to offshore, as where we will deploy the vast majority of our capital.

Jenny Ping

Thank you.

Operator

Ladies and gentlemen, that was the last question. I would now like to turn the conference back over to CEO, Rasmus Errboe, for any closing remarks.

Rasmus Errboe

Thank you all very much for joining. Appreciate the interaction. Appreciate the interest. And, as always, if you have any further questions, please do not hesitate to reach out and our IR team will be here to answer them. As for myself and Trond, we look very much forward to continuing the dialogue with you all on the road. Thank you. Stay safe and have a great day.