

Ørsted plans share sale at 67% discount to help fund wind project off New York

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Ørsted plans to sell new shares at a 67 per cent discount in its DKKr60bn (\$9.4bn) rights issue, as the offshore wind developer moves to shore up its finances after its US developments were derailed by Donald Trump's administration.

The Danish company announced yesterday that it would sell 900.8mn new shares at a price of DKKr66.60 (\$10.46) per share, a 67 per cent discount to its Friday close of DKKr200, and a 39 per cent discount to the theoretical price after the rights issue.

Ørsted plans to use the proceeds to cover the additional funding requirement to complete its 924-megawatt Sunrise Wind project off the coast of New York, after it was unable to sell a stake in the project amid the White House's hostility to the industry.

The US stance has exacerbated pressures on the world's largest offshore wind developer, which has been struggling with rising costs over the past few

years. Its shares have fallen almost 85 per cent since peaking in early 2021 at the height of interest in green stocks.

Trond Westlie, the company's finance chief, said the funding should "create a robust financial foundation for Ørsted to realise the potential of our business".

However, its prospectus published yesterday warned that difficult macro-

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economic conditions, supply chain issues and regulatory challenges in the US might continue to negatively impact Ørsted in the future.

The US administration has also ordered Ørsted to stop work on its Revolution Wind project off the coast of Rhode Island, a moratorium that the company is challenging in the US courts.

Ørsted announced plans for a rights

issue in August. The Danish state, which owns 50.1 per cent of Ørsted, has agreed to subscribe to the rights issue, as has Norwegian energy company Equinor, which owns a 10 per cent stake.

Equinor, which will have invested DKKr23bn in Ørsted, to the dismay of some of its shareholders, signalled its desire for closer collaboration when it announced its participation in the rights issue at the beginning of this month.

"In response to the challenges facing offshore wind, the industry will see consolidation and new business models. Equinor believes that a closer industrial and strategic collaboration between Ørsted and Equinor can create value for all shareholders in both companies," the Norwegian group said.

Some analysts have suggested that Equinor and the Norwegian state would be a natural buyer of Ørsted should the Danish government ever sell out.

The subscription period opens on Friday and closes on October 2. Shares fell about 1 per cent yesterday.

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