REFINITIV STREETEVENTS

EDITED TRANSCRIPT

EQNR.OL - Q4 2024 Equinor ASA Earnings Call

EVENT DATE/TIME: FEBRUARY 05, 2025 / 9:00AM GMT

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PRESENTATION

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

My name is Bård Glad Pedersen, and I am heading up Investor Relations in Equinor. (Conference Instructions)

Today, we will have two presentations here in the plenary session. It will be our CEO, Anders Opedal; and our CFO, Torgrim Reitan. After their presentations, there will be a Q&A for analysts here in the room and all the members of the corporate executive team are here and ready to provide answers.

Later, after that, we will have three breakout sessions. One with Anders and Torgrim, one with Kjetil Hove and Philippe Mathieu, the Executive Vice Presidents for EPN and EPI; and one with Jens Økland and Irene Rummelhoff, the EVPs for Renewables and MMP.

But before all of that, we will do -- as we do in all Equinor meetings, we will start with a safety moment. This will be with our EVP for Safety, Security, and Sustainability, Jannicke Nilsson. And just before I hand it over to Jannicke I will remind you that the presentations here today will include forward-looking statements and non-GAAP measures. Then we are ready to start, and I hand it over to you, Jannicke.

Jannicke Nilsson - *Equinor ASA - Executive Vice President - Safety, Security & Sustainability*

Thank you to, Bård, and good morning to all of you. In Equinor, safety and security is strongly integrated in our leadership and culture. And as Bård said, we start every meeting with a safety moment. Today, I would like to share a safety moment with you addressing the link between safety, security, and operational performance. On the left, you see the serious incident frequency.

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At the end of '24, the SIF had reduced to 0.3, a reduction of 73% since 2011. Last year, we had the best safety results ever in the company. This demonstrates how systematic efforts over time gives results. Still, we can never rest.

Last year was marked by a tragic helicopter accident where we lost a dear colleague. It requires continuous efforts to further improve to make sure all our people are safe every day. Preventing major accidents and serious security incident is also important for energy security.

Equinor's gas supply has become vital for Europe's energy security and being a trusted energy provider is a role we take very seriously. To secure our people and assets, we need to perform well within all elements of security, with extra attention to cybersecurity, infrastructure, and business continuity.

We regularly test our ability to handle accidents while maintaining production. By reducing serious incidents, we protect our people and also minimize production disruptions. We can also free up capacity to improve production efficiency, maintenance, and asset integrity. This is reflected in our long-term positive trend on these parameters.

In '24, Johan Sverdrup and Troll, delivered a combined production efficiency close to 95%. These elements are a result of systematic work to improve safety, security, and operational performance, which directly impact the energy production and our ability to secure flow from producing assets to the market. There is a strong link between safety, security, and operational performance.

Safety and security is integrated into everything we do, no matter what energy we produce, where we are, and who we work with. We have great people in the company and also great suppliers and partners. We work closely together with authorities. And together, we will continue to improve, making sure all people and assets are safe every day.

Now I would like to hand it over to Anders Opedal, our CEO, to take you through our capital market update. Anders, the floor is yours.

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Yes, and good morning to all of you. It's really good to see you again. I've been looking forward to today. And Jannicke, thank you very much for the clear message on safety and security. Safety is my first priority and a clear commitment for all leaders and colleagues. Safety and security is the fundamental for everything we do, also the value we create.

Today, I have four messages for you. First, we are positioned to deliver industry-leading returns. We are doubling our production growth, and we are increasing our free cash flow. And we are announcing a competitive capital distribution. And we demonstrate a consistent strategic direction adapting to changing markets and take clear actions to further increase value creation for shareholders.

We expect to deliver above 15% return on capital employed all the way to 2030. Return on capital employed is many ways the most holistic KPI, and we are well positioned to deliver on an industry-leading level on a lower price than we used last year.

We expect more than 10% growth in our oil and gas production from 2024 to 2027. We have increased our production outlook by progressing on our projects and high-value transactions.

Over the next three years, we now expect $23 billion in free cash flow. This is a significant improvement achieved by optimizing the portfolio, cutting CapEx and addressing cost. The stronger free cash flow enables competitive shareholder distribution, an important priority for me and a clear commitment from the Board.

For 2025, the Board has decided on a total capital distribution of $9 billion. It represents a $0.02 increase in the quarterly cash dividend and $5 billion for the share buybacks. In 2024, we took actions to improve short-term financials and setting us up for further growth. I'm proud of our operational performance, industrial progress, portfolio-shaping transactions, and strong trading results. All this is made possible by our great people, and I would like to use this opportunity to thank all our employees for their dedicated efforts to create these results.

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Through strong operational performance, we delivered return on capital employed of 21%. The cash flow from operations was $18 billion after tax, higher than we indicated at the start of the year. And our capital distribution was exactly as promised.

Strong production, especially from the Norwegian Continental Shelf, contributed to the results. In our international upstream business, 2024 was a year of change with large transactions, improving growth, and cash flow.

In our renewables and low carbon solutions business, we adapted to market challenges. Across our segments, we spent last year optimizing portfolio of assets and projects for strong value creation.

We face three global trends impacting energy markets. Energy demand is growing. We expect higher production growth. Market and political uncertainty is high. We are robust and set up to create value from volatility.

The pace of the energy transition is uneven. We have the flexibility to adapt. We are well positioned to create value in this context.

First, energy demand is growing. Global oil demand grows and expected above 100 million barrels through this decade. For gas, we expect demand to increase and stay above today's level all the way to 2050. Asia drives demand short term, and we see US increasing going forward.

This impacts the tight European gas market. Lower storage levels than last year creates potential for higher prices and volatility. And the market balance will be driven by weather, renewables production as well as competition for LNG. For power, we foresee significant growth towards 2050, creating renewables and flex power opportunities and reduced demand for hydrocarbon over time.

The second trend is the geopolitical tension, tariffs, and increased commodity markets uncertainty. Oil demand is increasing with slow growth in Asia and higher supply from non-OPEC countries add uncertainty to the price outlook. Our response is not new but highly effective, robustness and resilience. We combine our strong financial position with a competitive and flexible project portfolio.

Our marketing and trading business is also well positioned to capture value from volatility and market inefficiencies. Through the last decade, with all the volatility and uncertainty we experienced, we delivered returns well above peers.

The third global trend is the uneven pace of the energy transition, moving fast in some markets, slow in most. Even the massive renewable growth is currently energy addition, not energy transition.

Inflation, interest rates, supply chain issues, and regulatory uncertainty reduces the pace of the energy transition. Segments like offshore wind and hydrogen are impacted. We adapt to these realities, both phasing and prioritizing investments to maximize returns.

To underline that value creation is at the core of our decision-making, we now retire the gross CapEx ambition. In our view, the energy transition must be balanced and financially sustainable. We are increasing our free cash flow generation and expect to deliver $23 billion from now to 2027.From 2024 to [2025] (corrected by company after the call), we expect a free cash flow growth above 50%. The largest driver is an $8 billion CapEx reduction. We reduced our investments in renewables and low-carbon solutions by 50% in this period compared to last year's outlook. In addition comes project financing of Empire Wind and the establishment of a joint venture in UK.

On operational costs, we take forceful action to offset inflation and maintain a stable cost level, all while growing production. This drives long-term resilience. On top of this comes our continuous improvement and scaling of technology. We apply AI across exploration, concept selection, operation and maintenance, and create significant value.

As an engineer, I could, of course, talk a lot more about it, but let me just give you one example. We use AI in the planning of the Johan Sverdrup III project. And then we generated over 1 million alternative field layouts and well trajectories and this added $12 million in value to the project. So well, not that big, but remember, we have more than 50 projects on the Norwegian continental shelf and the true value creation comes when we do scale this up to all the projects.

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The improved free cash flow strengthens our capacity for competitive shareholder distribution. For 2025, total distribution will be $9 billion. A competitive, predictable and growing cash dividend has the highest priority when I allocate capital. Our dividend policy is to grow the annual cash dividend per share in line with underlying earnings, and this remains firm.

Last year, we set an ambition to grow the quarterly cash dividend with $0.02 on an annual basis. We delivered on this in 2025. And you should expect us to continue doing that in the coming years. We have a clear commitment to deliver competitive capital distribution, and we will use share buybacks to do this.

The stronger free cash flow we present today provides substantial capacity to deliver. We have previously indicated a base level of $1.2 billion annually in share buybacks. This is not sufficient to be competitive in the current environment. We therefore, remove this as a guiding because we plan to do more.

To have flexibility to adapt and make sure we are competitive, we are not providing an exact guiding on long-term level. We will revert to this for the individual years. We have a clear commitment to be competitive, a strong track record and a stronger free cash flow supporting distribution capacity.

We now expect to grow our oil and gas business and production by more than 10% by 2027. We also increased our expected production in 2030 to around 2.2 million barrels per day, up from 2 million in last year's outlook. We continue to cut CO2 emissions from our production to reduce cost and increase value creation.

Our organic reserve replacement ratio came in above 110 last year; and including transactions, we achieved more than 150%. With this, we strengthened our long-term value creation.

Our international upstream segment is on track to become close to 1 million barrels per day business. And we expect the free cash flow to grow from $1.3 billion last year to more than $5 billion in 2030. The Bacalhau FPSO is sailing to Brazil, expected onstream later this year.

We closed several large transactions, focusing our international portfolio in core markets. In the US, we deepened our onshore gas position. This increased our production outlook with around 80,000 barrels oil equivalent per day in a growing market.

And after 40 years here in UK, we write the next chapter, creating the largest operator together with Shell. We supply 1/3 of UK's gas and given the winter season, let me assure you, we can provide stable supply of gas for decades to come. And let's move to the source of that gas, the Norwegian continental shelf.

I know you are interested in Johan Sverdrup. Sverdrup delivered record oil production last year, more than any single field, any single year on the Norwegian continental shelf ever. At my recent visit at the Sverdrup field, I got an update from our people describing how they systematically keep production high and increase recovery and they continue to succeed.

We now expect 2025 Sverdrup production to be close to the level of the last two years. And with extensive recovery effort, including the Phase III project, we increased the recovery factor ambition to 75%, up from 65% when we took the investment decision.

We continue to invest and develop our NCS portfolio. With new volumes from 19 projects, we maintain high and stable production towards 2027; actually, a slight increase. We continue to improve recovery around our hubs. Last year, Troll had record production after almost 30 years in production. And we extend the plateau of our gas plants, Kollsnes and Hammerfest LNG.

We expect to maintain production in Norway at high level of 1.2 million barrels per day all the way to 2035. This is driven by projects now in planning or execution, increased recovery efforts, and infrastructure-led exploration.

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These are volumes with short lead time, low cost, and low emissions. We expect to deliver around $12 billion in cash flow from operations after tax all the way to 2035. We invest in renewables and low-carbon solutions to create shareholder value for decades to come. We are taking firm actions in response to challenges in the offshore wind industry.

To increase value creation, we have high-graded the project portfolio and reduced spending. Towards 2027, we expect to invest around $5 billion in these segments. The value-driven prioritization impacts the pace of growth, and we expect our production capacity at 10 to 12 gigawatt installed in 2030, including our share in Ørsted and Scatec. This is down from 12 to 16 gigawatts.

So far, we are delivering above 10% equity return on our current renewable assets in operations. Our focus on returns is persistent, and we will continue developing our portfolio to deliver 10% equity returns full cycle. This includes the development of the Empire Wind project in the US, a project in a challenging market with returns under pressure and uncertainty.

The project execution is progressing well. We are working to de-risk the project. Last year, we won a 30% higher strike price and secured financing of the project. All future CapEx is covered by the project financing and the tax credits.

Moving forward is the best way to create and protect shareholder value. Not doing that would impact cash flow negatively due to substantial cancellation fees. We still plan to bring in a partner at the right time, but reflecting the uncertain timing of this, our CapEx and cash flow outlook presented today do not assume any farm down, this is a potential upside. As of now, expected life cycle returns are close to the double-digit portfolio requirement we present today.

In low carbon solutions, different technologies are progressing at different pace. Carbon capture and storage projects have many similar traits as oil and gas and our capabilities are in place. The regulatory framework are progressing, and customers are interested.

We are ready but we'll only execute if we get long-term commitment from our customers. We have excess storage capacity of 60 million tonnes of CO2 per year, adding 20 million last year and maintained our ambition.

We have a focused strategy to deliver competitive shareholder returns based on 3 pillars: oil and gas, renewables and low-carbon solutions, building on our strength and technology leadership. We invest to develop a resilient business and create long-term value as energy markets change. We see power from renewable sources and low carbon value chains as an important part of future energy systems.

We have the people, skills, and ability to build industry over time. Taking responsibility for cutting our own emissions is our most important contribution to address climate change. We have an industry-leading low level of emissions from production and maintain our ambition of net 50% reduction by 2030.

Continued effort to cut emissions while producing oil and gas reduces cost, increases returns, and increases the competitiveness. As I said earlier, the energy transition is currently moving slower than expected. We adjust to the market situation and opportunity set. Today, we make the following changes: we lower our renewables ambition for 2030, we introduced a range for our net carbon intensity ambitions, and we retire our gross CapEx ambition. But our strategic direction remains the same. We continue to reduce emissions and build profitable business in renewables and low-carbon solutions towards our net-zero ambition.

So to end, let me remind you of the key takeaways. First, we are positioned to deliver an industry-leading return. We are doubling our expected production growth. We are increasing our free cash flow. And finally, this enables us to deliver a competitive capital distribution for 2025. And as demonstrated today, we have substantial capacity for 2026 and beyond.

So I look forward to your question later when my great colleagues in the Corporate Executive Committee will also join. But first, I will hand over to our CFO, Torgrim Reitan, and he will give you more details on our outlook and also, of course, the fourth quarterly results. So Torgrim, the stage is yours. And thank you very much for the attention.

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Torgrim Reitan *- Equinor ASA - Chief Financial Officer, Executive Vice President*

Thank you very much, Anders, and good morning, everyone. Very good to see you all again here in beautiful London. So first, I'll share some reflections on the Capital Markets Day material before I go into the quarterly results and full year results.

So you have heard Anders say that we are taking firm actions. We are improving all our key metrics, and then we are committed to provide a competitive capital distribution. So I will provide more details into how we are going to continue to deliver industry-leading returns, how we are going to improve our free cash flow significantly, how we are going to increase our production and by all of this, improve the resilience of the company.

So let's start with talking about the framework for how we would like to create shareholder value. First, all the key metrics, they have improved. And that is even with a lower price deck.

Our oil and gas production continues to deliver very well, around $20 billion in cash flow from operations. Then we have taken firm actions to reduce our organic CapEx. We now expect that to be $13 billion per year over the period '25 to ['27] (corrected by company after the call) . And after project financing of Empire Wind, the number will be even lower.

Then we are resilient to lower prices. We are cash flow neutral after all investments at $50 per barrel, that is $5 lower than last year. And then clearly, we are going to run with a very solid balance sheet as you are very well aware of.

So that brings me to the center of this slide. And that is what we solve for and how we do think it is best to create shareholder value, very, very important to us. So first, return on capital employed.

That is the metric. It captures everything. And that has always been front and center in the way we operate and run this company. So we will continue to deliver an industry-leading returns.

Then free cash flow. Improving free cash flow and $23 billion is what we now expect to provide over the next three years. So that, the $23 billion, leads me naturally into capital distribution.

So let me start with our track record. From '22 to '24, we returned $45 billion. We made extraordinary earnings in '22 and '23 and then we chose to share that with our shareholders and pay that back. For '25, the Board is proposing a quarterly cash dividend of $0.37 per share and this is almost 6% up from last year. On top of this, we expect to do a share buyback for $5 billion, leading to a total distribution of $9 billion for the year. The first tranche of $1.2 billion, that starts tomorrow.

In '25, we are still returning extraordinary earnings and cash from previous years and the total distribution is around 45% of expected cash flow from operations. So our capital structure and balance sheets are normalizing. So going forward, it will be our strong free cash flow that support a sustainable capital distribution.

Our starting point will always be to deliver a predictable and growing cash dividend. Then we will use share buyback to get to a competitive level in total distribution. So we are well aware of the approach of our peers, both in Europe and US, and we are confident that we will be competitive towards that.

So let's look at how this all comes together. The blue bars show you a solid and stable cash flow, around $20 billion on average over the next three years. This is the average, and it is fairly stable. This year, we expect around $20 billion. But with the fall in gas price assumptions, we expect it to be a little bit lower next year before the cash flow again is growing and increasing in '27.

For '25 to '27, we plan for around $13 billion in annual organic CapEx. But remember, a $3 billion project financing of Empire Wind came in place last year at competitive terms and that will be drawn upon going forward. We have hedged an all-in interest rate for that project of around 5%, and that equals around 4% after tax.

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When excluding the Empire Wind investments, which are covered by the financing, CapEx will be around $11 billion this year. Average CapEx for '26 and '27 will be around $12.5 billion. So we aim to draw quite a bit on the financing in '25, also covering parts of the CapEx in '26.

Then we expect the tax credit from Empire Wind to be received in full in 2027 after production startup, and that is important. Because this means that all remaining CapEx, all remaining CapEx for Empire Wind will be covered by project financing and the tax credit.

So the renewable CapEx you see behind me here is largely related to projects in execution. Beyond this, we have flexibility. So let me say a few words also on the outlook towards 2035. Last year, we spent quite a bit on that. So I just want to give a brief update.

So return on capital employed, we expect that to be around 15% also in 2035. And the oil and gas activities expect that to provide $20 billion in cash flow from operations also in 2035. However, the contribution from renewables and low-carbon solutions will be lower in 2035 than we said last year, that is due to the lower investment levels that we are now planning for.

From '24 to '25, we expect more than a 50% growth in the free cash flow. We have reduced our CapEx by $8 billion over the next three years. In addition, we are forcefully addressing cost, driving significant improvements into the free cash flow.

Inflation has been challenging across our industry. We have worked very hard to fight this. And I must say it is encouraging to see that in the fourth quarter, we have almost stopped the underlying cost increase. Going forward, we aim to keep cost flat while delivering strong production growth.

In renewables and low carbon solutions, we are cutting costs with around 20%. And we're doing that by prioritizing our early phase activities. So in total, the estimated impact is around $2 billion in cost savings towards '27. And all of this are important background and drive the $23 billion in free cash flow over the next three years.

Getting capital allocation right is key to create shareholder value. So our highest priority will always be to deliver a predictable and growing base dividend. Further, then we will continue to create value by investing into a high-return portfolio.

And as you have seen today, we are ready to use the flexibility. We are ready to use the flexibility in our investment program to ensure a competitive free cash flow and a sustainable capacity for our distribution.

So out of the $23 billion in free cash flow, the surplus cash after paying or growing base dividend is around $11 billion. So this is setting us up well to deliver a competitive share buyback program.

So we are well prepared to deal with lower prices. First of all, we run a solid balance sheet, and we will continue to do that. And as you can see on the graph to the right, our cash flow is resilient.

If gas prices in Europe is reduced by $2 per MMBtu, our cash flow from operations will be reduced by $0.8 billion, going from $20 billion to $19.2 billion. And here, the Norwegian tax system is key. It is neutral; it is linear; it is a net profit tax. So that means if prices come down, 78% will be offset by reduced taxes.

And then investments on the NCS are deducted immediately. So today, we invest around $6 billion annually on the Norwegian continental shelf. After tax, that is actually less than $1.5 billion. So please keep that in mind when you compare our investment programs with others.

Our portfolio of low breakeven projects ensures robustness and also the significant flexibility in our investment program is key here. Less than half of our CapEx is sanctioned from '27 and going forward. And then we operate most of it ourselves, and we are in control.

In addition, we are well prepared to handle volatility. Our MMP business has consistently delivered within or above the increased guiding range. We use our flexible assets to capture value from volatility, from price spikes, and geographical arbitrage opportunities.

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And as you know, we have access to all the major gas hubs in Europe, and we sell our gas based on 70% day ahead and 30% month ahead. And that is important because that means when there is volatility, when there are price spikes, we will take advantage of it, and the money will find its way to our earnings.

Oil and gas business has become even better. And we get more out of the $10 billion in investments now than we have done earlier. So now we expect a growth of more than 10% towards 2027, that is double of what we indicated last year. And production in 2030 is up from 2 million barrels per day to 2.2 million.

Furthermore, free cash flow has improved from oil and gas and unit production cost is down. So an even better program with quality growth from a project portfolio with low breakevens below $40 per barrel, high returns around 30% real internal rate of return, short payback time of around 2.5 years and then low carbon emissions of less than 6 kilo per barrel.

Our IJV with Shell is a good example of how we use different structures, setting up a specialized entity. The IJV will be self-financed. It will cover Rosebank CapEx. It will derisk our deferred tax assets. And it will add to our production growth. And last, but not least, it will increase our free cash flow.

We have created value in all different phases the renewable industry has lived through. We entered offshore wind early. We secured leases at very low costs, and that is in the projects that we are currently executing. Then we remained disciplined when market heated up, and we did not overpay for Seabed leases. Instead, we took advantage of market conditions, and we farmed down and achieved capital gains of around $2 billion.

We have experience with cycles, and we know that something good always comes out of a downturn. And we do believe that offshore wind industry will come out of this difficult time, stronger and more robust. So we will remain disciplined. And as you see, we have reduced our CapEx significantly. And by the actions we are currently taking, we are well positioned to create value also now.

The challenging situation within offshore wind is also reflected in the valuation of Ørsted. Last year, we acquired a 10% stake. The share price has continued to come down since then, but we have a long-term perspective on this holding. And this is a more capital-efficient way to increase our exposure to offshore wind. And today, you see that we are reducing our own CapEx to renewables.

So we will focus on improving returns in our existing portfolio, building longer-term optionality at low cost and continue to deliver double-digit returns. So let me turn to the fourth-quarter and full-year results.

Last year, we had our best ever safety results. But as you heard from Jannicke, this is a race without a finishing line, and we need to continue to improve. For the year, we delivered 21% return on capital employed and $18 billion in cash flow from operations after tax.

For the quarter, we report adjusted operating income of $7.9 billion before tax and an IFRS net income of $2 billion. Adjusted earnings were $0.63 per share. In the quarter, international production was impacted by a hurricane and curtailments in the US, partly offset by new wells in Angola and the UK.

For the year, we had strong operational performance and delivered in line with our production guiding. We had record high renewables production in the quarter, mainly driven by onshore power plants in Brazil.

Then to the financials. Adjusted earnings in E&P Norway totaled $6.8 billion before tax, driven by strong operational performance. Our International segment delivered close to $500 million in total and was impacted by underlift and one-off effects. Our marketing and midstream segment delivered solid results, driven by strong LNG and gas trading.

Our organic CapEx was $12.1 billion for the full year, in the low end of our guidance. For the fourth quarter, NCS tax payments totaled $5.8 billion. And for the first half of 2025, we expect to pay three tax installments of NOK35 billion each.

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Our balance sheet is robust with over $23 billion in cash. Our net debt ratio is 11.9%. However, it is important to note that our trading business took advantage of market situations around year-end and working capital increased as a function of this. So we do expect a lower net debt by the end of first quarter.

So as you have seen, we have delivered on our guiding for '24. And then let me take you through the guiding for '25. We expect organic CapEx of $13 billion for the year and $11 billion after project financing. We are investing for growth in oil and gas, and we do expect a production growth around 4% this year, well on track to deliver the 10% by 2027.

So to conclude my presentation. Based on our consistent strategy and the firm actions we are taking, we are in a good position to deliver premium returns, a stronger free cash flow, and a competitive capital distribution.

So thank you very much for your attention. And then I leave the word to you, Bård, to guide us through the Q&A session. So thank you very much.

QUESTIONS AND ANSWERS

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Thank you, Torgrim; and thank you, Anders, for your introductions. We are now ready to start the presentation. And as I said, also the full CEC team is ready to answer. (Conference Instructions)

Martijn Rats, Morgan Stanley.

Martijn Rats - *Morgan Stanley - Analyst*

This is Martijn Rats from Morgan Stanley. Thanks for the presentation. I've got two questions, if I may. Relative to the presentation from last year, of course, the strategy for renewables and low carbon is quite different. And given that these things don't turn on a dime, I would imagine that your thinking on this probably started to change relatively soon after last year's presentation.

So we got all the numbers and that makes a little sense. But I was wondering if you can perhaps tell a little bit the story of how did this discussion come about within the company. What are the things that started to change your mind at some point in 2024? And how does that then develop into the plans that you are now presenting? So the story behind these changes.

And the second one is perhaps a little bit more technical, but I was wondering if you could say a bit with the guidance that you're now giving, would you expect the trajectory for the balance sheet to be -- are we still tracking into that sort of range for gearing in the sort of 15% to 30% range? Where is the comfort zone? What's the path for the balance sheet? Thank you.

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Okay. Thank you. Two very good questions. So as we said, we have taken clear actions during 2024. We have -- in last year's outlook, we had also added potential winning bids in the offshore wind industry.

We anticipated lower bid levels and higher returns in some of those projects. That did not happen, and we deliberately did not win those bids. And then this CapEx is then, of course, removed.

We also went in to take a close look at our onshore business and high-graded our portfolio. You've probably seen that we guided on around $13 billion in CapEx for 2024. We ended up with $12.1 billion, and a substantial part of that was actually not executing projects in our onshore portfolio.

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So this has been an ongoing development throughout the whole year. And then looking also into our early phase portfolio, we saw that we had, in several countries, not the route to profitable projects and that's why we stopped those projects as well before we went into the bidding process.

A little bit similar on low carbon solutions. As I said in my speech, different technologies move at a different pace. And particularly on hydrogen, we see that customers are coming later to the table to commit to long-term contracts and then we are facing projects. When it comes to the balance sheet, we anticipated in the positive territory by year-end 2024. And we said we added 5% to the Ørsted transactions.

MMP have used the time well lately to do value creation in using the balance sheet and that's why you see it's a little bit higher in the year-end. We expect it to be a little bit lower end of first quarter. And then coming towards the end of the year. will be around the lower level of the guided range.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Biraj Borkhataria, RBC

Biraj Borkhataria - *RBC - Analyst*

Hi, thanks for taking my question. So first one was on Sverdrup, which I'm sure you'll be happy to talk about. But you previously talked about the declines coming through sort of in and around year-end or early '25. You put 8 wells on stream, I think, last year.

The move today to sort of extending the plateau, is that a result of the performance of the latest wells or has something fundamentally changed in your understanding of the reservoir there? Just some color on that would be helpful.

And the second question is on sort of major investments you have. You've got two different projects, Rosebank in the UK, Empire Wind in the U.S. You've taken on quite a lot of policy risk in different ways. In the UK, obviously, the right to produce is a question mark. And then Empire Wind, it seems like based on the headlines at the $2 billion of tax credits could be at risk.

So could you just talk a bit about why you continue to push ahead with both of those? Whether it was possible to pause given the uncertainty and how you're thinking about that upside downside risk?

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Yeah, thank you. On Sverdrup, Kjetil will give a much deeper detail into this also in the breakouts. But this is really good work by all people onshore and offshore on the Sverdrup field. It's about delivering these wells and while drilling seeing potential to change the trajectory and have longer pay zones enabling higher production from the wells that we're actually drilling.

And going forward, we will also do retrofitting into multilaterals and so on. So this is also the reason why we are able to keep up the high production.

We are producing water on the field, but the team has worked really hard to see how can you really separate oil and water at high speed, such that you can maintain high oil production while we're also able to remove the water. This is about the separation process and so on.

So it's a combination of many, many actions both on the platforms, on the reservoir understanding and also drilling the wells and getting in very good results from these wells.

Then Rosebank and Empire. Yes, the political landscape is changing. In many countries, we see a much more polarized views on energies and it's shifting as elections take place. We welcome the latest verdict and ruling on the Rosebank because this enable us to continue doing the projects, while this is up for new requirements for the environment impact assessment.

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We think we have a good project, it's progressing well. And this is also a project that provides growth in UK, but we see the polarized debate around it. So it is a political risk, but we are confident that this project will move forward.

On Empire, to not having too long answer, go to the tax credit. When we took investment decisions on this, the tax credits were already in place. This was put in place in previous Trump administration. To make those changes, it requires Congress approval. So we don't think this will be up for a change very rapidly.

But of course, anything changing political landscape is a political risk. And that's why I said in my speech, it's so important that we constantly improve our project, have a robust balance sheet to ensure that we are robust as a company while energy policies may change during investment period.

We advocate to all governments that we talk to that predictability and stability and regulatory framework, it's important. Otherwise, energy companies like us and others cannot invest in those countries. So that is the key message we're sending to our politicians in different countries.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Teodor Sveen-Nilsen, Sparebank 1 Markets.

Teodor Sveen-Nilsen - *Sparebank 1 Markets - Analyst*

Thank you. Two questions. First, on your target to grow production to 2.2 million barrels per day by 2030, a definitely a positive move. Could you just take us through where you expect that growth will come from and how much is organic growth and how much is inorganic growth? Second question, that is on Empire. You have lifted or actually changed your guidance for return requirements for renewable to 10% nominal equity return.

How does the Empire projects hit compared to that guidance? And also on Empire, would you see a positive NPV, although you assume that tax credits will be canceled in that scenario?

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Yeah. So let's divide the questions, Torgrim. But the 2.2 million barrels per day, where the growth is coming from, it's, of course, now the growth that we have talked about before, the Bacalhau project, the Raya project, the Sparta project that will come on stream in this period. In addition to that, we have added 80,000 barrels oil equivalent from the transactions we did in US onshore and also the IJV for the UK will increase our production with 35,000 to 40,000 barrels a day on average towards 2030.

And then the fantastic work that is being done on the Norwegian continental shelf, keeping the production, we'd also add to such that we have a consistent and growing production 2.2 million compared to the outlook 2 million that we had last year. And then maybe a little bit on Empire and returns, Torgrim.

Torgrim Reitan - *Equinor ASA - Chief Financial Officer, Executive Vice President*

Thank you very much, Anders and Teodor. Just to build on what you say, Anders, the plan doesn't assume any inorganic activity. So that is based on an organic development of the company. I would say it's actually a very firm and good plan. And compared to last year, we actually had assumed some divestments in the portfolio. There are no divestments assumed to drive the free cash flow and all of that. So this is truly an organic plan.

On Empire Wind. So if we talk about life cycle return on that project, that is close to 10% nominal equity returns. And clearly, there are a couple of things that we need to remember here. One is that it takes into account the farm-down that we did with BP. And we also need to remember that BP actually has covered half of the development cost in that period here.

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And thirdly, the project has been significantly derisked during the year with a 30% higher price financed at competitive terms as such. And this altogether a $7 billion investment into these projects. $2 billion has been invested, and the remaining $5 billion will be covered by project financing and the ITC, the tax credits.

So I mean, that's where the money comes from. So when we sort of make a decision so what to do with this project? It's okay. So that is the way forward. And then, of course, we need to think about, okay, so what is the alternative? And if we should do something with it, it would trigger significant cancellation costs.

So it is better as we see it for our owners that we actually bring these projects through. So it's a de-risked project. It's progressing well. And of course, there are remaining uncertainties as such.

On your specific questions on how the NPV would look like without ITC? There are two levels of ITC. It's 30%, which has been there for a long time. And then 10% related to local content in the US, which has been decided by Congress and all of that. And there is a very long and strong history in the US of grandfathering projects, if there are going to be changes for things going forward. So we feel that that is the best assumption here.

When that is said, there is remaining uncertainty in the project. We need to understand that. And altogether, it is -- has been a challenging project, but close to 10% equity returns. So this is not great; it is okay.

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Yeah. And when it comes to project execution, so far, it's progressing well. We have all the contracts in place. We have all the suppliers in place. And we have a great team in place in New York running this project. But as you said, also uncertainty going forward.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Lydia Rainforth, Barclays.

Lydia Rainforth - *Barclays - Analyst*

Thank you and good morning. Can I just ask you -- you presented a picture of longevity of cash flow and probably further out than anybody else that we've seen. And part of that is actually keeping the cost base flat with growing production. So can you just talk how you actually do that because that's actually really impressive progress on cost?

And then the second one is just on -- I think you talked a number of times about it being competitive distribution. What do you actually mean by that? Are we thinking about dividend yield versus paying out a percentage of cash flow? And part of that, I guess, is then if you have a choice between buying back your own shares versus putting more money into, say, Ørsted or to buy new stuff, how do you think about that just from a capital allocation at some point?

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Thank you. When it comes to cost, first of all, I would say, it's very encouraging to see that the cost development year on year on the fourth quarter was very good, and there was a flat underlying cost with some reduction due to one-off effects. And this is because we have worked on cost for a while.

And particularly, when we talk about the Norwegian Continental Shelf, for instance, is our scale, a scale of operations that we're able to add more volumes, new projects into the same operating model. We are able to scale up the technologies and all the improvements goes to many of these platforms and operations.

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On the international business has been focusing on the reduced cost that we would see now from the IJV, but also moving from operated Utica to the non-op Marcellus, which is a much more cost-efficient place to produce oil and gas due to scale effects from Expand Energy.

When it comes to renewables and low-carbon solutions, as I mentioned earlier, it's about the early phase projects and high-grading all the early phase projects to ensure that we are able to only move forward with those that we think have a possible way to make the necessary return.

But at the same time, not removing so many that we don't have optionality for the future. So it's a balancing act there about creating optionality, at the same time, reducing the cost. When it comes to your second question which is really about capital allocation.

And as I said, our first priority is the cash dividend and grow the cash dividend in line with the long-term underlying earnings. That is the first priority when we look at capital allocation. And you should expect us to continue doing that going forward.

Then we have said we want to be competitive. And Torgrim mentioned in his speech, but we are aware of our competitors. But we don't want to use a percentage of cash flow from operations directly because with the tax legs on the Norwegian continental shelf that will be a very volatile cash distribution or capital distribution.

So to be able to have a more stable and predictable, we're focusing on how can we maximize and increase free cash flow, creating the necessary capital distribution capacity. And then I think you have seen over the last years that we have been competitive in this respect.

Torgrim Reitan - *Equinor ASA - Chief Financial Officer, Executive Vice President*

And build on that and relate that to M&A activity because I mean we are pretty active when it comes to M&A. You have seen that last year, divesting some and acquiring some. And Lydia, you should expect that to continue in a way. So that is about high grading the portfolio.

And as you have seen what we have done improves free cash flow, and it actually improves capital distribution capacity. And that has been very important for us when we shape the portfolio. So going forward, M&A will be very, very much focused on value creation and also ensuring that we can serve our investors with a competitive capital distribution. I think it's very, very important for us to say that.

And when it comes to Ørsted, we have done 10%. I mean there's not much more to say than that. But it is also important to say that we will run with a very solid balance sheet. And we have no problem running below 15% to 30% net debt. That range was put in place when we were above to get down to it.

I mean super happy to run with a conservative balance sheet, ensuring capital distribution capacity, ensuring capacity to do value-creative M&A, if that should be something that we would like to do. So just to -- so we have that crystal clear that this is not either/or.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Yoann Charenton, Bernstein.

Yoann Charenton - *Bernstein - Analyst*

Thank you. I would like to ask a question about the capital distribution. I believe, and correct me if I'm wrong, but that's the first time that Equinor is offering buybacks that will exceed dividend this year. How important is this in addressing the need for your distribution to be competitive, having buyback exceeding dividend? And on the same point, what sort of commodity price environment we need next year, so in 2026, for you to continue to offer this buyback exceeding dividend going forward?

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Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

So last year, we provided with a two-year guidance for our capital distribution because we were coming back from a very high commodity environment with a lot of excess cash that we have returned back to our shareholder but approaching a normalization where capital distribution will have to be sourced from our free cash flow and the distribution capacity.

That's why we guided on our share buyback between $4 billion to $6 billion, and we're now providing $5 billion, which is, as you said, a higher level than the cash dividend.. We don't have a rule of this. The cash dividend is about $4 billion. And next year, we will source the share buyback to be competitive from our free cash flow that we have provided today.

So no kind of percentage that share buybacks need to be higher or lower. You should see this as a total framework for being a competitive distribution, the growing cash dividend and share buybacks to ensure that we are competitive.You have seen, we will focus in any commodity environment to have a sufficient free cash flow to be competitive to distribute shareholder distribution.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Thank you. We will take a caller and then we'll revert back to this room. So please open the line.

John Olaisen, ABG

John Olaisen - *ABG - Analyst*

Thanks a lot for taking my question, ladies and gentlemen. I have two questions, if I may, very quickly. Is guidance impacted by the UK joint venture with Shell in the UK or are you assuming CapEx investments -- CapEx and production like proportional to your stake in the joint venture? That's my first question.

And the second question is regarding exploration. I noticed that you're now saying 25 to 30 wells -- 175 wells between now and 2030 in Norway, that is closer to 30 wells per year compared to previous guidance of 20 to 30. I just wondered, is that a correct observation?

And secondly, the exploration spending between now and 2030, how does it look in dollar terms and if it's included in the CapEx guidance, please?

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

So let me say a little bit about exploration because your observation is right. I think in 2021, we said that we will increase the exploration activity on the Norwegian continental shelf will be around 20 to 30 well. But Kjetil Hove and his team really worked on how are we able to move this more towards 30 than to 20. So we have a lot of prospects to drill. And we have rig capacity to work on this going forward. Torgrim, on the CapEx?

Torgrim Reitan - *Equinor ASA - Chief Financial Officer, Executive Vice President*

Thank you very much, John. On the exploration and whether that is taken into account in CapEx, that is based on assumption of capitalization of that exploration, which links to sort of expectation to deliveries. And on the NCS, 80% of that program is related to close infrastructure exploration, meaning a very high degree of capitalization.

So most of that is taken care of into the investment program. You had a question on the IJV, I didn't perfectly get it, John, but a few words. I mean it is a 50-50 joint venture. So we will sort of as an owner take part in that. But this will be deconsolidated from our balance sheet. So we will not report CapEx related to it. However, we will receive dividends coming out of this.

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And clearly, what we have agreed with Shell is that that will have a priority as we set up and build the new company as such. So this is clearly improving our free cash flow, and it is also improving productions. So this is very good for our cash flow over the next few years.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Michele della Vigna, Goldman Sachs.

Michele della Vigna - *Goldman Sachs - Analyst*

Thank you very much, and congratulations on a very strong pipeline of start-ups for the next three or four years. As we look beyond it, as you start to plan for growth in 2030 and beyond, especially if I look at international projects, there's not a huge amount of pre-FID projects. There's Bay du Nord.

I'm wondering after such a successful restructuring of your international portfolio, perhaps it's the time again to look for more countries and more entry opportunity, and if you see this is the right time to do it or perhaps better to wait for the next downturn.

And then if I may go back to Empire Wind. I know there have been a lot of questions, but one of the risks that could potentially come through is for tariffs on equipment that is largely imported from Europe. I'm just wondering if you see that as a potential risk or if perhaps you're already largely done with the sourcing of that equipment? Thank you.

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Thank you very much. Yes, we have worked really hard over the last years to optimizing the EPI portfolio and restructuring by both doing acquisitions and divestments. And Philippe is working really hard also to see what is the next step between -- from 2030 and beyond in this portfolio.

We do have exploration, particularly in Angola, where we see we can add similar type of IOR techniques and infrastructure-led exploration. So that is something. And then we will always be there to see similar back to your questions about M&A.

But if we can see really value creating free cash flow deals adding to longevity, we will look into it, of course, as we always do. So we have quite a lot of focus over the next years to work with longevity in EPI. But it needs to create long-term value and not only a lot of CapEx coming very early.

Good questions around tariffs. We follow the news flow. It's a fluid market in terms of tariffs coming and not coming. But for the Empire Wind, we have a lot of supply chain in the US. And several of that equipment is already made, for instance, the cables and so on, but also a substantial part coming from Europe, for instance, the VTGs that will be produced in Europe by Vestas. So clearly, this is on our radar, but it's too early to say any potential impacts.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Peter Low, Redburn.

Peter Low - *Redburn Atlantic - Analyst*

Hi, yeah. Thanks for taking the question. The first was on the operating cash flow guidance. I think you did $18 billion in 2024, and that was at $81 a barrel. I think in 2025, you're guiding to $20 billion at a $70 a barrel assumption. Can you perhaps just walk through where that improvement comes from year over year?

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And then the second question was perhaps just to get some perspectives on the European gas market. We started the year with pretty high pricing, a pretty tight environment. And how do you see that unfolding as we move through 2025 and beyond?

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Thank you. So now I want you, Torgrim, to take the first question. And then I would like to draw also my excellent team. So if you Irene could say a little bit more about our gas outlook short term and the medium term?

Torgrim Reitan - *Equinor ASA - Chief Financial Officer, Executive Vice President*

Yeah. Thanks, Peter. So the cash from operations in '24 was $17.9 billion, and that was at a realized oil price around $80, as you say, and European gas price of $11. So the assumptions that we use for 2025 is $70 oil, but $13 gas in a way. So the price impacts between those years are equaling out in reality terms.

So I mean the price impact between those numbers is very limited. However, but it will move from $17.9 billion to around $20 billion. And that is driven by production growth. It is driven by cost improvements as you have seen.

And then on the CapEx side, you have seen that we are taking down investments in renewable significantly. And also, there is an element of project financing for 2025, taking down CapEx spending from $13 billion to $11 billion for 2025.

So that sort of gives you the mechanics when it comes to free cash flow movement. The cash flow from operations is very much driven by production growth and cost improvements and better underlying operations.

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Irene?

Irene Rummelhoff - *Equinor ASA - Executive Vice President - Marketing, Midstream and Processing*

Well, a few words on the gas prices. I think we've seen them rise quite rapidly recently. It's due to the end of the Ukraine transit, but also maybe more importantly, the rumors, I guess, or indications that Germany, in particular, will force storage filling in the summer.

So I think we're up for an exciting year. We can easily see significant price spikes, I guess, when you get into the summer. There's high AC demand in Asia from weather coinciding with the regulated storage filling, I think we're up for some excitement.

Beyond that, you have to get into '26-'27, I guess, before you see significantly new supplies. So it's going to be tight up until then. Then the big question is, of course, will Asian demand growth keep pace with new supply. And the big unknown is what's going to happen, I guess, with Russian volumes if there is some settlement between Ukraine and Russia.

I think the latter is probably a bit overestimated. The way we see it, it's probably going to be around [27] BCM (corrected by company after the call) through Nord Stream 2. Nord Stream 1 is permanently destroyed. We don't expect volumes to come through Poland. We do expect Ukraine to bring in other [15] (corrected by company after the call) . So maybe an additional Russian volume potential of around [40] (corrected by company after the call), but if you contrast that to the LNG import last year into Europe, which was 125, it's not really that significant.

So I think strong market in next couple of years, then some more uncertainties. Come to the Q&A or the breakout, and we'll give you a lot more interest.

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Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Thank you, Irene. It's just one number I found very striking when we're looking into the gas market because the storage level coming out of this winter will be around 42%. And if you have then -- you want to go back to 90% storage level. Actually, Europe needs to attract 230 more LNG cargoes than last year, which represent around 20% increase. I think that's demonstrated a little bit the competition for LNG, we will see between Europe and Asia over the summer.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

(Conference Instructions) Henri Patricot from UBS first and then Chris Kuplent from Bank of America.

Henri Patricot - *UBS - Analyst*

Yes, thank you. Just one follow-up on the financial framework. I think yet Torgrim, you said that going forward, the free cash flow is what would be used -- excess free cash flow we use for shareholder returns. So should we think that with the net debt back within your gearing range probably by the end of this year, you would normally use the balance sheet to pay extra shareholder returns to stay competitive. It will only be from free cash flow. Is that the right way to think about it or would you let net debt gearing move a bit higher within the range?

Torgrim Reitan - *Equinor ASA - Chief Financial Officer, Executive Vice President*

No. Thanks, Henri. This year is sort of the last year, we sort of extraordinary elements from the past. So it has taken a little bit of time to share those magnificent results with our shareholders. So going forward, it will be on an ongoing business type of considerations related to capital distribution.

So I mean, excess cash or surplus cash, as we say, is clearly a number that you should have a look at as sort of the framework for the way we think about capital distribution. However, this is not mathematically, it is just providing us with a sufficient capacity to be competitive.

And then, of course, the balance sheet is always there, but it is in a place now where we think it's sort of right to operate and we have no plans to re-lever more than we are currently in a way. So this is actually a business that from now on will be an ongoing business. And the capital distribution capacity over time needs to come out of the way that we run our business.

When that is said and as Irene hinted to, there might be periods with price spikes again. And clearly, we will see to that we are true to that, we are competitive in our capital distributions in those type of price environments as well.

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

But as I said, and Torgrim clearly tell you how we will steer the company going forward in terms of providing sufficient distribution capacity through free cash flow

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Chris Kuplent, Bank of America.

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Chris Kuplent - *Bank of America - Analyst*

Thank you. I'd like to focus on inorganic. And you mentioned there are no inorganic CapEx numbers in your slide pack and also no disposals. Does that mean you feel happy? You're not going to repeat what you did just recently and use your balance sheet for more M&A? Does it mean that M&A needs to be, if you like, self-funded? So any inorganic growth needs to be at least nearer term funded with inorganic, i.e., with disposals?

And if you could maybe give us a little bit of an insight into the hurdle rates you are using, feel free to use the latest acquisition you made, how that 10% acquisition is giving you a comparable competitive return. You mentioned 10% for Empire Wind? Thank you.

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Yeah. I think Torgrim alluded a little bit earlier to how we think around inorganic investments. You can think about the hurdle rate in between. But I think you should look at what we have done recently, both being in divestments and in acquisition and really looking at how we constantly improve our business by doing both of those elements.

And I think it's the balance, over time, you need to take a look at. If you could -- one way of looking at it is that we have divested in Azerbaijan and Nigeria and then reinvested in US onshore gas, high-grading the portfolio, creating more longevity and creating free cash flow in that respect.

So it's not only one single acquisitions or disposals; it's the totality over time you will have to look at to evaluate and how we then actually are improving our business by doing so.

Torgrim Reitan - *Equinor ASA - Chief Financial Officer, Executive Vice President*

Okay. Thanks, Chris. When it comes to sort of hurdle rates and the way we think about hurdle rates is that we use the same approach within M&A as we use on Johan Sverdrup and other places. I mean they need to clearly provide an additional return to our cost of capital as such. So that is the starting point.

When it comes to M&A, it is very -- I mean, clearly, we do a lot of fundamental analysis as companies do and see to whether there's an underlying value in the company or assets that is sort of higher than what we are willing to pay.

But then, of course, it's also important that you, that we take into account that we have a sufficiently good timing on acquisition and divestiture. And I would argue that in the past, we have a pretty good track record for actually working counter-cyclically.

When it comes to Ørsted, the 10% that we acquired clearly justify, well justified when you compare it to the underlying values. And then of course, the share price has come down since then. We are very well aware of that, but we are a long-term investor in the company. And that company is typically a $4 billion EBITDA company in a way. It has a good return on capital employed.

So the underlying delivery of the company is good. And that is sort of where we sort of do our evaluations and all of that. And then, of course, we need to be patient. And we are sure that when the offshore wind industry comes through this struggling time, Ørsted is a good and competitive company, a company that we would like to be partly owner of.

Bård Glad Pedersen - *Equinor ASA - Senior Vice President Investor Relations*

Thank you, Anders and Torgrim, and thank you for everybody asking questions. We did not manage to get fully to the bottom of the list, but we are on over time. Anders and Torgrim will be in breakout sessions as well. So there will be opportunity to discuss further and ask additional questions.

The breakout will start immediately after this, so you have time to fill your cup and then move to your rooms. Those of you who have signed up for the breakouts, you have a letter on your name tag, A, B or C. That's an indication of which room you should go to..

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And then there will be three groups of CEC members that will rotate between the room so that you all get to talk to all of them. Each session will be around half an hour, so a good opportunity to discuss. (Conference Instructions) So with that, Anders, I leave it to you to close this session.

Anders Opedal - *Equinor ASA - President, Chief Executive Officer*

Yes. Thank you very much. And as always, thank you for the good and challenging questions. As I said, we are on track to deliver industry-leading returns doubling the production growth and free cash flow increases and a competitive capital distribution firm strategy but taking clear actions to improve the value for our shareholders. So thank you very much. Looking forward to the breakout session. Thank you.

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