

Equinor fourth quarter 2020 and year end results

10.02.2021 | [GlobeNewswire](#)

Equinor (OSE: EQNR, NYSE: EQNR) reports adjusted earnings of positive USD 0.76 billion and negative USD 0.55 billion after tax in the fourth quarter of 2020. IFRS net operating income was negative USD 0.99 billion and the IFRS net income was negative USD 2.41 billion, following net impairments of USD 1.30 billion and a write down of USD 0.98 billion related to the Tanzania LNG project.

2020 was characterised by:

- Results impacted by low oil and gas prices
- Solid operational performance during extraordinary circumstances
- Positive cash flow in a low-price environment
- Delivering USD 3.7 billion in capex and cost reductions, well above ambition for the action plan to strengthen financial resilience
- Progressing and capturing value within renewables
- Setting ambition to be a net-zero energy company by 2050 to create value as a leader in the energy transition

"Our results are impacted by the market turmoil during the year, but with strong cost improvements and capital discipline we delivered positive net cash flow for the quarter and the full year. During 2020 we have delivered more than 3.7 billion dollars in savings, well above our ambition for the action plan we launched in March to strengthen financial resilience. We are well positioned for value creation and strong cash flow in 2021 and the coming years," says Anders Opedal, President and CEO of [Equinor ASA](#).

"I am impressed by how the organisation has responded, delivering strong operational performance and production growth in a long-lasting challenging situation during the pandemic. We are increasing production volumes from Johan Sverdrup even further, and we used our flexibility to have high gas production as gas prices increased in the quarter. In addition, we have started production from Snorre Expansion ahead of time and well below cost estimates," says Opedal.

"Equinor is committed to ensuring long-term competitiveness and creating value as a leader in the energy transition, setting an ambition to be a net-zero energy company by 2050. During 2020 we delivered significant progress in our renewables portfolio, taking the investment decision for Dogger Bank A and B, winning the largest ever offshore wind award in the US, starting construction at Hywind Tampen and capturing value from transactions. We are also taking actions to optimise within oil and gas, building a more robust portfolio for the future, but resulting in a write down in Tanzania and an impairment related to an operated US onshore asset in the quarter," says Opedal.

Adjusted earnings [5] were USD 0.76 billion in the fourth quarter, down from USD 3.55 billion in the same period in 2019. Adjusted earnings after tax [5] were negative USD 0.55 billion, down from USD 1.19 billion in the same period last year. Low prices for liquids impacted the earnings for the quarter.

Equinor launched an action plan of USD 3 billion in March 2020 to strengthen financial resilience, including a reduction in operating costs of USD 0.70 billion. Delivery on the plan resulted in savings of more than USD 3.7 billion, including a reduction in fixed operating costs of around USD 1 billion. Unit production costs are reduced by 5% since 2019, realising the 2021 ambition already in 2020.

In the E&P Norway segment, Equinor realised weaker liquids prices and the production was reduced mainly as a result of turnarounds moved to fourth quarter due to the ongoing pandemic.

Results in the E&P International segment were impacted by low prices and the impairment of the Tanzania

LNG project of USD 0.98 billion. The E&P USA segment was also impacted by weak prices, partially offset by significant reductions in operating costs.

The Marketing, midstream and processing segment captured value from strong trading results from gas to Europe, partially offset by low refinery margins and shutdown of production at Hammerfest LNG plant.

New energy solutions delivered high availability on offshore wind assets. A capital gain of around USD 1 billion is expected to be booked from the divestment of a 50% non-operated interest of the offshore wind projects Empire Wind and Beacon Wind in the US. A capital gain from the farm down of 10% equity interest in Dogger Bank A and B in the UK is expected to be booked in the first quarter of 2021.

IFRS net operating income was negative USD 0.99 billion in the fourth quarter, down from positive USD 1.52 billion in the same period in 2019. IFRS net income was negative USD 2.42 billion in the fourth quarter, compared to negative USD 0.23 billion in the fourth quarter of 2019. Net operating income was negatively impacted by net impairments of USD 1.30 billion, mainly relating to a refinery as a result of reduced margin assumptions and some increase in cost estimates, and to an operated unconventional onshore asset in North America due to reclassification as held for sale.

Equinor delivered total equity production of 2,043 mboe per day in the fourth quarter, down from 2,198 mboe per day in the same period in 2019, with a minor increase in gas share due to high flexible production in gas fields. Adjusting for portfolio transactions the production growth for 2020 was 2.4%.

In 2020, Equinor completed 34 exploration wells with 16 commercial discoveries and 1 well under evaluation. At year end, 12 wells were ongoing. Adjusted exploration expenses in the fourth quarter were USD 1.25 billion, compared to USD 0.44 billion in the same quarter in 2019.

The proved reserves replacement ratio (RRR) was negative 5% in 2020, following capital discipline and the prioritisation of financial flexibility during market uncertainty, with a three-year average of 95%. With 5.26 billion barrels in proved reserves, Equinor's reserves to production ratio (R/P) was 7.4 years.

Cash flows provided by operating activities before taxes paid and changes in working capital amounted to USD 14.0 billion in 2020, compared to USD 21.8 billion in 2019. Organic capital expenditure [5] was USD 7.8 billion for 2020. At year end, net debt to capital employed(1) was 31.7%, stable from 31.6% at the end of the third quarter of 2020. Following the implementation of IFRS 16, net debt to capital employed(1) was 37.3%.

The board of directors proposes to the annual general meeting a cash dividend of USD 0.12 per share for the fourth quarter 2020.

Average CO₂-emissions from Equinor's operated upstream production, on a 100% basis, was 8.0 kg per barrel in 2020.

The twelve-month average Serious Incident Frequency (SIF) for 2020 was 0.5, down from 0.6 in 2019. The twelve-month average Recordable Injury Frequency (TRIF) was 2.3 for 2020, compared to 2.5 in 2019.

* * *

(1) This is a non-GAAP figure. Comparison numbers and reconciliation to IFRS are presented in the table Calculation of capital employed and net debt to capital employed ratio as shown under the Supplementary section in the report.

[5] These are non-GAAP figures. See Use and reconciliation of non-GAAP financial measures in the report for more details. For ROACE, see table Calculated ROACE in the Supplementary disclosures for more details.

* * *

Further information from:

Investor relations

Peter Hutton, senior vice president Investor relations,
+44 7881 918 792 (mobile)

Helge Hove Haldorsen, vice president Investor Relations North America,
+1 281 224 0140 (mobile)

Press

B?rd Glad Pedersen, vice president Media relations,
+47 918 01 791 (mobile)

This information is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act

Attachments

- Equinor fourth quarter 2020 Financial statements and review
- Equinor fourth quarter 2020 and year end results press release
- Equinor 4th quarter and full year 2020 results CEO and CFO presentation

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/374391--Equinor-fourth-quarter-2020-and-year-end-results.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).