

Equinor third quarter 2022

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Equinor (OSE: EQNR, NYSE: EQNR) delivered adjusted earnings* of USD 24.3 billion and USD 6.72 billion after tax in the third quarter of 2022. Net operating income was USD 26.1 billion and the net income was reported at USD 9.37 billion.

Strategic and industrial developments:

- The Brazilian oil field Peregrino was brought back in production and Peregrino phase 2 on stream
- Low carbon value chains continue to develop with first commercial agreement on CO2 storage for the Northern Lights JV
- Project portfolio in execution is maintaining stable cost level

Operational performance:

- Continued high production, gas to Europe up 11%
- Strong results from marketing and trading gas and power

Financial performance:

- Continuing to generate strong earnings mainly from increased gas prices
- Strong free cash flow year to date of USD 21.7 billion
- Additional payment of tax of around USD 10 billion and a net debt to capital employed ratio adjusted* of negative 19.1%
- Cash dividend of USD 0.20 and increased extraordinary cash dividend to USD 0.70 per share for third quarter of 2022 and a fourth share buy-back tranche of USD 1.83 billion

Anders Opedal, president and CEO of [Equinor ASA](#):

"Norway's and Equinor's role as a reliable energy provider is more important than ever. I am proud of all our people going to great lengths to keep the energy production high and secure. Working together with our partners and the authorities, we have taken extra measures to increase security in this situation.

The Russian war in Ukraine has changed the energy markets, reduced energy availability and increased prices. Equinor continues to provide stable flow and high production, with record-levels of gas from the Norwegian continental shelf.

High production combined with continued high price levels resulted in very strong financial results with adjusted earnings of more than 24 billion dollars before tax. The earnings enable us to continue investing in the energy transition, while building resilience in uncertain times. It also increased our tax contributions, in total around 17 billion dollars in tax payments in the quarter."

High production impacted by seasonal turnarounds contributed to energy security

Solid operational performance and projects on stream resulted in high production despite a larger scope of turnarounds than for the same quarter previous year.

In third quarter last year, Equinor had already started measures to increase deliveries of gas to Europe. Despite this, E&P Norway still increased gas production by 11% compared to the same quarter last year, supported by the ramp up of the LNG production at Hammerfest LNG.

In Brazil, the Peregrino field came back in production and ramped up successfully, while the Peregrino phase 2 came on stream in October, taking total plateau production level to 110 000 barrels per day.

Production in the E&P USA was at the same level as the third quarter last year, with a higher share of the production from the offshore assets.

Total power production for the quarter ended at 491 GWh. Of this, 294 GWh is produced from renewable energy assets, down 3% from the same quarter last year mainly due to lower wind and higher maintenance activity. 197 GWh of the production was gas-to-power production from Triton Power in UK.

In the third quarter Equinor completed 7 exploration wells offshore and 2 wells were ongoing at quarter end.

Progressing on strategy for the energy transition

Equinor is progressing to grow the Norwegian Continental Shelf (NCS) as a hub for commercial CO₂ storage, with Northern Lights JV signing the first commercial customer and being on track for start-up in 2024. Equinor has entered partnerships to develop solutions for large-scale commercial CO₂ storage with pipes from Europe to the NCS.

In the UK, Equinor has applied to extend the operated Sheringham Shoal and Dudgeon windfarms with additional 719 MW. Equinor has also sanctioned the Blandford Road battery storage project, which will be the first commercial battery storage asset for the company and have a 25 MW/50 MWh capacity.

Equinor is executing 20 projects with overall good progress. There is limited impact from the rise in inflation and cost on the sanctioned portfolio, however some projects are impacted by global supply chain bottlenecks. On the NCS, the floating wind farm Hywind Tampen is currently being connected and will be completed in 2023. Johan Sverdrup phase 2 and Njord future are on track to come on stream in the fourth quarter of 2022. In the UK, the wind farm Dogger Bank is expected to bring its first phase into operation in 2023.

Strong financial results from high prices

Energy prices remained high in the quarter, and significantly higher than for the third quarter last year. Equinor realised a European gas price which was 60% up from already high levels last quarter, while the realised liquids prices were 13% lower.

Adjusted earnings* for the quarter were USD 24.3 billion, up from USD 9.77 billion in the same quarter last year. Adjusted earnings after tax* were USD 6.72 billion, up from USD 2.78 billion in the same period last year. The operational and administrative costs increased due to higher electricity prices, CO₂-costs, inflationary pressure, and higher field cost, partially offset by significant currency effects when presenting in US dollar.

Equinor delivered strong results from sales and trading, particularly from gas and power, selling to the markets with the highest demand. This is reflected in the results of the MMP segment.

Equinor reported net operating income of USD 26.1 billion in the quarter, up from USD 9.57 billion in the same period in 2021. Net income was USD 9.37 billion in the quarter, up from USD 1.41 billion in the third quarter of 2021. This is including net impairment reversals of USD 1.09 billion, mainly related to increased expected refinery margins.

Continued strong cash flow and increased tax payments

Cash flow provided by operating activities before taxes and changes in working capital amounted to USD 24.5 billion for the third quarter, compared to USD 10.8 billion for the same period in 2021. Organic capital

expenditure* was USD 1.9 billion for the quarter. Free cash flow* was USD 2.4 billion for the third quarter, impacted by the first NCS tax instalment for 2022 and an additional tax payment, totalling USD 17 billion due to increased tax estimates for 2022. In the fourth quarter Equinor will pay two ordinary tax instalments at a total of NOK 140 billion.

Capital distribution paid in third quarter was USD 3.3 billion, including the settlement of the Norwegian government's share of the shares purchased in the share buy-back programme in 2021 and the first quarter of 2022 of USD 1.36 billion.

Strong cash flow and capital discipline resulted in a continued strong net debt to capital employed ratio adjusted* of negative 19.1% at the end of the quarter. This is up from negative 38.6 % in the second quarter of 2022.

Competitive capital distribution

The Board of Directors has decided a cash dividend of USD 0.20 per share. Based on continued strong earnings in the quarter the Board of Directors has in addition decided to increase the extraordinary cash dividend from USD 0.50 per share to USD 0.70 per share for third quarter 2022.

Furthermore, based on the strength of the brent price, balance sheet and the outlook for commodity prices, the Board of Directors has decided to initiate a fourth and final tranche of USD 1.83 billion of the 2022 share buy-back programme of USD 6 billion. The fourth tranche will commence on 31 October and will end no later than 27 January 2023.

All share buy-back amounts include shares to be redeemed by the Norwegian State.

Since the second quarter of 2022, the expected total capital distribution for 2022 is increased from around USD 13 billion to around USD 13.7 billion.

Emissions and serious incident frequency

Average CO2-emissions from Equinor's operated upstream production, on a 100% basis, were 6.9 kg per boe for the first nine months of 2022. The twelve-month average serious incident frequency (SIF) for the period ending 30 September 2022 was 0.4.

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* For items marked with an asterisk in this press release, see Use and reconciliation of non-GAAP financial measures in Supplementary disclosures of the report.

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Further information from:

Investor relations

Mads Holm, Senior vice president Investor relations,
+47 909 55 417 (mobile)

Press

Sissel Rinde, vice president Media relations,
+47 412 60 584 (mobile)

This information is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian

Securities Trading Act

Attachments

- CFO presentation Equinor third quarter 2022 results
- Equinor third quarter 2022 Financial statements and review
- Press release Equinor third quarter 2022 results

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