

OMV Petrom

2017 Full Year Results

General Meeting of Shareholders
April 26, 2018

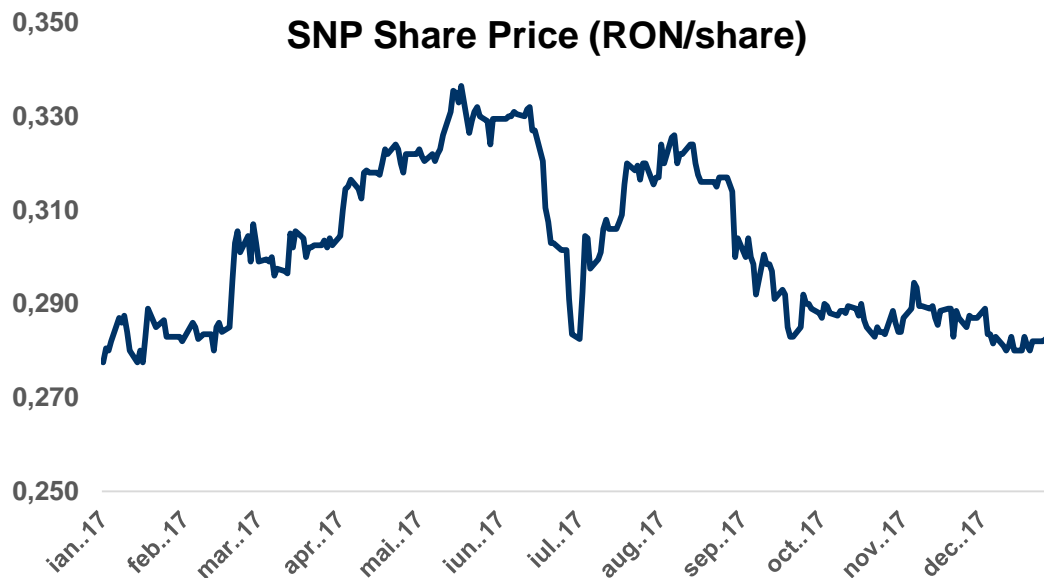
Stefan Waldner
Chief Financial Officer



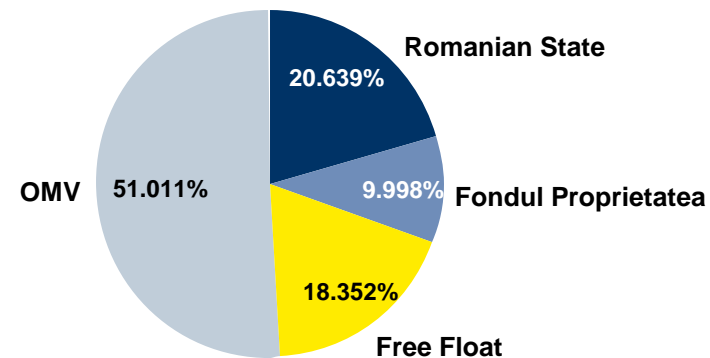
OMV Petrom

Market Capitalization

- ▶ Largest Romanian company listed on the Bucharest Stock Exchange by market capitalization
- ▶ Market capitalization end of 2017: RON 16.2 bn
- ▶ September 2017 ABB¹: Fondul Proprietatea sold a 2.57% stake in OMV Petrom



Shareholder structure



¹ Accelerated Book Building – ABB



YEAR 2017

**Separate financial statements of
OMV Petrom S.A.
(IFRS)**



OMV Petrom S.A. – Key Indicators

Key indicators (RON mn)	2017	2016*	%
Sales revenues	14,783	12,594	17
Operating result	2,990	1,291	132
Net financial result	(267)	(239)	(12)
Net income for the period	2,400	908	164

- ▶ **Sales revenues** increased by 17% to RON 14,783 mn, driven by higher sales as a result of an improved economic environment.
- ▶ **Operating result** for the year 2017 amounted to RON 2,990 mn, substantially higher than RON 1,291 mn in 2016, supported by a more favorable market environment, a strong operational performance, continued cost discipline and the elimination of the tax on special constructions starting with 2017.
- ▶ **Net financial result** deteriorated to a loss of RON (267) mn from a loss of RON (239) mn in 2016.
- ▶ **Net income** significantly increased to RON 2,400 mn in 2017 compared to RON 908 mn in 2016, due to the positive evolution of the Operating Result.

*) In 2017 OMV Petrom's income statement has been restructured in line with the industry's best practice in order to better reflect the operations of the Company. For comparability reasons, figures of previous periods are presented in the same structure.



OMV Petrom S.A. – Financial Position

Key indicators (RON mn)	Dec 31, 2017	Dec 31, 2016	%
Non-current assets	33,346	35,612	(6)
Current assets	7,679	5,751	34
Equity	27,560	26,001	6
Liabilities	13,465	15,362	(12)

- ▶ **Non-current assets** decreased by 6% to RON 33,346 mn, compared to the end of 2016 (RON 35,612 mn), reflecting the net decrease in property, plant and equipment, as depreciation and impairments exceeded investments during the period, partially offset by the increase in intangible assets, reflecting mostly the on-going operations at the Neptun Deep block in the Black Sea.
- ▶ Total **current assets**, including assets held for sale, increased by 34% to RON 7,679 mn compared to RON 5,751 mn at the end of 2016, mostly driven by the increase in cash and cash equivalents.
- ▶ **Equity** increased to RON 27,560 mn as of December 31, 2017 compared to RON 26,001 mn as of December 31, 2016, as a result of the net profit generated in the current period, partially offset by the distribution of dividends for the financial year 2016 in the gross amount of RON 850 mn (gross dividend per share of RON 0.015). The equity ratio^{*)} slightly increased to 67% (2016: 63%).
- ▶ **Total liabilities** decreased by 12% to RON 13,465 mn as of December 31, 2017, mainly due to the decrease in the provision for the exposure in relation to the guarantee issued by OMV Petrom for loans granted by OMV Petrom Marketing S.R.L. and OMV Petrom Gas S.R.L. to Kom Munai LLP and Tasbulat Corporation LLP and due to the reassessment of provisions.

^{*)} Equity ratio is computed as $Equity / (Equity + Liabilities)$



OMV Petrom S.A. – IFRS Actual figures vs. 2017 Budget

Key indicators (RON mn)	2017 Actual	2017 Budget	%
Sales revenues	14,783	13,487	10%
Operating result	2,990	2,298	30%
Operating Result before depreciation	6,363	5,691	12%
Net income for the period	2,400	1,827	31%
Total investments*	3,522	4,565	(23%)

**) include amounts for fixed assets acquisitions, financial investments, land deeds, financial leasing and exclude increases from reassessment of provisions*

Key drivers Actual vs. Budget 2017

- ▶ **Sales revenues** exceeded budgeted level by 10% mainly due to slightly higher petroleum products sales driven by increased demand following fiscal easing measures in Romania and higher power sales driven by better market conditions.
- ▶ **Operating result** was above budgeted level, driven by stronger performance and cost discipline across all business segments.
- ▶ **Investments** were reduced by 23% vs. estimated level, mainly due to strict prioritization of investments projects and lower capital share increases in subsidiaries than initially planned.

YEAR 2017

**Consolidated financial statements of
OMV Petrom Group
(IFRS)**



OMV Petrom Group – Key Indicators

Key indicators (RON mn)	2017	2016*	%
Sales revenues	19,435	16,647	17
Operating result	3,270	1,476	122
Net financial result	(366)	(211)	(73)
Net income for the period	2,489	1,038	140

- ▶ **Sales revenues** increased by 17% to RON 19,435 mn, driven by higher sales from all business segments as a result of an improved economic environment.
- ▶ The Group's **Operating Result** for the year 2017 increased by 122% to RON 3,270 mn (2016: RON 1,476), supported by a more favorable market environment, a strong operational performance, continued cost discipline and the elimination of the tax on special constructions starting with 2017.
- ▶ The **net financial result** deteriorated to a loss of RON (366) mn from a loss of RON (211) mn in 2016.
- ▶ **Net income** was of RON 2,489 mn compared RON 1,038 mn in 2016, due to the improved operational results.

*) In 2017 OMV Petrom's consolidated income statement has been restructured in line with the industry's best practice in order to better reflect the operations of the Group. For comparability reasons, figures of previous periods are presented in the same structure.



OMV Petrom Group – Consolidated Financial Position

Key indicators (RON mn)	Dec 31, 2017	Dec 31, 2016	%
Non-current assets	33,727	35,129	(4)
Current assets	8,332	6,285	33
Equity	28,421	26,706	6
Liabilities	13,638	14,708	(7)

- ▶ **Non-current assets** decreased by 4% as depreciation and impairments exceeded investments during the period.
- ▶ The increase in **current assets** , including assets held for sale, by 33% mainly driven by a higher cash and cash equivalents position.
- ▶ The increase in total **equity** by RON 1,715 mn was the result of the net profit generated in the current year, partially offset by the dividends distributed by OMV Petrom SA for the 2016 financial year in a gross amount of RON 850 mn. The equity ratio^{*)} slightly increased to 68% (2016: 64%).
- ▶ **Liabilities** decreased with 7% mainly due to reassessment of provisions and decrease of liabilities associated with assets held for sale, partially offset by the increase of trade payables.

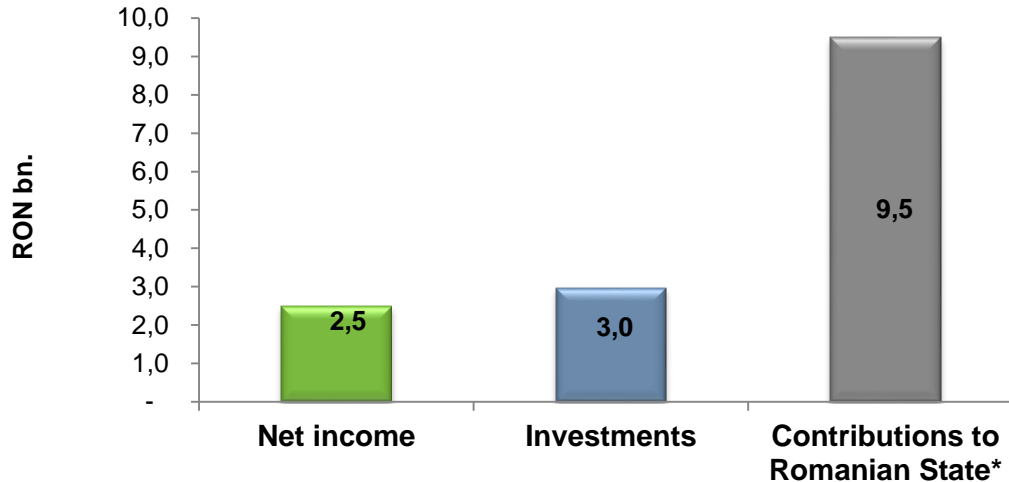
^{*)} Equity ratio is computed as $Equity / (Equity + Liabilities)$



OMV Petrom Group – Contribution to the state budget

Contributions to Romanian State vs. Net income and Investments

2017



- ▶ Increased profit tax and royalties due to higher profit and commodity prices
- ▶ Decrease of excise duty for gasoline and diesel mainly due to elimination of additional excise duty (7 cents per liter) starting with 01 January 2017 followed by an increase in excise duty rate in two steps: by 0.16 RON/liter from 15 September 2017 and by 0.16 RON/liter from 1 October 2017 (VAT not included)
- ▶ Increase in VAT mainly from increase in sales, increase in crude oil imported, partly offset by decrease in VAT rate from 20% to 19%
- ▶ Re-instatement of dividend (paid in 2017 for 2016)

*) Includes direct and indirect taxes as well as dividends paid to Romanian State in its quality of shareholder of OMV Petrom SA.



Thank you!

