

OMV Petrom Q4/18 Results Christina Verchere, CEO

February 6, 2019



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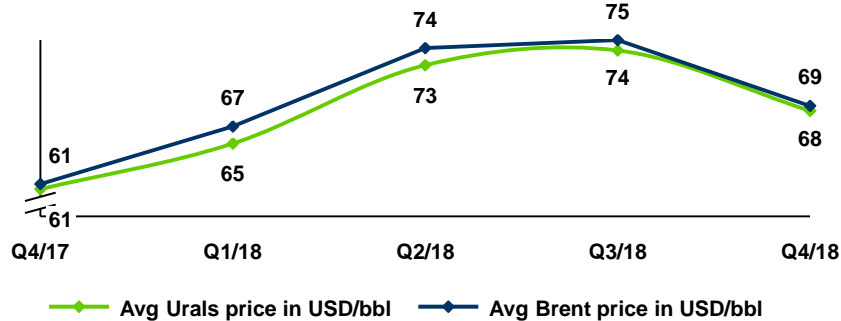
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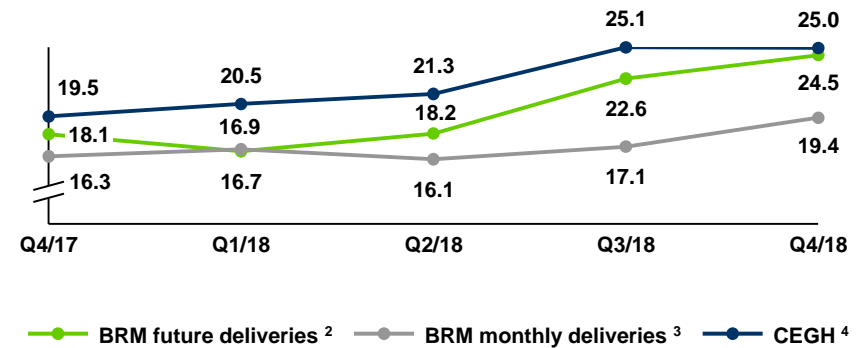
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Economic environment

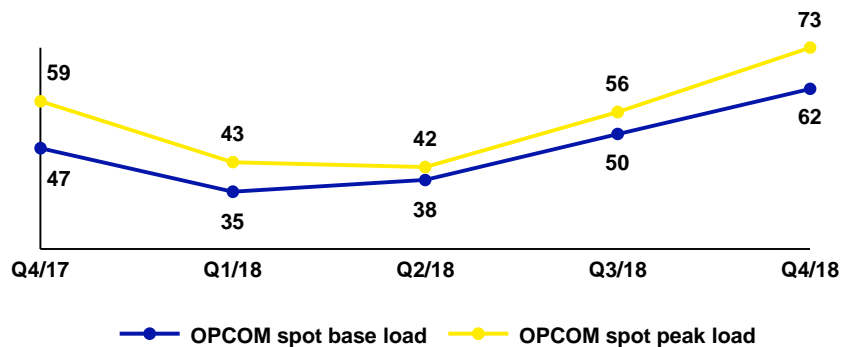
Oil price (USD/bbl)



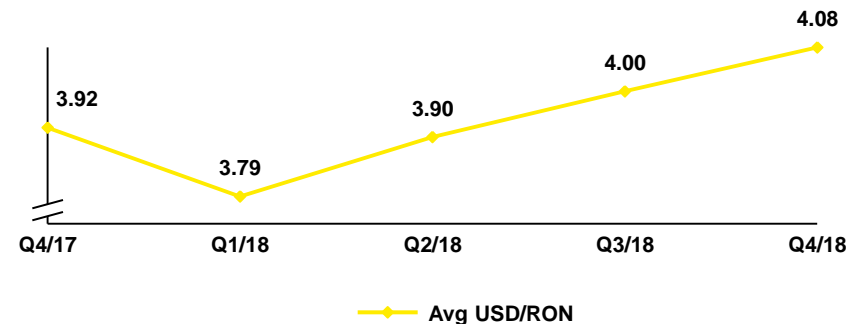
Gas prices (EUR/MWh)¹



Power prices in Romania (EUR/MWh)¹



FX (RON/USD)



¹ Prices translated at NBR average RON/EUR rate; ² All transactions with future delivery concluded on the Romanian commodities exchange (BRM) in the respective quarter; includes various products in terms of storage costs, flexibility and timing; ³ All transactions concluded on BRM in various periods and delivery in the respective quarter; computed based on monthly average prices published by BRM; ⁴ Day-ahead market Central European Gas Hub

Romanian environment

Macroeconomic environment

2018e GDP growth¹: +3.6% yoy;
Q3/18 GDP growth²: +4.2% yoy

CPI annual inflation: 3.3% end-Dec; Q4/18: 0.55%

Demand:

	2018 yoy	Q4/18 yoy
Fuels³	+1.6%	+3.6%
Gas⁴	stable	+2%
Power⁵	+2%	+2%

Fiscal framework

Offshore Law promulgated

Government Emergency Ordinance no. 114:

- gas price cap: RON 68/MWh
- regulated power price for households
- 2% fee on gas and power turnover
- 0.5% supplementary tax on crude revenues extended



¹ European Commission, November 2018; ² Romanian National Institute of Statistics; ³ Fuels refer only to retail diesel and gasoline; OMV Petrom estimates based on Romanian National Institute of Statistics data; ⁴ According to company estimates; ⁵ According to preliminary data available from the grid operator

Key messages

Financial performance Q4/18



Clean CCS Operating result

RON 1.4 bn



Operating Cash Flow

RON 1.8 bn



Clean CCS ROACE

14.3%



Dividend proposal ¹

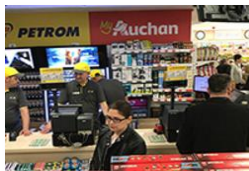
RON 1.5 bn

Strategic Projects



Neptun Deep:

- ▶ **Prerequisites for FID** are currently not in place
- ▶ **Committed to dialogue** with the authorities on the way forward



MyAuchan in Petrom – first convenience store in a filling station in Romania

- ▶ Envisage **partnership extension**
- ▶ **Business model** validated

HSSE

LTIR² 2018: 0.26

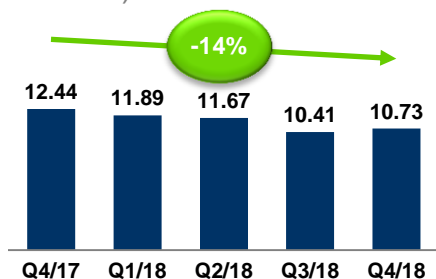
¹ Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders on April 19, 2019; ² Lost time injury rate (employees and contractors) for OMV Petrom Group

Operational KPIs

Upstream

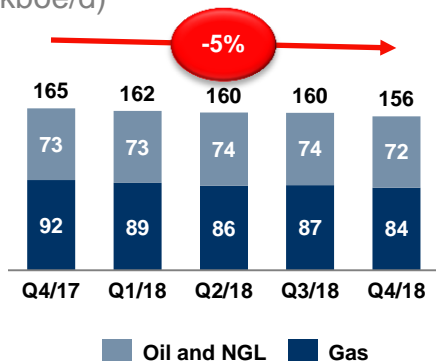
OPEX

(USD/boe)



Hydrocarbon production

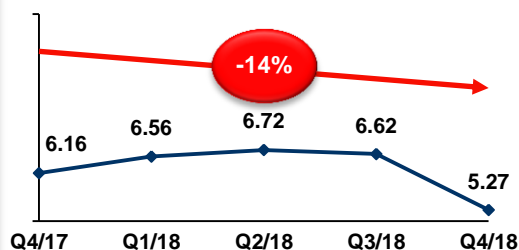
(kboe/d)



Downstream Oil

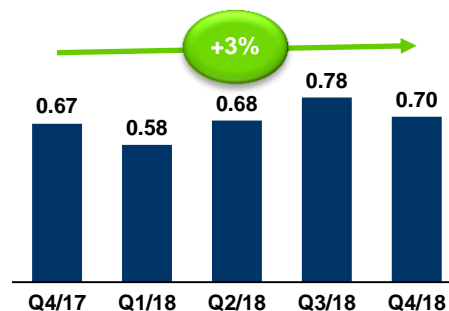
OMV Petrom Indicator

refining margin (USD/bbl)



Retail sales volumes

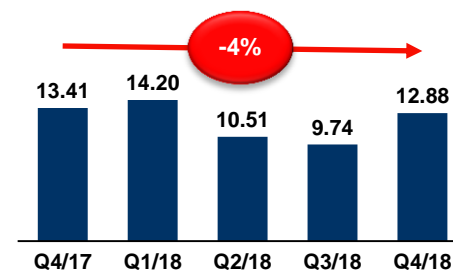
(mn t)



Downstream Gas

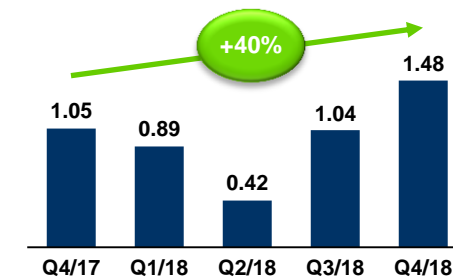
Gas sales volumes

(TWh)



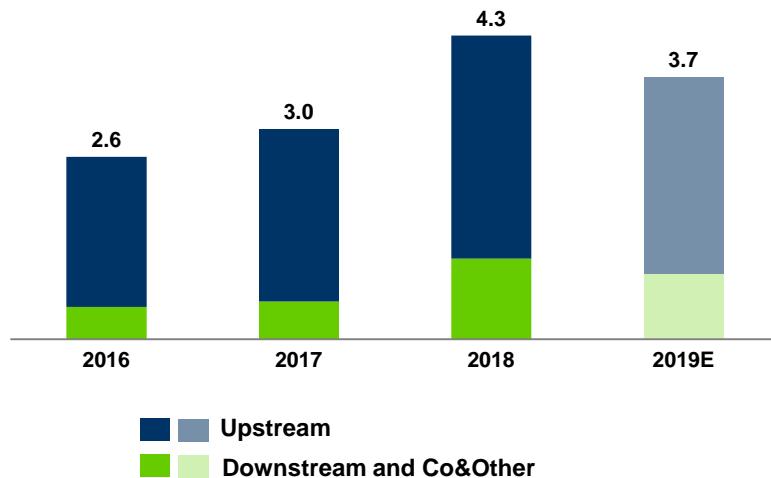
Net electrical output

(TWh)



CAPEX and E&A

Group CAPEX incl. capitalized E&A (RON bn)



CAPEX incl. capitalized E&A

- ▶ **2018** at RON 4.3 bn:
 - ▶ 110 new wells and sidetracks drilled
 - ▶ ~1,000 workovers performed
 - ▶ Refinery turnaround
- ▶ **2019E** RON ~3.7 bn:
 - ▶ Drilling ~100 wells and sidetracks
 - ▶ Maintain a constant level of workovers yoy

E&A

- ▶ 7 wells spudded in 2018
- ▶ 2 wells in experimental production
- ▶ 1 well in testing phase
- ▶ 2019E exploration expenditure RON ~380 mn

OMV Petrom Q4/18 Results

Stefan Waldner, CFO

February 6, 2019



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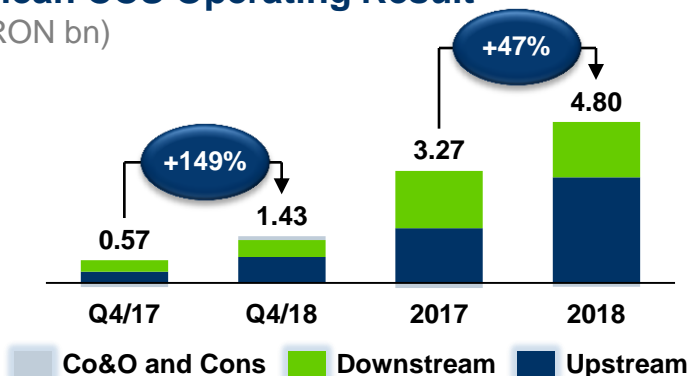
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Income Statement highlights

Clean CCS Operating Result

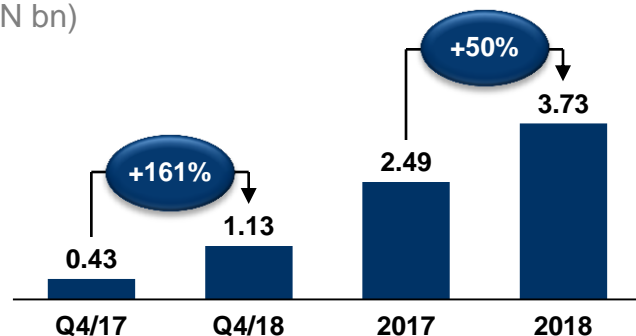
(RON bn)



- ▶ Clean CCS Operating Result reflects:
 - ▶ Favorable commodities prices
 - ▶ Higher demand for fuels and electricity
 - ▶ Lower exploration expenses

Clean CCS Net Income¹

(RON bn)






- ▶ Clean CCS Net Income reflects:
 - ▶ Higher interest income
 - ▶ Effective tax rate 16% in Q4/18

¹ Attributable to stockholders of the parent




Special items and CCS effect

RON mn	Q4/18	Q4/17	2018	2017
Clean CCS Operating Result	1,426	573	4,804	3,273
CCS effects: Inventory holding gains / (losses)	-81	103	186	102
Special items	406	145	223	-105
Thereof Upstream	340	102	306	-13
Downstream Oil	13	50	9	44
Downstream Gas	60	-7	-73	-134
Operating Result	1,751	820	5,213	3,270

Q4/18

-  ► Reversal of an impairment
-  ► Gain from forward contracts for electricity
-  ► Net change in provisions

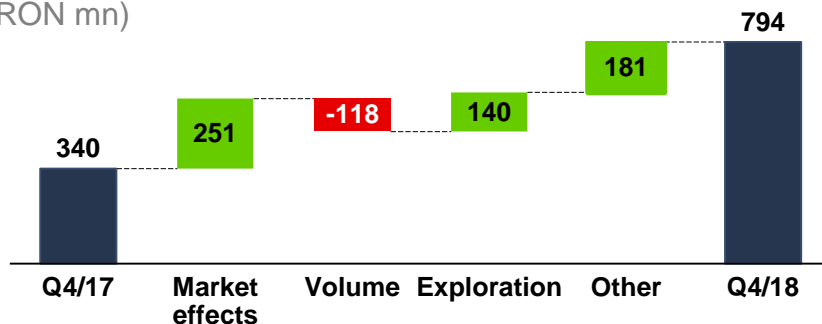
2018

-  ► Reversal of an impairment
-  ► Loss from forward contracts for electricity
-  ► Net change in provisions

Clean CCS Operating Result

Upstream

(RON mn)



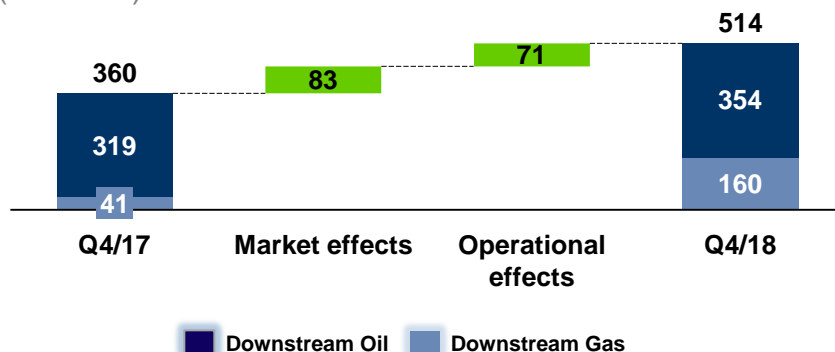
- ▶ Higher realized prices
- ▶ Lower production cost
- ▶ Lower exploration expenses



- ▶ Sales volumes -7%

Downstream

(RON mn)



- ▶ 99% refining utilization rate after turnaround
- ▶ Refined products sales +7%
- ▶ Higher electrical output; power plant fully available
- ▶ Insurance revenues

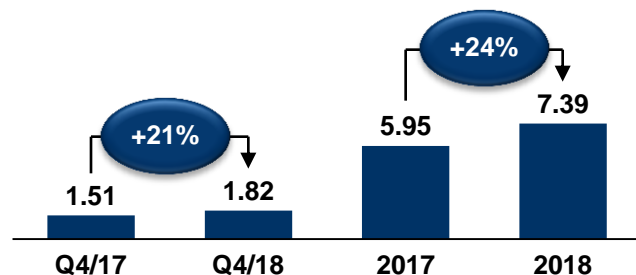


- ▶ Lower refining margins
- ▶ Lower gas sales volumes

Cash Flow highlights

Operating Cash Flow

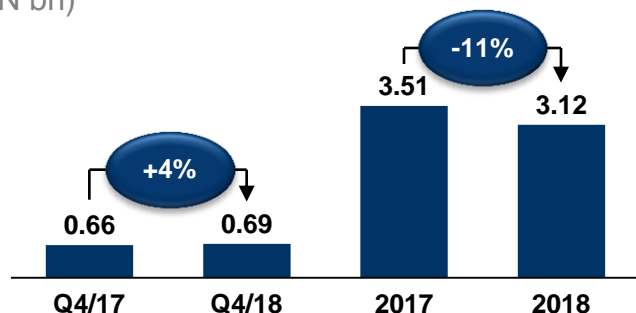
(RON bn)



- ▶ OCF¹ reflect Operating Result
- ▶ 2018: lower depreciation, amortization and reversal of impairments incl. write-ups
- ▶ 2018: higher income tax

Free Cash Flow

(RON bn)

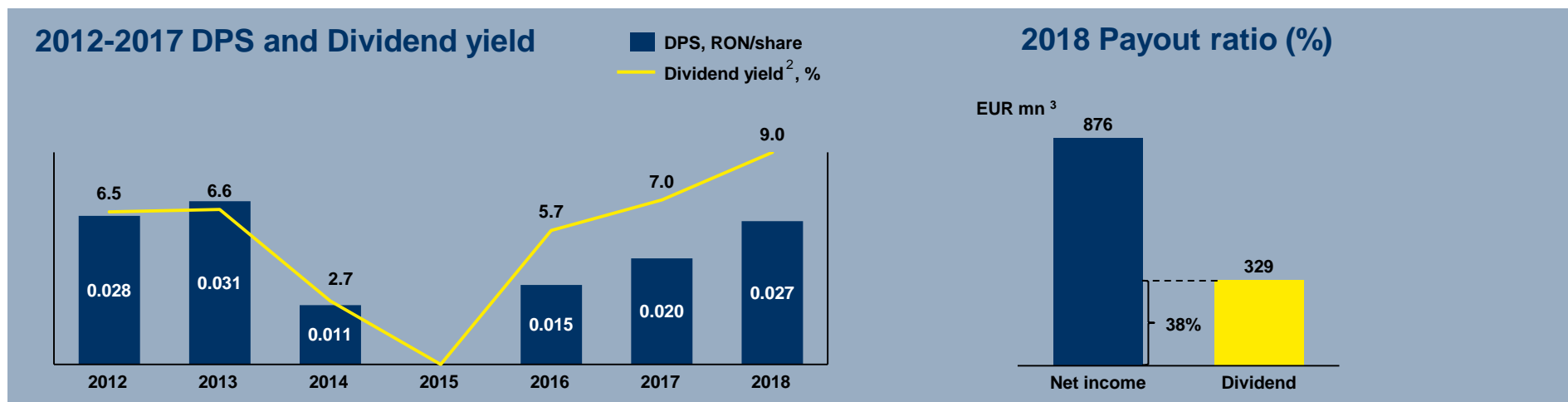


- ▶ 2018 CFI² 74% higher yoy
- ▶ Dividends paid in June 2018 up 33% yoy

¹ Operating Cash Flow; ² Cash flow from investing activities

2018 Dividend proposal: EUR 329 mn

- ▶ DPS¹ 2018: RON 0.027, up 35% yoy
- ▶ Dividend yield² 2018: 9.0%
- ▶ EUR 1.3 bn returned to shareholders in the past six years



¹ Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders on April 19, 2019; ² Calculated based on the closing share price as of the last trading day of the respective year; ³ Calculated at NBR average RON/EUR rate: 4.6535

Outlook 2019

Indicators	Actual 2018	Assumptions/Targets 2019
Brent oil price	USD 71/bbl	USD 65/bbl
Refining margin	USD 6.28/bbl	USD ~6.28/bbl
Production	160 kboe/d	~ -5% yoy ¹
CAPEX	RON 4.3 bn	RON 3.7 bn
FCF after dividends	RON 2.0 bn	positive

¹ Not including portfolio optimization

Q&A



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Backup



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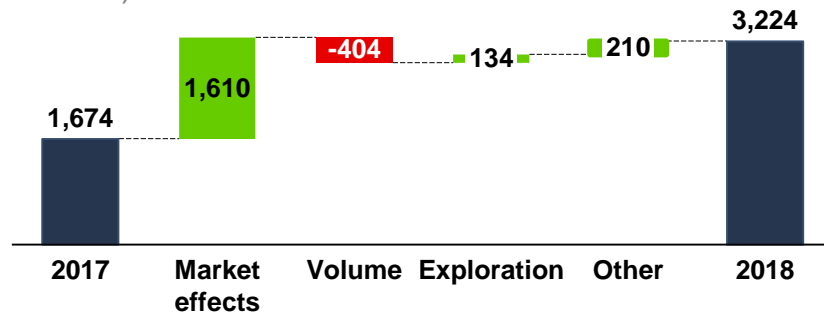
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Clean CCS Operating Result

Upstream

(RON mn)



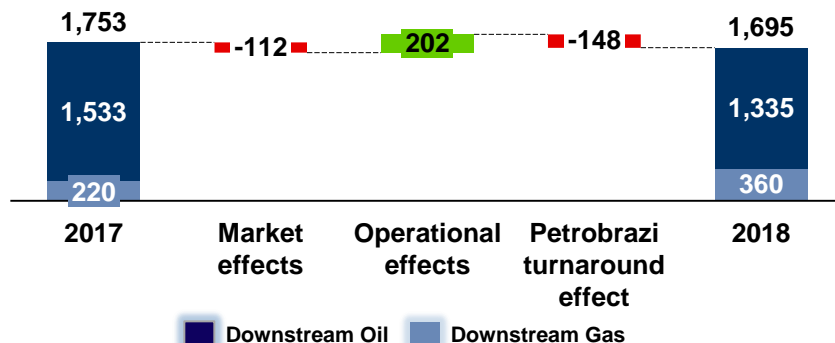
- ▶ Higher realized prices
- ▶ Lower total production costs
- ▶ Lower exploration expenses



- ▶ Negative FX development
- ▶ Sales volumes -6%

Downstream

(RON mn)



- ▶ Higher electrical output; higher availability of power plant



- ▶ Lower refining margins
- ▶ Lower spark spreads
- ▶ Lower gas sales volumes
- ▶ Insurance revenues: RON 82 mn in 2018 (2017: RON 137 mn)