

OMV Petrom Q2/19 Results

Christina Verchere, CEO

July 31, 2019



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The energy for a better life.

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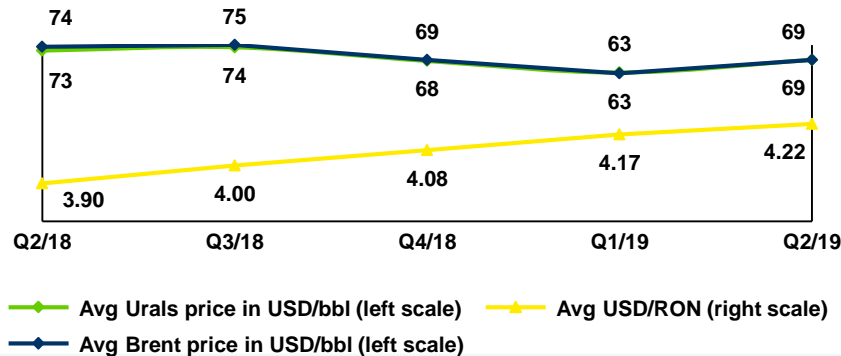
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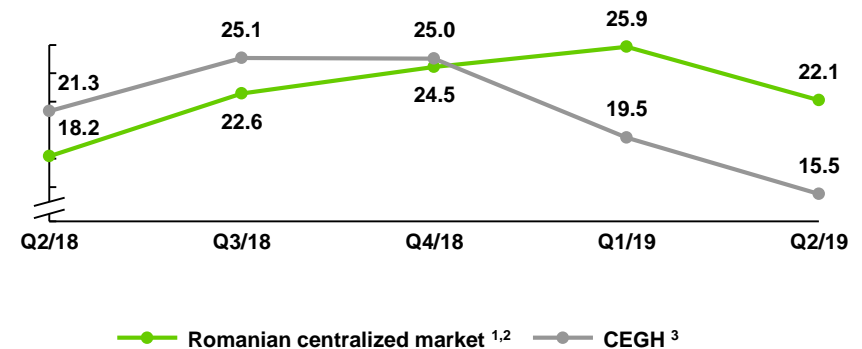
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Economic environment

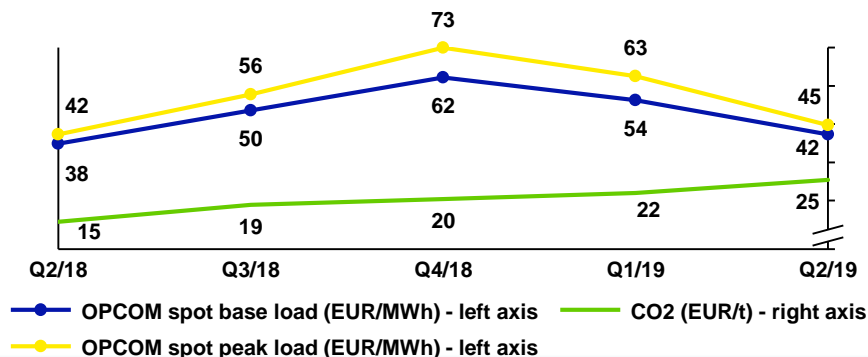
Oil price (USD/bbl)



Gas prices (EUR/MWh)



Power prices in Romania¹ and CO₂ prices



Romania

- **GDP growth⁴ Q1/19:** 5.0% yoy; **CPI⁴:** Jun 19/Jun 18 +3.84%; Q2/19 +0.83%
- **Demand Q2/19 yoy:** Fuels⁵ +4.5%; Gas⁶ +2%; Power⁷ +2%
- **Demand 6m/19 yoy:** Fuels⁵ +5.3%; Gas⁶ -3%; Power⁷ -1%
- **New reference price for oil royalties**

¹ Prices translated at NBR average RON/EUR rate; ² All transactions concluded on the Romanian commodities exchanges (BRM and OPCOM) in the respective quarter; includes various products in terms of storage costs, flexibility and timing; ³ Day-ahead market Central European Gas Hub; ⁴ Romanian National Institute of Statistics (INS); ⁵ Fuels refer only to retail diesel and gasoline; Company estimates based on INS data; ⁶ Company estimates; ⁷ Preliminary data from the grid operator

Key messages Q2/19

Financial performance



**Clean CCS
Operating
result**
RON 1.0 bn



**Operating
Cash Flow**
RON 1.4 bn



**Clean CCS
ROACE**
16.4%

Projects



Upstream:

- ▶ New shallow offshore drilling campaign started
- ▶ Hurezani gas treatment system completed



Downstream Oil:

- ▶ Optimization of fuel storage network completed: Arad depot modernization finalized
- ▶ Closed blowdown system in Coker unit implemented



Downstream Gas:

- ▶ Brazi shutdown finalized

HSSE

LTIR¹ July 2018 – June 2019: 0.25

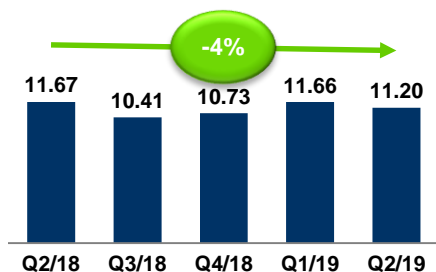
¹ Lost time injury rate (employees and contractors) for OMV Petrom Group

Operational KPIs

Upstream

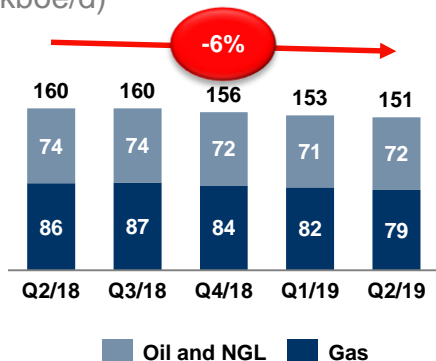
OPEX

(USD/boe)



Hydrocarbon production

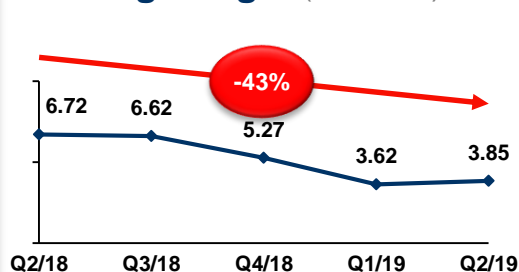
(kboe/d)



Downstream Oil

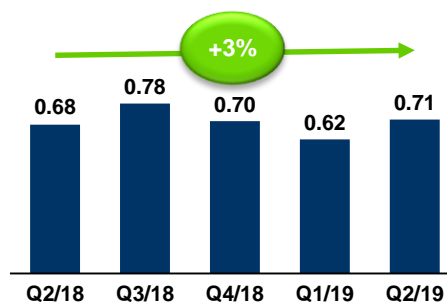
OMV Petrom Indicator

refining margin (USD/bbl)



Retail sales volumes

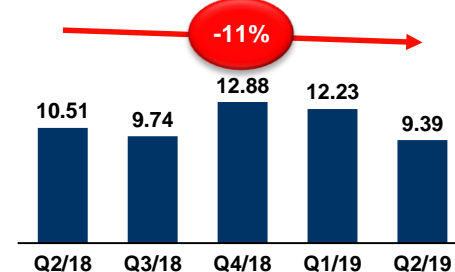
(mn t)



Downstream Gas

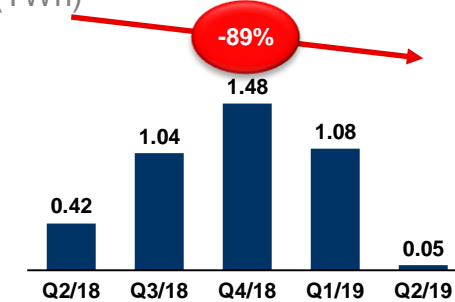
Gas sales volumes

(TWh)



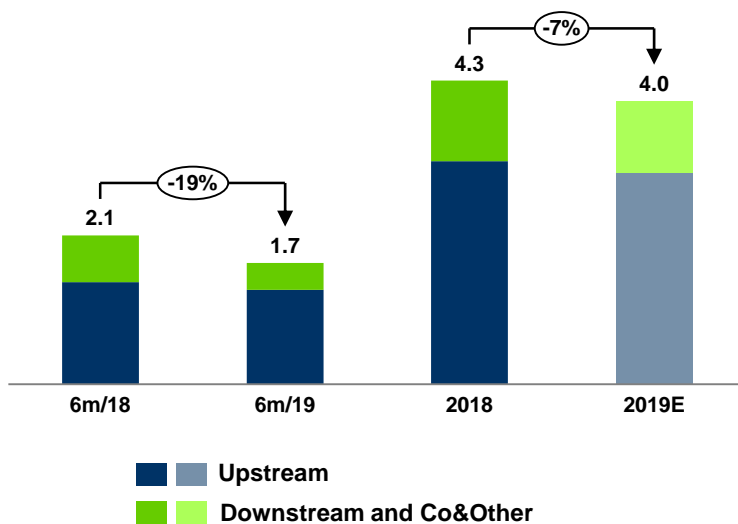
Net electrical output

(TWh)



CAPEX and E&A

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



CAPEX incl. capitalized E&A

► 6m/19 at RON 1.7 bn:

- 45 new wells and sidetracks drilled
- ~480 workovers performed
- Coker Closed Blowdown system
- CCPP Brazi planned shut down

2019E RON ~4.0 bn:

- Drilling ~100 wells and sidetracks
- Maintain a constant level of workovers yoy
- IFRS 16 treatment of a long term contract

E&A

- 2 wells spud in 6m/19
- 2 wells in experimental production
- Testing completed for 1 well
- 2019E exploration expenditure RON ~0.4 bn

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Alina Popa, CFO

July 31, 2019



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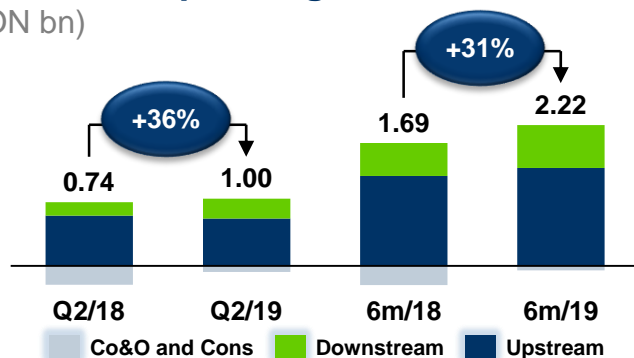


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Income Statement highlights

Clean CCS Operating Result

(RON bn)

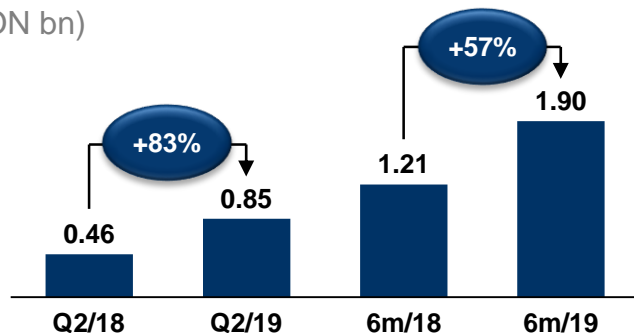


► Clean CCS Operating Result reflects:

- Favorable FX development and prices for fuel products and natural gas
- Higher sales volumes of fuels
- Low base effect due to refinery turnaround in Q2/18

Clean CCS Net Income¹

(RON bn)



► Financial result reflects:

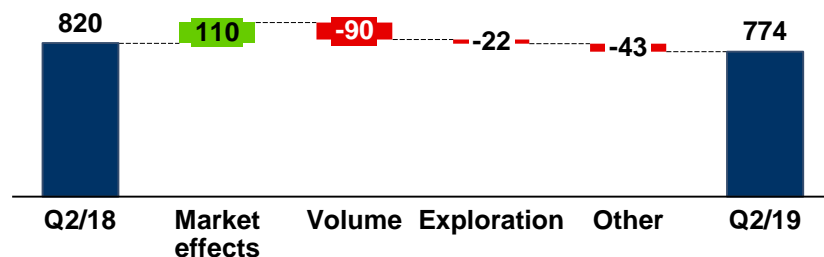
- Positive impact from discounting of receivables
- Higher interest income

¹ Attributable to stockholders of the parent

Clean CCS Operating Result

Upstream

(RON mn)



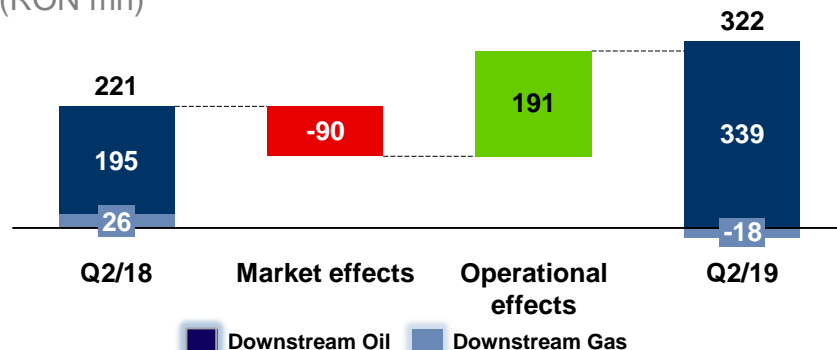
- ▶ Favourable FX
- ▶ Higher realized gas prices



- ▶ Lower crude prices
- ▶ Sales volumes -5%
- ▶ Higher exploration expenses

Downstream

(RON mn)



- ▶ 94% refining utilization rate
- ▶ Q2/18 refinery turnaround low base
- ▶ Refined products sales +23%

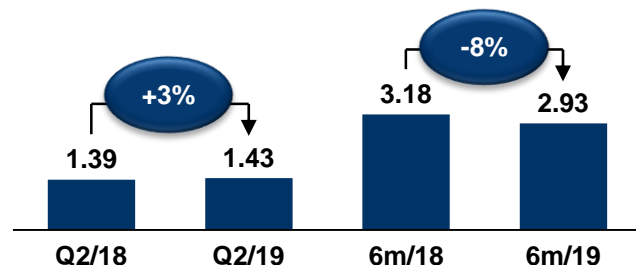


- ▶ Lower refining margins
- ▶ Lower gas sales volumes
- ▶ Lower electrical output

Cash Flow highlights: Dividends paid RON 1.5 bn

Operating Cash Flow

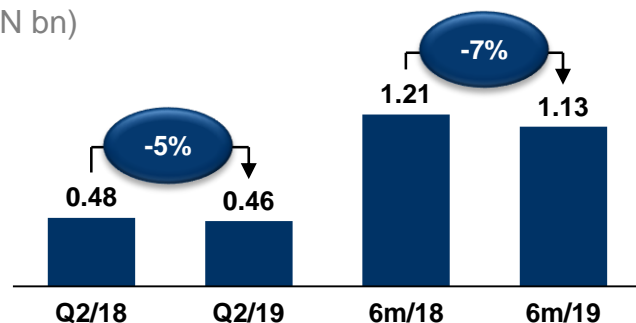
(RON bn)



- ▶ Q2/19 Net working capital: cash outflow RON 251 mn
- ▶ Adjustments for Other non-cash income

Free Cash Flow

(RON bn)



- ▶ Q2/19 OCF¹ +3% yoy
- ▶ Q2/19 CFI² +7% yoy

¹ Operating Cash Flow; ² Cash flow from investing activities

Outlook 2019

Indicators	Actual 2018	Assumptions/Targets 2019
Brent oil price	USD 71/bbl	USD 65/bbl
Refining margin	USD 6.28/bbl	USD ~5.00/bbl (previously USD <6.00/bbl)
Production	160 kboe/d	~ -5% yoy ¹
CAPEX	RON 4.3 bn	RON 4.0 bn (previously RON 3.7 bn)
FCF after dividends	RON 2.0 bn	positive

¹ Not including portfolio optimization

Q&A



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Back-up



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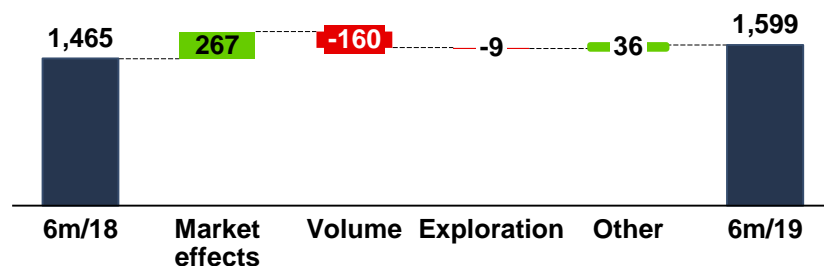
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Clean CCS Operating Result

Upstream

(RON mn)



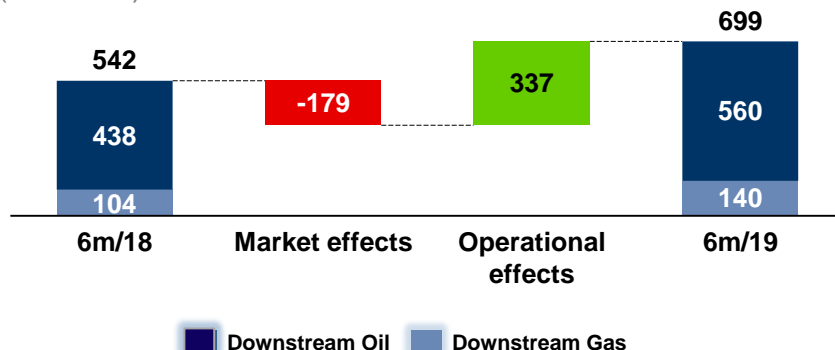
- ▶ Favourable FX
- ▶ Higher realized gas prices
- ▶ Clarification of a tax topic



- ▶ Lower crude prices
- ▶ Sales volumes -5%

Downstream

(RON mn)



- ▶ 95% refining utilization rate;
- ▶ 2018 refinery turnaround low base
- ▶ Refined products sales +14%
- ▶ Higher spark spreads



- ▶ Lower refining margins
- ▶ Lower gas sales volumes