

OMV Petrom Q3 2025 Conference Call – Q&A Transcript

OMV Petrom published its results for January – September and Q3 2025 on October 29, 2025. The investor and analyst conference call was broadcast as a live audio-webcast at 3:00 pm local time. **Below is the transcript of the question-and-answer session, with edits for readability and clarifications/additions included in brackets.**

Question from Ioana Andrei (UniCredit Bank Romania): I have a couple of questions. First, could you please give us a little more info on the litigation that led to a positive outcome in the financial result? Does it have anything to do with the litigation from the second quarter? And if the impact is only seen in the financial result?

Second, in G&P, the guidance for the regulated market sales remains at 10 terawatts for the full year, leading to less than two terawatts for the fourth quarter? Or does anything change in this respect?

The third, if you could please disclose more info on Neptun Deep project, if anything changed regarding the expected output, the estimated OPEX, maybe? What production level is expected for 2027? Anything would be helpful at this point.

Answer from Christina Verchere (CEO): Ioana, thank you very much for your questions. I will take your third question, and then Alina will take your first and second one.

On Neptun Deep, yes, we are on track for first gas in 2027. At plateau, we will be at 70,000 barrels of oil equivalent net to OMV Petrom. At this point in time, we are not disclosing yet the startup time in 2027, so we do not actually give a number yet. But ramp up should happen relatively quickly.

With regards to the progress of the project right now, we are drilling our wells in Pelican South. As a reminder, we have four wells in Pelican South and six wells in Domino. So we are currently drilling four wells in Pelican South and then we will move to Domino. We have good activity going on. Actually, we have finished the drilling of the micro tunnelling under the beach. For those of us who are in Romania, this takes the pipeline to about one kilometre offshore. We are also underway with the natural gas metering station here in Romania at Tuzla.

Then with regards to the platform construction, the topside is being built in Indonesia, the jacket in Italy and those are progressing well. Overall, the project stays on schedule and on cost and ready for startup in 2027.

Answer from Alina Popa (CFO): I'll start with the question related to the litigation and indeed it is connected to what we have announced in Q2. So it is a late interest payment. It is clearly a one-off, is related to an old litigation outcome in favour of the company, that came basically in two stages, first part in Q2 and the second part in Q3, further to clarification.

This litigation is more than ten years old. Legal process took very, very long and was concluded in Q2, but further clarified in Q3. Financial impact was reflected in Q2 and in Q3. In Q3, we only have financial revenue effect, so we do not have any EBIT impact. The impact in financial result is high double-digit million euro, representing late interest payments related to this old litigation. I hope I covered all the questions related to this.

Moving now to the Gas & Power. You are referring to the volumes sold to households and district heating for households at regulated prices. We have announced now for Q3 2025, 2.6 terawatt hours, a similar level with Q2 2025. And if we look into Q4 2025, it will be 1.9 terawatt hours. If we add up all the quarters, we are slightly above 10 terawatts for the year.

Question from Daniela Mandru (Swiss Capital): Turning back to the litigations. First of all, please be kind and disclose the figures because they are significant. And secondly, I do not understand why in the second quarter, they were booked both in E&P EBIT and in the financial result, and in the third quarter only in the financial results.

The third question mark related to this litigation is why you put them in the Clean CCS net income? After all, they are one-offs.

Answer from Alina Popa: So in Q2, this litigation has a principal amount that was litigated. And being so old, it has an interest from the moment the litigation started until today. Then the principal is always reflected into EBIT and the interest into the financial result.

If we look at why not special? We looked at the original treatment. The original treatment was not special when we booked originally the expense, as I said, more than 10 years ago. Therefore, the reversal cannot be special {either}. This is the general principle: we follow the original treatment.

Now, it was a lack of clarity around the interest, and that is why the interest was put partly in Q2 and then the second part in Q3. That is why in Q3 we only have additional interest. We do not have principal anymore, because that was clarified by the litigation itself at the end of Q2.

Question from Daniela Mandru: But why is such a big issue not to disclose the exact figures? I don't know, because I do not have all the lines in the financial results. But to give you an example, just from my estimation in the third quarter, this financial gain is around RON 350 million. So it's big only in the third quarter. In the second quarter, the interest income from this litigation is estimated by me at RON 170 million and RON 200 million in E&P. That is why it is important to note these figures. I do not know why you do not disclose it by result {for us to} know {how} to adjust a little bit the models.

Answer from Alina Popa: I mean, we give an indication and I can give you the indication, but we do not disclose exact figures. As you might understand, there is a lot of confidentiality around these topics. So we try to guide you as good as we can. For Q3, we talk about high double-digit million euros. So I think you are not far away from it. So high double digit million euro, all in financial results. This is in Q3.

If we look back in Q2, we talk again about high double-digit million euro in total; in EBIT, mid double digit-million euro and the rest in the financial result. And this should help for the modelling. Thank you for understanding that.

Question from Daniela Mandru: Still I have some questions related not to litigations, to other things. For example, G&P. G&P is another segment very hard to model. So if it is possible to have an outlook for the last quarter of the year. I do not know, a budget. Because I think it is pretty clear for you where the result of the segment will end {up}, in the last quarter of the year.

Then the other question, regards the one-offs. So should we expect other one-offs in the last quarter of the year? I have another question. Do you believe that the refining margin in the last quarter will remain above \$10 per barrel? And regarding the G&P, maybe you can disclose, for the first nine months of the year, what were the volumes sold in the Power business from third parties?

Answer from Christina Verchere: I will take your question with regards to the refining margin and then hand back to Alina.

I think it is fair to say, we saw strong refining margin in the third quarter, and that led us to increasing our full year number, with regards to being above \$9/{bbl}. What we have seen so far, the fourth quarter has started strong, there is no doubt about that. We are anticipating, as you would expect in the fourth quarter, there is an easing off of gasoline sales. So we should expect some softening in the fourth quarter.

However, I think it is fair to say on the diesel side {that} there is more volatility that could maybe keep the refining margin higher in the fourth quarter. So we do anticipate, although we think it will come down in the fourth quarter, it will continue to stay strong, but we do not give an absolute amount.

Answer from Alina Popa: {On} the Gas & Power outlook for Q4, we {estimate that} high volatility {will} continue. However, considering also seasonality and Q4 being generally better, we expect this result in Q4 to be, first of all, positive. And you will have seen we already started to be positive from Q3. We still expect to continue {to be positive} in Q4. Also in the context of seasonality, we expect to be broadly higher than Q3. That would be what I can say about outlook {for the} Gas & Power result.

Moving to any other one-offs, every quarter we evaluate triggers for impairments. And in the same way we will do also for Q4. Also in Q4, we will have a revision of our MTP {mid-term planning} prices. If {there is} any impact, of course, we will announce accordingly. There is nothing that we know already with regards to that.

Coming to your last question related to power sales volumes, we have not disclosed this figure, but it is quite sizeable.

Question from Oleg Galbur (ODDO BHF): I have a few questions. The first one, OMV has announced a workforce reduction programme, which I believe will also have an impact on OMV Petrom. Can you please provide some details with respect to the expected impact on operating costs? When are the measures expected to be implemented, and to what level of one-time costs would you expect, if any?

My second question relates to your exploration activities in the Black Sea. Can you please share with us the exploration timeline for the Bulgarian perimeter? How many exploration wells do you plan to drill? How much CAPEX have you planned for these activities for next year, for example? And how long do you think it will take to assess the reserve potential of the block?

I have another question on CAPEX. I noticed quite some difference in the first nine-month figures between the cash CAPEX and the reported CAPEX. So it is RON 1.7 billion difference in favour of the cash CAPEX. And I was wondering if we would assume a RON 8.2 billion as per your guidance, organic and inorganic CAPEX for the full year, does it mean that the cash CAPEX can be closer to RON 10 billion? That would be my third question.

I have one more question, but it is a longer one. So if you do not mind, I will ask it afterwards.

Answer from Christina Verchere: Okay. I will take your first and second question. Then Alina, I will leave to you the cash CAPEX and CAPEX, if that is okay.

With regards to your question on workforce reductions, be assured that we are looking at cost challenges. We are looking at the transition to {a lower} oil price {environment}. And we have, as we have talked about, programmes in place with regards to drive the efficiency of our costs overall, which has one component that is looking at the size of our workforce overall. So we have been actually making some reductions.

We have roughly an expectation of about 1,000 reduction in headcount, of which we are more than halfway through that, already actually, probably most of it being done this year, but some of it will be done actually in 2026 and 2027. Yes, we are continuing to do that and we continue to work on many measures, {that are actually} already underway. I hope that answers your question.

With regards to cost, Alina, on that it's you. Maybe we come back to that in a few minutes here.

Question from Oleg Galbur: Maybe you can put also some numbers on the table in terms of cost reduction expected or whatever it is possible to be announced at this stage.

Answer from Christina Verchere: Let just give us five minutes on that and I will come back to you. I will take the exploration activities in Bulgaria. I am glad {that} you are as excited as we are overall.

Yes, we have now brought in a partner. Just as a reminder, we are the operator of the Han Asparuh block, which is the neighbouring block to the Neptun Deep block in the Bulgarian Black Sea waters. We have brought in a partner, NewMed. We have contracted a rig, Noble's Globetrotter I rig, to come in and drill two offshore exploration wells. The campaign is expected to spud by the end of this year, the first well. We have two wells to drill. So I hope that we will be finished probably at the very latest by the middle of the {next} year.

Overall the expenditure for the two wells in total is about 170 million. However, we are not paying for all of those because that is part of the planned carry-over of NewMed coming in into the block overall.

With regards to timing of results, we will need some time to analyse results and see. But as soon as we have something exciting to tell you, we will, of course, tell you. But I think we are very excited about this activity, and I think it fits in very well. I mean, let us talk about the bigger picture and just the overall regional gas and our position with regards to Black Sea, the improving geological prospectivity that we see in the Black Sea and how we believe we have positioned ourselves very strongly, as {a} regional player with our position in Romania and our position in Bulgaria as well.

So again a strategic thing. Neptun gas in 2027. And we will drill some exploration wells in Bulgaria. So glad to see your excitement too.

Question from Oleg Galbur: And we are talking about RON 170 million, right?

Answer from Christina Verchere: No, euro. These are deepwater wells and deep, deepwater wells. They are not RON, euro.

Answer from Alina Popa: So, continuing on the question around cost. We have very comprehensive cost programmes in all divisions, where we work on rebuilding our resilience overall. Total cost saving target is approximately EUR 150 million to be achieved in 2027 versus 2024. This includes people, services, simplification, automation, everything we can imagine, and we really spend a lot of time to really make sure that we are resilient for challenging times that might come ahead.

Then CAPEX, I propose that we take this separately. Generally, there is a difference because we are paying some advances. We have a CAPEX recognition based on percentage of completion. But I could not reconcile the number that you referred to. So I see higher cash CAPEX, but not by that much. So I propose that we take it separately with the IR team, and we will explain exactly the difference. But advances are normal in the industry.

Question from Oleg Galbur: Understood. Then let me ask my last question, please. Now that Petrom's exposure to renewable energy projects has increased, I would like to kindly ask you to consider providing regular updates on these projects, which will help us reflect better the future earnings contribution, right? And today, maybe, I would like to ask for more colour on the projects expected to be put in operation this and next year. Can you tell us, for example, what are the main challenges that you are facing with the development of these projects? Are those challenges related to the accessibility of grants and non-reimbursable funding, or is it about getting all necessary approvals or issues related to the supply chain? Have any of these challenges caused delays in the implementation of specific projects? Anything would be very helpful just to get a bigger picture and a better sense of how this business is being implemented and developed.

Answer from Christina Verchere: Another exciting new area. So we are pleased. I think as we mentioned in the speech, we have 800 megawatts currently under construction. We have 70 actually in operations. So a smaller amount actually in operation overall. And the rest that we are working towards is actually still in the development phase overall. Our goal is to get to {more than} 2.5 gigawatts by the end of the decade, overall, {all numbers here together with partners}.

With regards to challenges, I would say overall, {that} generally, we are pleased with the costs that we are seeing in the tendering side. So overall, I think this is going in the right direction. Generally, {for} most of the projects, we make sure that the access to the grid is a requirement for us to be in the project. So this is a de-risker for us. This is really important. But as always, permitting takes a bit longer. So I think that is a fair challenge for us.

And obviously, we know our jurisdictions well. But I would say that is probably where we are seeing a little bit more of the delay overall. But slowly we are moving through the portfolio overall.

I am looking at Alina, do you have a view on timing? I think Oleg wants to know when the money is coming in.

Answer from Alina Popa: Point taken, Oleg, around the disclosure. We will look into it and do more on that. Now I will add to the challenges mentioned by Christina also, the EU funding remains a challenge in terms of timing and nothing else, but it requires a lot of patience and a lot of documentation and so on.

When it comes to the timing, we do not expect something major next year. It is rather 2027-2028. And when we come closer, definitely we will think how to provide better disclosure on that.

Question from Tamas Pletser (Erste Bank): I am actually interested in the taxes. You mentioned these two taxes, the construction tax and the oil and gas revenue tax. Can you tell us what is the amount? You had an expense on these two taxes in 2025 and what could it be in 2026? And where exactly you booked these items in your P&L statement?

Answer from Alina Popa: When it comes to tax on constructions, we had approximately RON 77 million {to} RON 80 million for full year 2025, {~RON 70 million after the discount for advance payment}. This is in EBIT. This is, even in production cost, as a tax. That is tax on constructions. And this will continue to be in the future as well. Relatively at the same level. I mean, slightly higher with the CAPEX because it is a tax, which is 0.5% of net book value of the assets.

With regards to the second tax, 0.5% tax on turnover. The impact for Petrom S.A. and OPM will be up to RON 250 million for 2025. That is our estimation. Similar, it is a tax that is reflected into the EBIT result. The biggest part goes into Refining and Marketing segment.

And when it comes to this, the plan is to expire by end of this year. So this tax should not exist for 2026.

Question from Tamas Pletser: Can we expect that your result will be higher by this figure on the EBIT level per se in 2026, because this tax will not occur again?

Answer from Alina Popa: It is 0.5% tax. Clearly, of course, always we should consider all the other effects in our results, like the volatility of prices and all that. But when it comes to this tax, it is planned to expire. So this will not exist next year.

Question from Irina Răilean (Mosaic 8): Thank you for your presentation and for taking my last remaining question regarding the gas market outlook beyond the deregulation next year. How do you see prices? Have you started to sign contracts with delivery in 2026? And generally, after all these network improvements that have been made in Romania, how correlated are Romanian gas prices with regional hubs or with European benchmarks?

Answer from Alina Popa: When it comes to gas market, indeed, we are looking forward to liberalisation, deregulation of the gas market starting with Q2 next year. We expect that gas prices will be correlated with the general hub prices as well. What we see is that whenever Romanian and Bulgarian markets are well supplied, Romanian markets are in line with the Bulgarian markets. And while Romanian market is tight, prices tend to align with Hungarian prices. So to go above CEGH.

Generally speaking, if we look into Q3 2025, we see {that} the BRM {price} was below CEGH by 2 {EUR/MWh} and {in} Q2 similar {with CEGH price}. But if we look into Q1, we had a premium of BRM versus CEGH of 3 EUR/MWh.

So it is very volatile. It depends a lot of how the supply-demand goes. But generally speaking, it should be aligned overall. We are also looking forward to how the things will be next year and definitely we will come back with more news with the Q4 results.

Question from Irina Răilean: And then maybe just a follow up here, regarding this LNG terminal in Greece that has been put into operation. How does this impact Romania? And can OMV Petrom actually physically import LNG, gas from that point? Will that help balance the market?

Answer from Christina Verchere: In principle, we say yes. I mean, any supply is good overall. That is what we could say. But we will have to see also what is happening with all the latest news around the Russian gas as well as the big picture. That is something that is quite recent and we are trying to understand as well.

But overall, the more sources of supply, the better for the market. And this also shows the importance of Neptun gas that will come in 2027.

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