OMV Petrom Q3 2026 Conference Call – Q&A Transcript

OMV Petrom published its results for January – September and Q3 2026 on October 29, 2026. 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/corrections included in brackets.***

Questions from Oleg Galbur (ODDO BHF): Thank you for the presentation, and congratulations on the strong results. I have several questions. My first one relates to the agreement on the royalty adjustment, which has not yet been implemented. Now that Romania has a new government, when would you expect these agreed changes to take effect? Secondly, given the continued volatility in refining margins, could you please tell us what average indicator refining margin did you have in the month of October, and how much of the indicator margin is Petrom effectively capturing after accounting for crude differentials and logistics costs?Thirdly, could you please provide more details on the increased 2026 CAPEX? I understand that part of it is due to the shifting of Neptun Deep CAPEX from 2027 to 2026, but I wonder how much is also driven by higher investments in low and zero carbon project, as you mentioned.

Answer from Christina Verchere (CEO): I will take your first question with regards to license extension, which comes with the royalty adjustment, and Alina will come to the refining margins and your 2026 CAPEX question.

As you know, at the end of last year, we signed a set of principles with the Romanian state with regards to the extension of the onshore and Petromar licenses. Then we progressed quite a lot of it, but then with the change and not having a government in place, obviously things stalled at the decision-making level. Things were continuing to work at the technical level. Now that we have a government in place with the decision-making capabilities needed, we will be looking to move this forward as fast as we can.

Answer from Alina Popa (CFO): Going to your second question. On the October indicator refining margins, what we see at least until today is quite strong refining margins, somewhere around $22 per barrel in October so far.

Going to the second part of your question, indeed, indicator refining margin is just an indicator, and in today's environment does not capture the full reality. What we see is that the crude premiums to Brent are significantly higher than what we have experienced in the past. This is mainly due to higher freight cost and also higher insurance premiums. What I could indicate is that we see these premiums somewhere between three to five times higher than what {they} would be in normal times. This means that these crude premiums reduce our realised refining margin by comparison with indicator refining margin.

Moving now to your third question, if we look into the reason for CAPEX increase for 2026, this is driven mostly by the Neptun Deep project. Here we talk about different phasing and moving {capex} from 2027 to 2026. It is also a little bit {of} some movements from 2025 to 2026.There is also some exchange rate effect when we look into the RON-denominated budget, which is subject to our general meeting of shareholders. Overall, most important for a project {such as} Neptun, {is that} we remain {at} broadly €2 billion CAPEX for Neptun, as we have announced, {and} that we will have the first gas in the first half of next year. When it comes to LCB, there is nothing significant there in terms of CAPEX increase.

Question from Oleg Galbur: If I just may ask, is there any chance to get a feeling of what was, or what is the differentials in the normal times? Differentials to Brent.

Answer from Alina Popa: It is quite sensitive information. We have discussed a bit. We do not provide this information, Oleg.

Oleg Galbur: Totally understood.

Questions from Jonathan David Lamb (Wood & Co): I have a couple of small questions. One, your gas sales were down in the quarter compared to last year. Also your regulated gas sales were down a lot. I understand that was partly due to regulatory changes. Did you actually reduce your sales so as to sell more to the free market? Or is this because you sent more to {Brazi}? What was the reason for the drop?

The other thing, there were news the other day that you have three new renewable power plants online. What is your expectation for production from them in the next quarter? Is there anything else? I know you have got lots of things in the pipeline. Is there anything else that is coming on soon?

Answer from Alina Popa: Coming to the gas sales, you indicated correctly, the main reason for lower gas sales in Q3 this year versus last year is really lower regulated sales, which basically triggered for us lower sales overall. There is nothing else significant that I could mention otherwise.

When it comes to the renewables, indeed, we are having a lot of activities there. It is still small in size, so I would not expect that you see something really significant in terms of numbers. That would be expected rather {in} 2027, {actually} rather {in} 2028, to be honest. We indicated at our Capital Markets Day what will be the RES impact, somewhere around {EUR} 100 million in 2030 as EBIT impact, while we have all the projects coming on stream. Next quarter, still small.

Question from Oleg Galbur: I have a follow-up question on the Romanian macro environment, because you mentioned that you see quite a weak economic environment in Romania. I was wondering which areas of Petrom's business and earnings do you see as most exposed to this weak economic environment?

Answer from Christina Verchere: It is a great question. What we have actually seen, if you actually even just see what has happened this year, is that demand for fuels has stayed stronger than we expected, given what is going on. Although we have seen on the industrial side, some impact there. At the same time, there is still quite a lot of investment happening in the country with regards to the construction side, the road side, because of the EU funding coming in. So that is a kind of slight balancer to that overall.

Answer from Alina Popa: And I would add, if we look into the fuels, what you can see is that our retail sales and our total sales overall increased more than the market. This is in the context of a market distortion generated by {these} regulatory {interventions}. Also, looking at the nature of our company, integrated company with the dual brand approach, what we see is a movement of sales {from OMV branded filling stations} rather to more sales {from Petrom ones}. Correlated with our moderate pricing policy, we see that basically this translated into higher sales for us, despite a weak environment overall, where basically we increased our market share. All in all, if we look at this year, demand for retail fuels and gas is expected to be stable, while power demand is expected to be slightly lower.

Answer from Christina Verchere: Just pulling back, I think it was a very important thing actually to see a government put in place. We have seen actually that the rating agencies have been able to hold the investment grade. This has been important. We know that actually getting a government in place, really making and looking at the fiscal agenda of the country has been quite important to that. We know that is a key priority for this government as it comes in as well, and I think this will be a part of what does the economic environment look like going forward. Let us see how that unfolds, Oleg, but it was an important step forward here.

Question from Oleg Galbur: That is very useful. If I may, an additional question on the regulatory environment. The impact of the solidarity tax in the third quarter was at the level of RON 266 million. I understand that it depends very much on the levels of crude oil and petroleum product prices. In the current price environment, so far in October and what you expect for the fourth quarter, would it be fair to assume a comparable level of solidarity tax, or still it can be significantly lower versus what has been reported for the third quarter?

Answer from Alina Popa: What we see, Oleg, is that it was put in public consultation, a draft, which basically is prolonging the same terms, meaning the same what we have until now, which will indicate that in the similar price environment, we will have similar impact overall. That is not yet approved, but it is a draft government decision that is public right now. You have all the details. It depends on oil price and diesel quotations, and you can do simulations depending on how you see the quotations evolving.

Questions from Irina Răilean (Mosaiq8): My question is regarding the gas market and how do you see this deregulation starting April next year, given now that we have a government that says something like that there will be gradual deregulation? What can we expect from a gradual deregulation in your understanding? How in general are you adapting your commercial policy or updating your gas contracts? Under what assumptions? What available quantities do you forecast, or do you see total deregulation starting April? What factors do you take into consideration? Because for now, it is quite uncertain, but you still need some available quantities.

The second one also regarding the gas market, how correlated are your contracted gas prices compared to what is happening on the international markets? How much of that growth is OMV Petrom {able} to capture starting this gas year from 1st October?

Answer from Alina Popa: Let me try to answer your question. When it comes to the gas market, clearly we advocate for a free market. Free market principles are so important for developing our country and investments and so on. We understand the need of intervention for vulnerable consumers, but the principle overall, it is free market. The regulation in place right now is until the end of Q1 next year. We will not speculate on what could happen, but it is clear view on our side that free market environment is the best basis for investments.

When it comes to gas contracts, yes, this is the challenge we are living in that we need to navigate through times of uncertainty where you do not know exactly what will happen and so on. We have a great sales team, all I can say, and they are used to volatility and uncertainty in the way they approach their gas contracts.

When it comes to the second question on the gas prices, what we have experienced in Q3 was a bigger delta difference between the BRM, the Romanian spot gas market and CEGH. This was primarily driven by disrupted LNG supply, which affected CEGH prices much more than our BRM. We have seen a difference of €6, €7 per megawatt-{hour}, which is much higher than what we have experienced in other times, {when} they were much more correlated.

When it comes to our realised price, we do not disclose our realised price, but we say they are broadly in line with the Romanian market for the unregulated quantities, of course. I hope this helps.

Questions from Irina Răilean: One follow-up question regarding our gas market. I saw the volumes on the BRM are quite low compared to the overall market, let us say. How useful do you see, or how relevant are those prices for the overall market, given the small liquidity of the BRM compared to the whole market or whole gas consumption?

Answer from Alina Popa: It always depends, but there is a certain correlation, I would say, overall. With gas, it is always depending on when you do the contract, when you deliver the gas. It is more complex, the gas market, than otherwise, because if you have a contract done a year ago with a price, it could be very different than a contract done now for the next month. So it is quite more complex the way this comparison can be done. You look at day ahead, you do look at contract signed in the period, but there is a correlation. This I can confirm. Not a perfect correlation, but quite a high correlation overall.

Questions from Daniela Mandru (Swiss Capital): I have only one question regarding dividend. With this year, the free cash flow before dividends is now expected {to be} broadly neutral. How should we assess the capacity for a special dividend alongside base dividend and the remaining Neptun Deep funding requirement? So should we see scope for a substantial special dividend?

Answer from Alina Popa: Thank you, Dana, for the question. Our dividend policy remains unchanged, and what is relevant there is that the relevant indicator is operating cash flow. So you look at operating cash flow that you estimate for this year, and then our dividend guidance says that, overall, the base dividend, the special dividend, should be above 40% of operating cash flow of the previous year. That is the principle. We have a base dividend, which should be increasing, being higher than the previous year. We also indicated there 5% to 10%, but going further to that, to your question around special, you can see, depending on your estimation of operating cash flow this year what would be the second part around special.

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