

OMV Petrom Q1/19 Results

Christina Verchere, CEO

May 3, 2019



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The energy for a better life.

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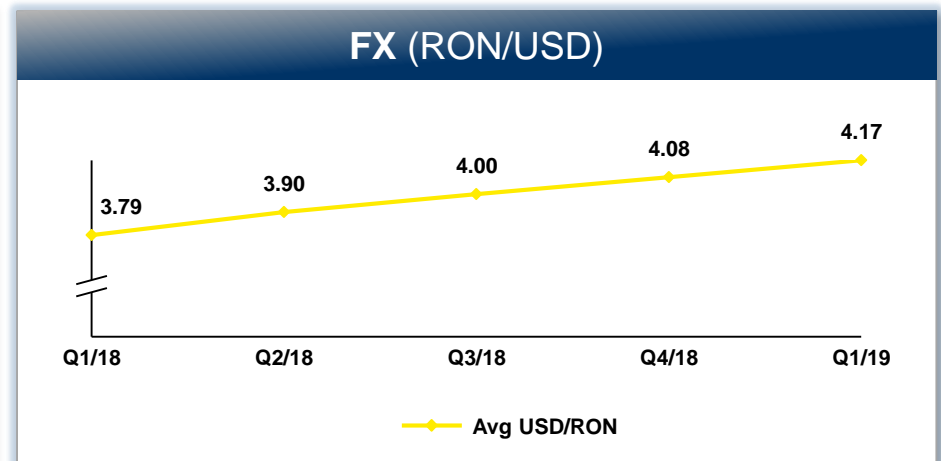
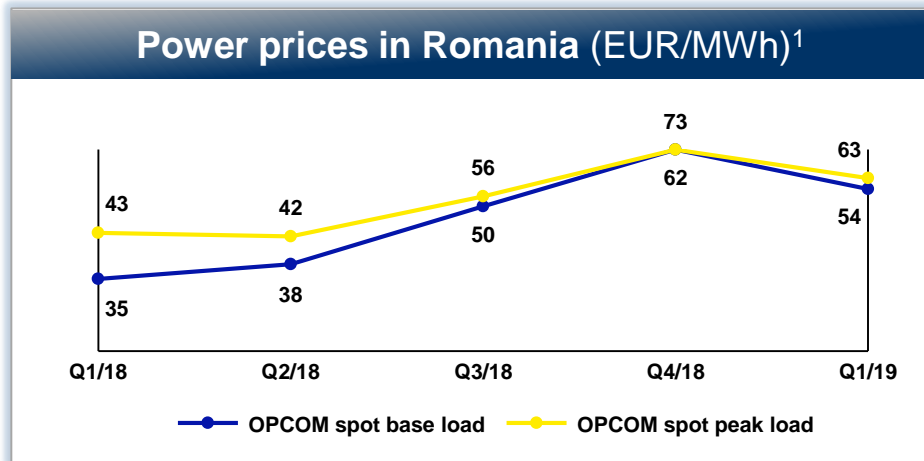
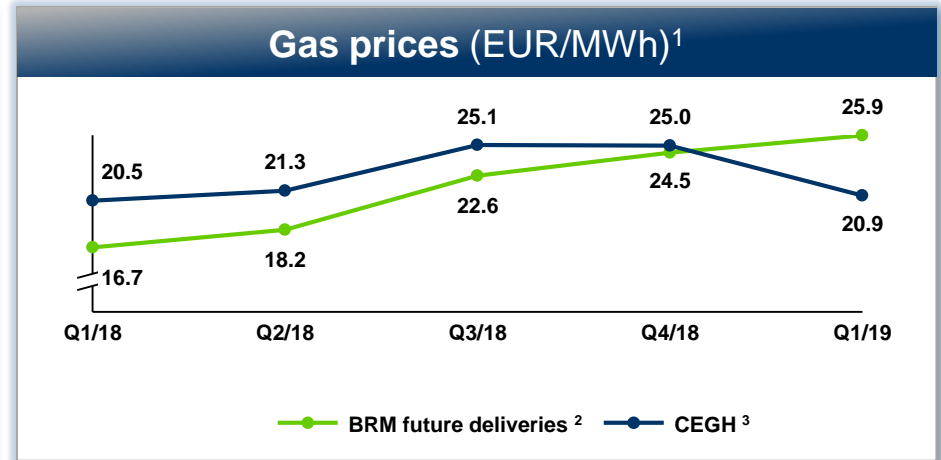
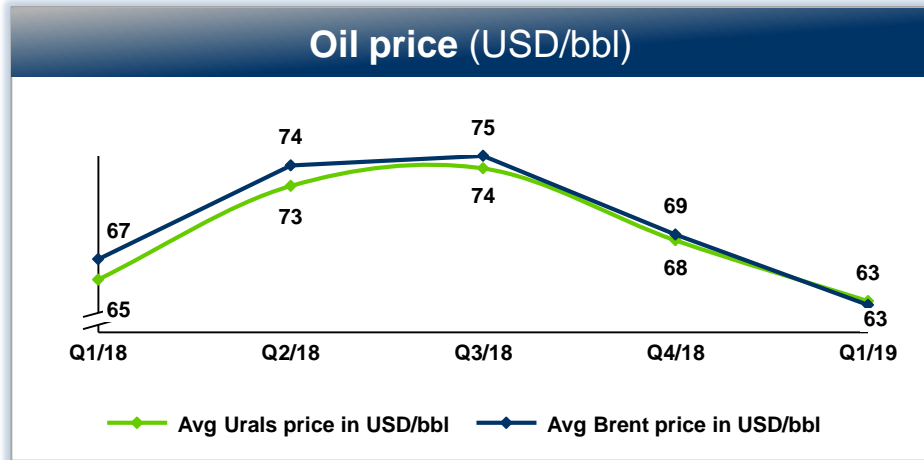
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Economic environment



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 Day-ahead market Central European Gas Hub

Romanian environment

Macroeconomic environment

Provisional 2018 GDP growth¹:
+4.1% yoy;

Q4/18 GDP growth¹: +4.0% yoy

CPI annual inflation: Q1/19:
2.1%; Mar 19/Mar 18: 4.0%

Demand:	2018 yoy	Q1/19 yoy
Fuels²	+1.6%	+6.2%
Gas³	stable	-4%
Power⁴	+2%	-3%

Fiscal framework

**GEO 114/2018 amended by
GEO 19/2019:**

- gas price cap for households⁵: RON 68/MWh
- regulated power price for households
- 2% fee on gas and power operations ⁶
- 0.5% supplementary tax on crude revenues extended

¹ Romanian National Institute of Statistics; ² Fuels refer only to retail diesel and gasoline; OMV Petrom estimates based on Romanian National Institute of Statistics data; ³ According to company estimates; ⁴ According to preliminary data available from the grid operator; ⁵ For gas supplied to households and district heating companies supplying households; ⁶ The basis for this fee is calculated according to ANRE regulations

Key messages Q1/19

Financial performance



Operating Cash Flow
RON 1.5 bn



Clean CCS Operating result
RON 1.2 bn



Clean CCS ROACE
15.2%

Strategic Milestones



Portfolio optimization:

- ▶ Transfer of 9 marginal fields to Mazarine Energy Romania closed in March
- ▶ Divestment process for further fields ongoing



Polyfuel:

- ▶ Production started in March
- ▶ Innovative technology used to convert LPG into gasoline and diesel

HSSE

LTIR¹ Apr 18 – Mar 19: 0.23

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

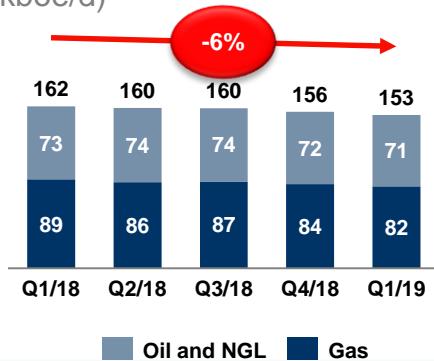
Operational KPIs

Upstream

OPEX
(USD/boe)

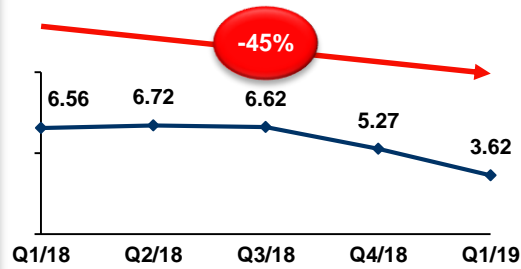


Hydrocarbon production
(kboe/d)

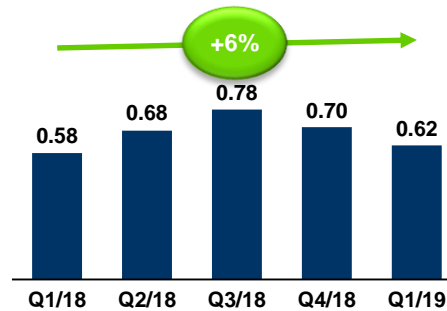


Downstream Oil

OMV Petrom Indicator refining margin (USD/bbl)

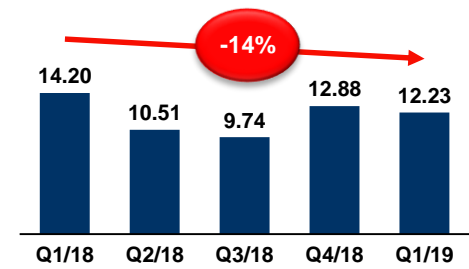


Retail sales volumes (mn t)

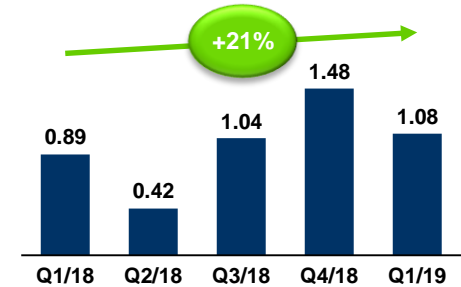


Downstream Gas

Gas sales volumes
(TWh)

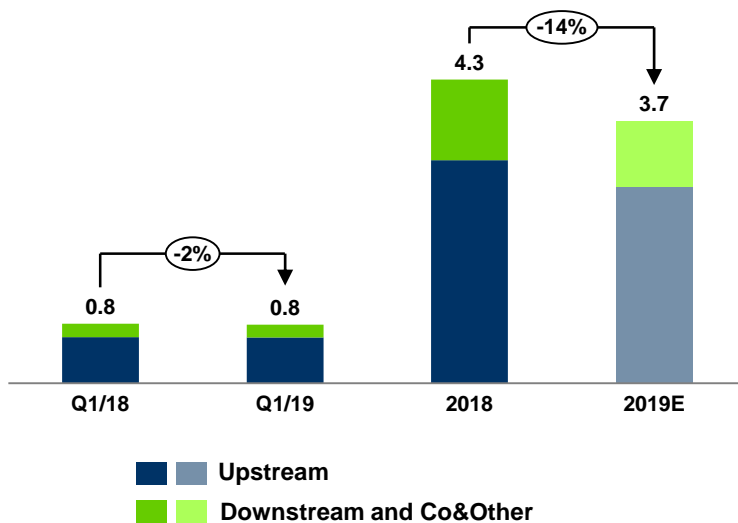


Net electrical output
(TWh)



CAPEX and E&A

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



CAPEX incl. capitalized E&A

▶ Q1/19 at RON 0.8 bn:

- ▶ 21 new wells and sidetracks drilled
- ▶ 244 workovers performed
- ▶ compliance projects in refining

2019E RON ~3.7 bn:

- ▶ Drilling ~100 wells and sidetracks
- ▶ Maintain a constant level of workovers yoy

E&A

- ▶ 2 wells spudded in Q1/19
- ▶ 2 wells in experimental production
- ▶ Testing completed for 1 well
- ▶ 2019E exploration expenditure RON ~0.4 bn

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Alina Popa, CFO

May 3, 2019



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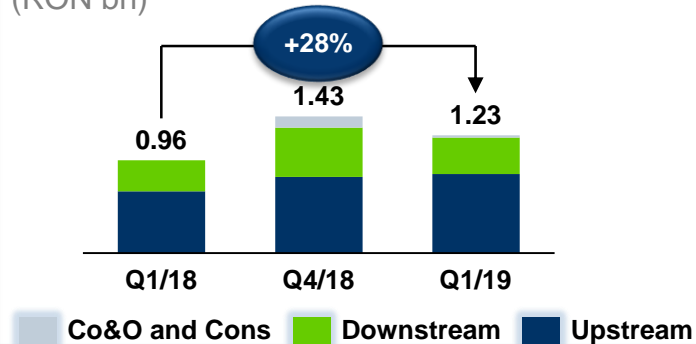
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Income Statement highlights

Clean CCS Operating Result

(RON bn)

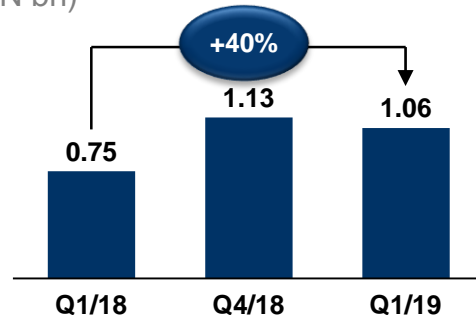


► Clean CCS Operating Result reflects:

- Favorable commodities prices and FX development
- Higher sales volumes of fuels and electricity
- Lower exploration expenses

Clean CCS Net Income¹

(RON bn)



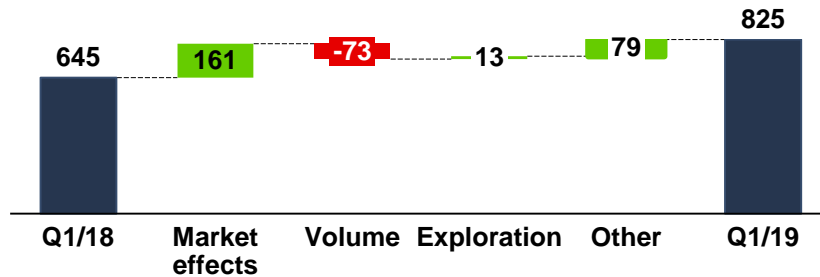
► Financial result reflects:

- Higher interest income
- Favourable FX effects

¹ Attributable to stockholders of the parent

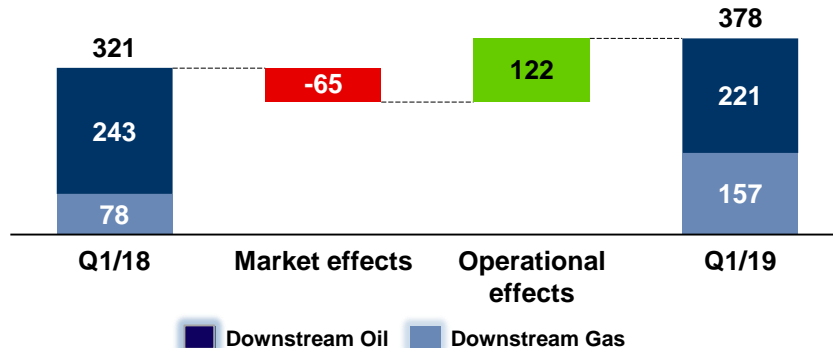
Clean CCS Operating Result

Upstream (RON mn)



- ▶ Higher realized gas prices
- ▶ Favourable FX
- ▶ Clarification of a tax topic
- ▶ Lower exploration expenses
- ▶ Sales volumes -5%

Downstream (RON mn)

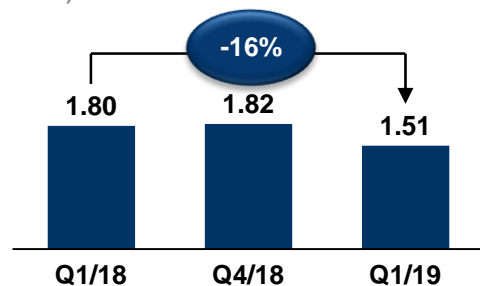


- ▶ 96% refining utilization rate
- ▶ Refined products sales +5%
- ▶ Higher electrical output
- ▶ Lower refining margins
- ▶ Lower gas sales volumes

Cash Flow highlights

Operating Cash Flow

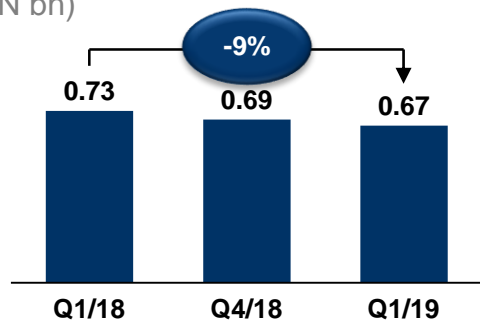
(RON bn)



- ▶ Q1/19 Net working capital: cash outflow RON 188 mn
- ▶ Higher cash outflow for profit tax yoy, RON ~160 mn

Free Cash Flow

(RON bn)



- ▶ Q1/19 OCF¹ -16% yoy
- ▶ Q1/19 CAPEX -2% yoy
- ▶ Q1/19 CFI² -21% 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 <6.00/bbl (previously 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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