

OMV Petrom Q3/18 Results

October 31, 2018
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CEO



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Key messages Q3/18

Financial performance



Operating Cash Flow
RON 2.4 bn



Clean CCS Operating result
RON 1.7 bn



Clean CCS ROACE
11.8%

Operational drivers



Production 160 kboe/d, -4% yoy
OPEX USD 10.4/boe, +2% yoy



Refining margins USD 6.62/bbl, -24% yoy
Retail sales volumes flat yoy



Gas sales volumes -9% yoy
Higher net electrical output, +39% yoy

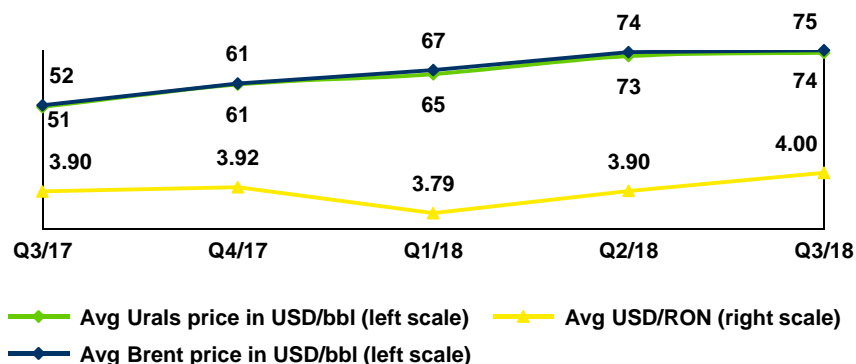
HSSE

LTIR¹ 9m/18: 0.31

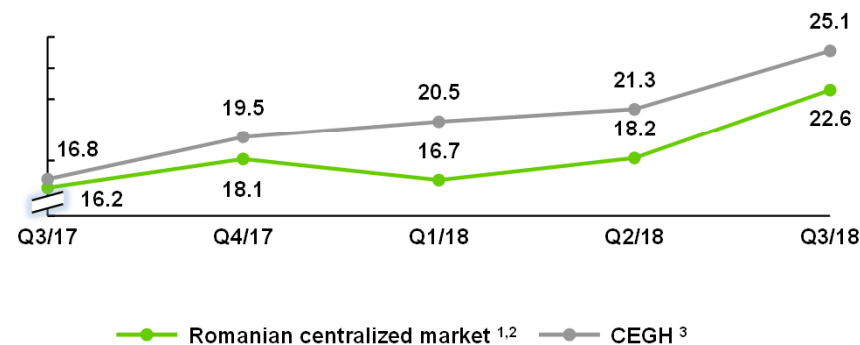
¹ Lost time injury rate (employees and contractors) for OMV Petrom Group

Economic environment

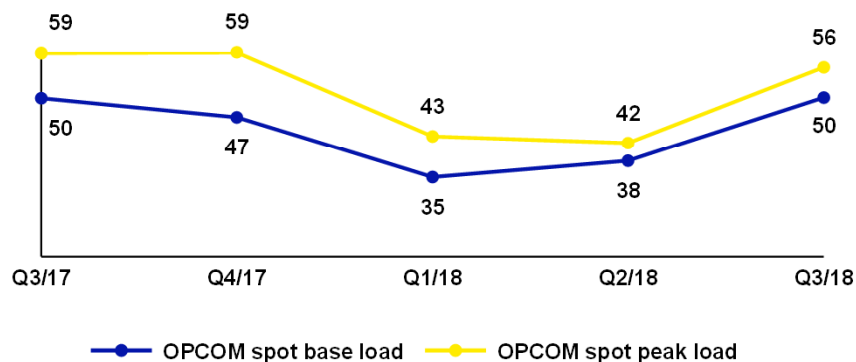
Oil price (USD/bbl)



Gas prices (EUR/MWh)



Power prices in Romania¹ (EUR/MWh)



Romania

- ▶ **GDP growth⁴ Q2/18:** 4.2% yoy; **CPI⁴:** Sep 18/Sep 17 +5%; Q3/18 +2.7%
- ▶ **Demand Q3/18 yoy:** Fuels⁵ -0.2%; Gas⁶ +5%; Power⁷ +1%
- ▶ **Offshore Law** approved by Parliament, awaiting President promulgation

¹ Company estimates based on public information; prices translated at NBR average RON/EUR rate; ² All transactions 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; 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

OMV Petrom Q3/18 Results

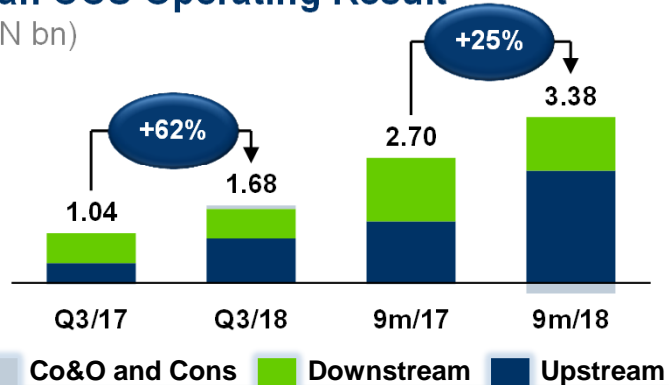
October 31, 2018
Stefan Waldner,
CFO



Income Statement highlights

Clean CCS Operating Result

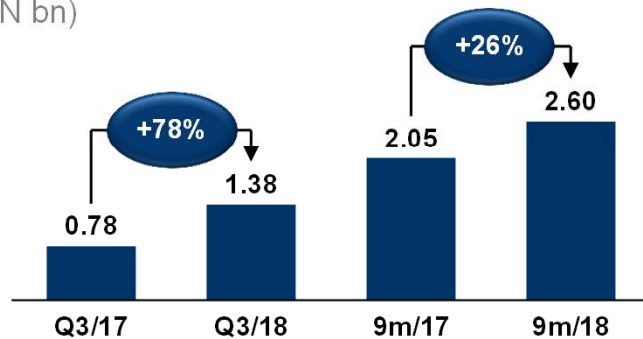
(RON bn)



- ▶ Clean CCS Operating Result reflects:
 - ▶ Favorable commodities prices
 - ▶ Petrobrazil turnaround (Q2/18)
 - ▶ Consolidation reflects mainly the effect of higher crude oil stocks due to Petrobrazil turnaround in Q2/18; partially reversed in Q3/18

Clean CCS Net Income¹

(RON bn)



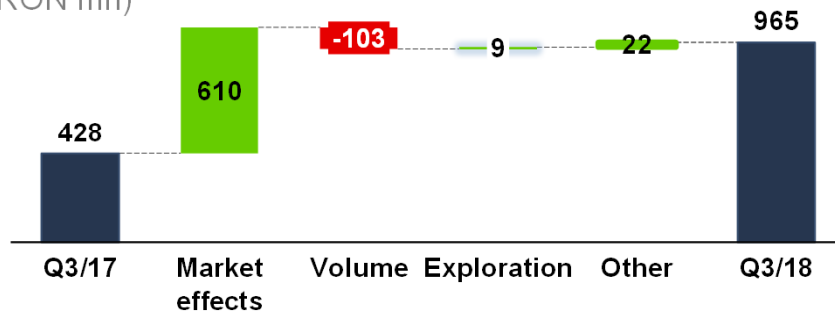
- ▶ Clean CCS Net Income higher:
 - ▶ Lower net financial loss
 - ▶ Effective tax rate 16% in Q3/18 (16% in Q3/17)

¹ Attributable to stockholders of the parent

Clean CCS Operating Result

Upstream

(RON mn)



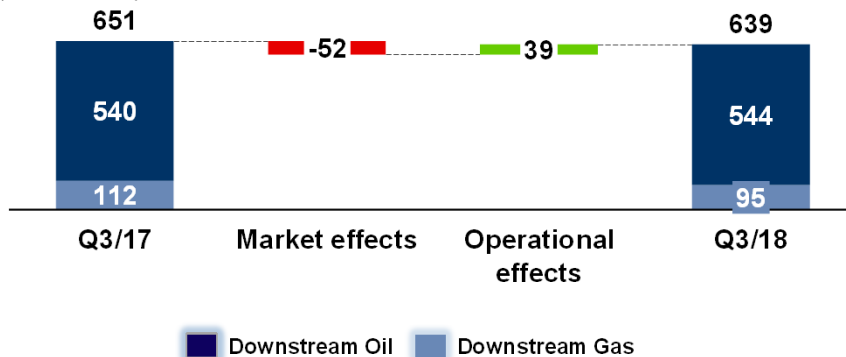
- ▶ Higher realized prices
- ▶ Lower exploration expenses



- ▶ Sales volumes -6%

Downstream

(RON mn)



- ▶ 98% refining utilization rate after turnaround
- ▶ Flat retail sales yoy
- ▶ Higher electrical output; power plant fully available

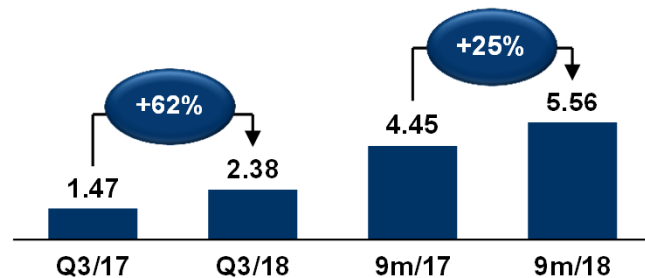


- ▶ Lower refining margins
- ▶ Lower gas sales volumes
- ▶ Insurance revenues Q3/18: RON 47 mn (Q3/17: RON 80 mn)

Cash Flow highlights

Operating Cash Flow

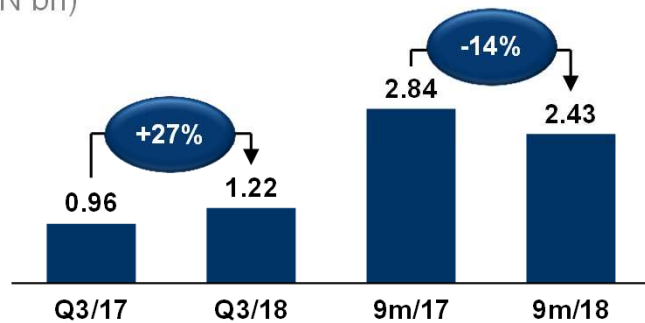
(RON bn)



- ▶ Q3/18 OCF¹ mirroring Operating Result
- ▶ Q3/18 NWC²: cash inflow RON 133 mn
- ▶ Q3/17 NWC²: cash outflow RON 181 mn

Free Cash Flow

(RON bn)



- ▶ Q3/18 CFI³ more than double yoy
- ▶ Dividends paid in June 2018 up 33% yoy

¹ Operating Cash Flow; ² Net Working Capital; ³ Cash flow from investing activities

Outlook 2018

Indicators	Actual 2017	Actual 9m/18	Assumptions/ Targets 2018
Brent oil price	USD 54/bbl	USD 72/bbl	USD 74/bbl (previous: USD 70/bbl)
Refining margin	USD 7.75/bbl	USD 6.63/bbl	<USD 7/bbl
Production	168 kboe/d	161 kboe/d	~ -4% yoy ¹
CAPEX	RON 3.0 bn	RON 3.1 bn	RON 3.7 bn
FCF after dividends	RON 2.7 bn	RON 1.3 bn	positive

¹ Not including portfolio optimization initiatives

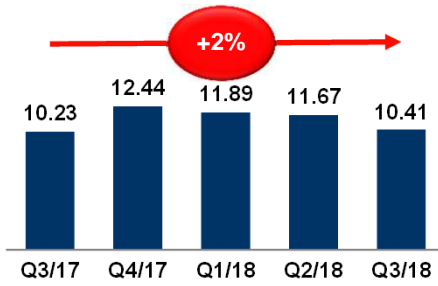
Q&A

Backup

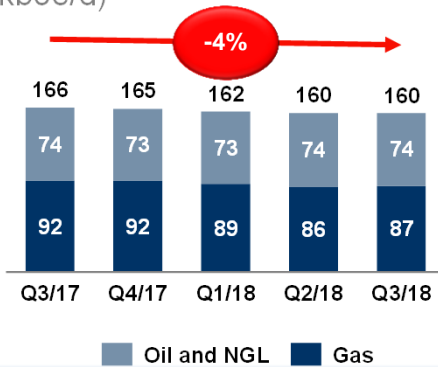
Operational KPIs

Upstream

OPEX (USD/boe)

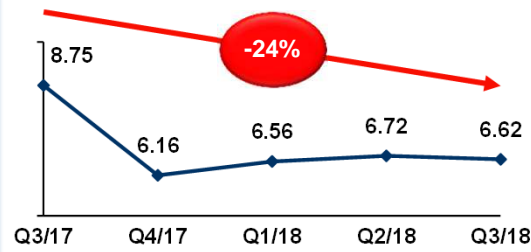


Hydrocarbon production (kboe/d)

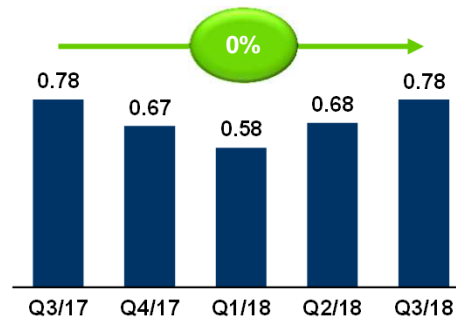


Downstream Oil

OMV Petrom Indicator refining margin (USD/bbl)

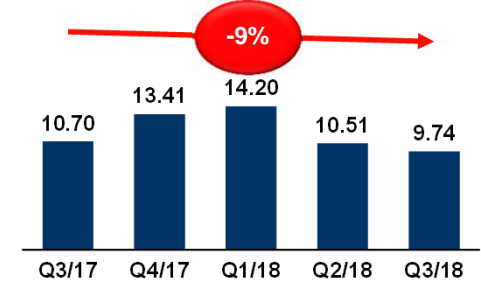


Retail sales volumes (mn t)

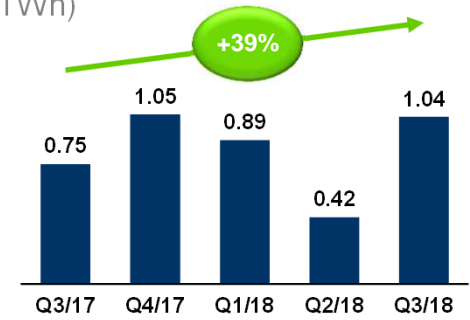


Downstream Gas

Gas sales volumes (TWh)

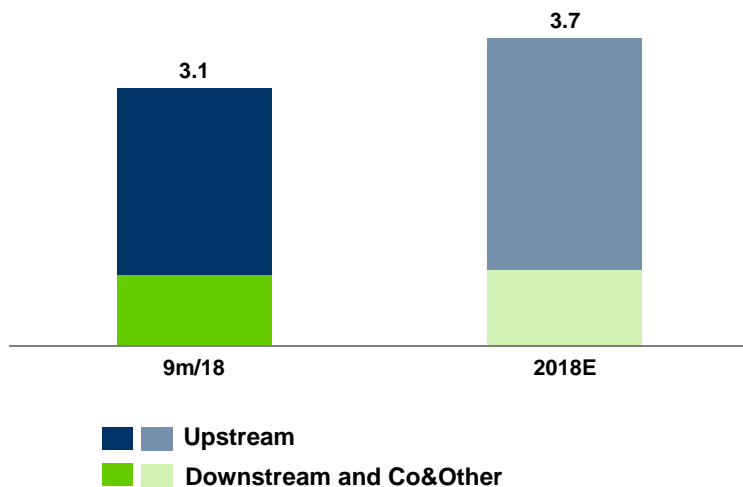


Net electrical output (TWh)



CAPEX and E&A

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



CAPEX incl. capitalized E&A

- ▶ **9m/18** at RON 3.1 bn:
 - ▶ 74 new wells and sidetracks drilled
 - ▶ ~700 workovers performed
 - ▶ Refinery turnaround
 - ▶ Brazi power plant partial shut-down
- ▶ **2018E maintained** at RON 3.7 bn:
 - ▶ Drilling >100 wells and sidetracks
 - ▶ ~1,000 workovers
 - ▶ Polyfuel project

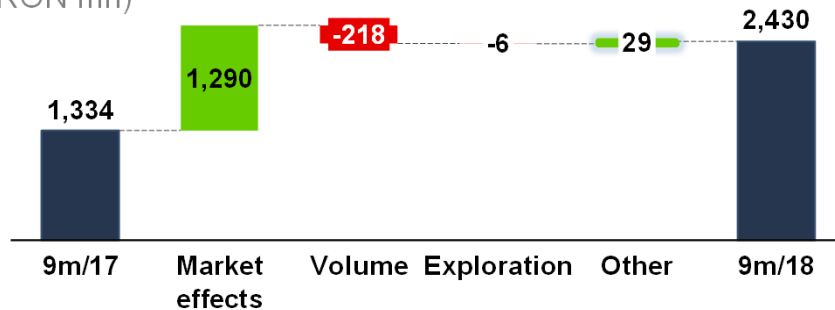
E&A expenditure

- ▶ 3 wells spudded in 9m/18
- ▶ 1 well in production tests
- ▶ 2018E exploration expenditure RON ~0.5 bn

Clean CCS Operating Result

Upstream

(RON mn)



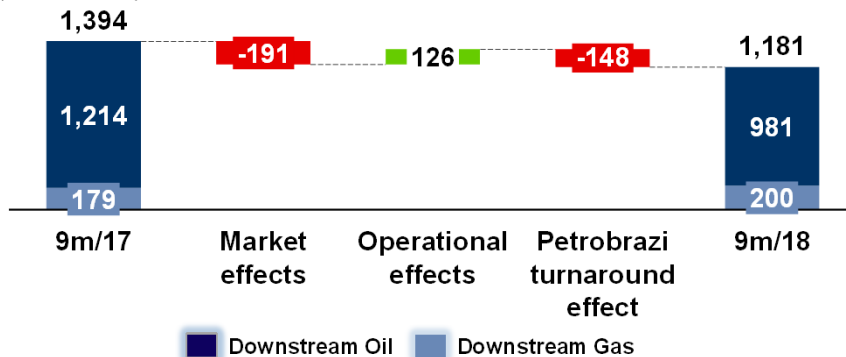
- ▶ Higher realized prices
- ▶ Lower total production costs



- ▶ Negative FX development
- ▶ Sales volumes -6%
- ▶ Higher exploration expenses

Downstream

(RON mn)



- ▶ Higher Brazi power plant availability



- ▶ Lower refining margins
- ▶ Lower spark spreads
- ▶ Lower gas sales volumes
- ▶ Insurance revenues: RON 47 mn in 9m/18 (9m/17: RON 153 mn)