



OMV Group Factsheet Q4 2017

Key Performance Indicators ¹

Group

- ▶ Clean CCS Operating Result increased by 67% to EUR 688 mn
- ▶ Clean CCS net income attributable to stockholders amounted to EUR 367 mn, clean CCS Earnings Per Share were EUR 1.12
- ▶ Strong free cash flow after dividend payments at EUR 1 bn in 2017
- ▶ High cash flow from operating activities of EUR 3.4 bn in 2017
- ▶ Cost savings target exceeded: In 2017, cost savings of EUR 330 mn versus 2015 achieved
- ▶ Clean CCS ROACE at 14%
- ▶ Dividend Per Share of EUR 1.50 ² proposed; increase of 25% compared with the previous year

Upstream

- ▶ Record level of production at 377 kboe/d, up by 63 kboe/d
- ▶ Production cost decreased by 15% to USD 8.8/boe

Downstream

- ▶ OMV indicator refining margin at USD 5.7/bbl
- ▶ Natural gas sales increased to 31 TWh

Outlook for 2018

- ▶ For the year 2018, OMV expects the average Brent oil price to be at USD 60/bbl.
- ▶ Average European gas spot prices are anticipated to be on a similar level compared to 2017.
- ▶ In 2018, CAPEX (including capitalized E&A and excluding acquisitions) is projected to come in around EUR 1.9 bn. CAPEX for Upstream (including capitalized E&A and excluding acquisitions) is anticipated to come in around EUR 1.3 bn in 2018.
- ▶ OMV expects total production of 420 kboe/d in 2018.
- ▶ Production from Russia is planned to contribute around 100 kboe/d. Production in Libya is forecasted to be at a similar level to that of 2017.
- ▶ Refining margins are projected to be lower than in 2017.
- ▶ Petrochemical margins are forecasted to be at a similar level to those in 2017.
- ▶ In OMV's markets, retail and commercial margins are predicted to be on a level similar to 2017. Total refined product sales will be lower in 2018 compared to 2017 following the divestment of OMV Petrol Ofisi in June 2017.

¹ Figures reflect the Q4/17 period; all comparisons described relate to the same quarter in the previous year except where mentioned otherwise

² As proposed by the Executive Board; subject to confirmation by the Supervisory Board and the Annual General Meeting 2018

Group performance

Financial highlights

In EUR mn (unless otherwise stated)

Q4/17	Q3/17	Q4/16	Δ% ¹		2017	2016	Δ%
4,906	4,646	5,407	(9)	Sales ²	20,222	19,260	5
688	804	412	67	Clean CCS Operating Result³	2,958	1,535	93
344	300	91	n.m.	Clean Operating Result Upstream ³	1,225	40	n.m.
356	510	362	(2)	Clean CCS Operating Result Downstream ³	1,770	1,533	15
14	(4)	(27)	n.m.	Clean Operating Result Corporate and Other ³	(16)	(50)	68
(27)	(3)	(14)	(87)	Consolidation: elimination of inter-segmental profits	(21)	12	n.m.
28	19	42	(35)	Clean Group tax rate in %	25	7	n.m.
448	592	203	120	Clean CCS net income ³	2,035	1,230	65
367	472	153	140	Clean CCS net income attributable to stockholders^{3,4}	1,624	995	63
1.12	1.45	0.47	140	Clean CCS EPS in EUR ³	4.97	3.05	63
688	804	412	67	Clean CCS Operating Result³	2,958	1,535	93
(115)	(55)	(601)	81	Special items⁵	(1,281)	(1,574)	19
58	9	20	198	CCS effects: inventory holding gains/(losses)	55	6	n.m.
631	758	(169)	n.m.	Operating Result Group	1,732	(32)	n.m.
294	247	(28)	n.m.	Operating Result Upstream	1,218	(1,046)	n.m.
384	517	(90)	n.m.	Operating Result Downstream	584	1,106	(47)
(13)	(5)	(29)	55	Operating Result Corporate and Other	(48)	(56)	14
(34)	0	(21)	(63)	Consolidation: elimination of inter-segmental profits	(21)	(36)	42
(69)	(66)	(59)	(16)	Net financial result	(246)	(198)	(24)
562	692	(228)	n.m.	Profit before tax	1,486	(230)	n.m.
25	21	(45)	n.m.	Group tax rate in %	43	21	107
421	544	(331)	n.m.	Net income	853	(183)	n.m.
311	439	(378)	n.m.	Net income attributable to stockholders ⁴	435	(403)	n.m.
0.95	1.35	(1.16)	n.m.	Earnings Per Share (EPS) in EUR	1.33	(1.24)	n.m.
742	792	611	21	Cash flow from operating activities	3,448	2,878	20
(1,445)	478	436	n.m.	Free cash flow before dividends	1,681	1,081	56
(1,532)	478	349	n.m.	Free cash flow after dividends	1,013	615	65
				Dividend Per Share (DPS) in EUR ⁶	1.50	1.20	25
2,005	450	2,969	(32)	Net debt	2,005	2,969	(32)
14	3	21	(34)	Gearing ratio in %	14	21	(34)
2,290	388	519	n.m.	Capital expenditure ⁷	3,376	1,878	80
14	12	7	88	Clean CCS ROACE in % ³	14	7	88
6	1	0	n.m.	ROACE in %	6	0	n.m.
20,721	20,747	22,544	(8)	Employees	20,721	22,544	(8)

Figures in this and the following tables may not add up due to rounding differences

¹ Q4/17 compared to Q4/16

² Sales excluding petroleum excise tax

³ Adjusted for special items; clean CCS figures exclude fuels' inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi

⁴ After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

⁵ The disclosure of special items is considered appropriate in order to facilitate analysis of the ordinary business performance; to reflect comparable figures, certain items affecting the result are added back or deducted; special items from equity-accounted companies are included; starting with Q1/17, temporary effects from commodity hedging for material Downstream and Upstream transactions are included; negative net special items recorded in Q4/16 were mainly attributable to impairments due to the divestment of OMV Petrol Ofisi of EUR (334) mn as well as to impairments of the Samsun power plant of EUR (101) mn and of the Etzel gas storage in the amount of EUR (73) mn; negative net special items recorded in 2016 were mostly related to impairments due to the divestment of the 30% stake in the Rosebank field (EUR (544) mn), OMV (U.K.) Limited (EUR (493) mn) and OMV Petrol Ofisi (EUR (334) mn)

⁶ 2017: as proposed by the Executive Board; subject to confirmation by the Supervisory Board and the Annual General Meeting 2018

⁷ Capital expenditure including acquisitions; notably OMV completed the acquisition of a 24.99% share in the Yuzhno Russkoye field in the amount of EUR 1,719 mn on November 30, 2017

Business Segments

Upstream

Fourth quarter 2017 (Q4/17) compared to fourth quarter 2016 (Q4/16)

- ▶ Strong increase of clean Operating Result mainly due to higher realized oil and gas prices, as well as a higher contribution from Libya
- ▶ Significantly higher production at 377 kboe/d
- ▶ Gas production in Russia of 36 kboe/d
- ▶ Production cost decreased by 15% to USD 8.8/boe

The **clean Operating Result** substantially improved from EUR 91 mn in Q4/16 to EUR 344 mn. Compared to Q4/16, higher sales volumes contributed EUR 149 mn to the result. This was largely attributable to the production ramp-up in Libya. In addition, OMV benefited from net market effects of EUR 105 mn. Stronger realized oil and gas prices were partially offset by the depreciation of the US dollar against the euro. The clean Operating Result was also impacted by higher exploration expenses of EUR (50) mn, largely consisting of write-offs of exploration wells in Romania. In Q4/17, OMV Petrom contributed EUR 70 mn to the clean Operating Result compared to EUR 55 mn in Q4/16.

Net **special items** amounted to EUR (50) mn in Q4/17. These were mainly associated with unrealized hedging losses, partially offset by a write-up, related to the ongoing divestment process in the Middle East and Africa region. The **Operating Result** grew substantially to EUR 294 mn (Q4/16: EUR (28) mn).

At USD 8.8/boe, **production cost** excluding royalties declined by 15% as a result of a higher production coupled with the successful implementation of the cost reduction program. Production cost of OMV Petrom increased by 7% to USD 12.4/boe. Lower production volumes as well as a one-time personnel cost effect could not be fully offset by the abolishment of the infrastructure tax and strict cost management.

Total hydrocarbon production increased by 20% to 377 kboe/d, primarily due to Russia's contribution of 36 kboe/d and higher Libyan production of 29 kboe/d. In addition, starting with 2017, the contribution from Pearl has been included. OMV Petrom's total production was down by 3% to 165 kboe/d, mostly because of natural decline. The successful divestment of marginal fields in Romania also contributed to this decline in production. **Total sales volumes** were up by 15% and were mainly attributable to gas sales in Russia and liftings from Libya.

In Q4/17, the **average Brent price** rose by 24% to about USD 61/bbl, predominately due to stock draws and higher geopolitical risk. The Group's **average realized** crude price increased by 23%. The **average realized gas price** in USD/1,000 cf improved by 28%. Realized prices were impacted by a realized hedging loss of EUR (27) mn in Q4/17.

Capital expenditures including capitalized E&A increased to EUR 2,074 mn in Q4/17 (EUR 358 mn in Q4/16) and also account for the acquisition of the 24.99% interest in the Yuzhno Russkoye field in the amount of EUR 1,719 mn. Organic investments were undertaken primarily in Romania and Norway. **Exploration expenditures** increased by 12% to EUR 84 mn and were mainly related to activities in Romania, Bulgaria and Norway.

Downstream

Fourth quarter 2017 (Q4/17) compared to fourth quarter 2016 (Q4/16)

- ▶ Downstream result at prior year's level despite divestment of OMV Petrol Ofisi
- ▶ Improved Downstream Gas result due to positive impact from the power business

The **clean CCS Operating Result** amounted to EUR 356 mn in Q4/17 (Q4/16: EUR 362 mn). A higher result from Downstream Gas partially compensated for the missing earnings contribution from OMV Petrol Ofisi due to its divestment in Q2/17.

The **Downstream Oil clean CCS Operating Result** declined from EUR 333 mn in Q4/16 to EUR 311 mn. The impact of the divestment of OMV Petrol Ofisi, which contributed EUR 32 mn to the clean CCS Operating Result in Q4/16, was partially offset by an increased retail contribution and lower fixed costs. The **OMV indicator refining margin** amounted to USD 5.7/bbl (Q4/16: USD 5.6/bbl). Higher naphtha and middle distillate margins were partially offset by higher feedstock costs due to the increased crude prices. The **utilization rate of the refineries** was 92% in Q4/17. In Q4/16, the utilization rate reached a high level of 96%, supported by stock building for the planned turnaround at the Schwechat refinery in 2017. At 4.95 mn t, **total refined product sales** decreased by 37% due to the divestment of OMV Petrol Ofisi, which contributed 2.8 mn t in Q4/16. Excluding OMV Petrol Ofisi, total refined product sales fell slightly by 3%. Without the contribution from OMV Petrol Ofisi, sales volumes and

margins grew slightly in the retail business, while they came down in the commercial business. OMV Petrom contributed EUR 69 mn to the clean CCS Operating Result.

The clean CCS Operating Result of the petrochemicals business decreased by EUR 16 mn to EUR 37 mn in Q4/17. This was mainly caused by an unplanned shutdown of the steam cracker at the Schwechat refinery, partially compensated for by improved petrochemical margins. The contribution from Borealis to the clean CCS Operating Result amounted to EUR 94 mn in Q4/17 (Q4/16: EUR 86 mn). Lower fixed costs and higher contribution from Borouge were slightly offset by lower polyolefin margins.

Downstream Gas clean CCS Operating Result increased from EUR 29 mn in Q4/16 to EUR 45 mn. The previous year's quarter was negatively affected by mark-to-market valuation effects. The contribution of Gas Connect Austria decreased to EUR 21 mn from EUR 30 mn in Q4/16, mainly because of the change in regulated tariffs. **Natural gas sales volumes** rose from 29.78 TWh to 31.13 TWh, primarily due to increased sales volumes in Germany, Austria and Turkey. The power business was characterized by a higher net electrical output supported by a favorable market environment in Romania. OMV Petrom contributed EUR 10 mn to the clean CCS Operating Result.

Net **special items** recorded in Q4/17 amounted to EUR (37) mn, mainly related to a provision booked for the Gate LNG obligation and associated transportation commitments. In Q4/16, the net special items amounted to EUR (478) mn, mostly due to impairments of OMV Petrol Ofisi in the amount of EUR (334) mn in the context of the divestment. **CCS effects** of EUR 66 mn were booked as a result of rising crude prices during Q4/17. The **Operating Result** of Downstream increased significantly to EUR 384 mn compared to EUR (90) mn in Q4/16.

Capital expenditures in Downstream amounted to EUR 207 mn, of which EUR 169 mn were in Downstream Oil.

Disclaimer regarding forward-looking statements

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