

# OMV Conference Call

OMV establishes major  
Downstream Oil position in Abu Dhabi

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# OMV and ADNOC form a strategic downstream partnership – Decisive step to deliver OMV Strategy 2025



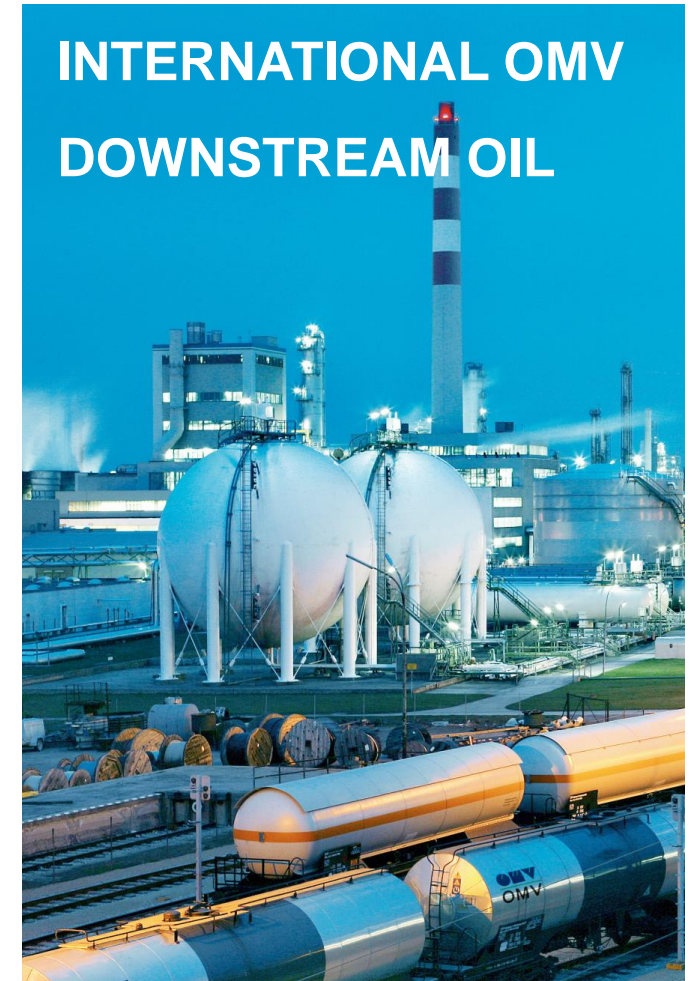
- ▶ OMV acquires a 15% interest in ADNOC Refining and in a to-be-established Trading Joint Venture (ADNOC 65%, ENI 20%)
- ▶ OMV becomes a strategic partner in the 4<sup>th</sup> largest refinery in the world, integrated into petrochemicals (total capacity: 922 kbbbl/d)
- ▶ Trading Joint Venture follows same successfully integrated Downstream Oil business model as OMV in Europe – with access to attractive markets
- ▶ Estimated purchase price of ~USD 2.5 bn based on estimated 2018 year-end net debt; final value dependent on net debt at closing and working capital adjustments
  - ▶ Enterprise value of ~USD 2.9 bn <sup>1</sup> for 15%
- ▶ Closing of the transaction is expected in Q3 2019
- ▶ Transaction will be financed from cash and through long-term senior bonds; the share will be consolidated at-equity

<sup>1</sup> subject to customary closing adjustments



# Strategic rationale

- ✓ OMV builds an integrated position in Abu Dhabi from oil production, to refining, trading and petrochemicals
- ✓ High-quality and world-class assets of significant scale, sitting at the heart of the Abu Dhabi hydrocarbon value chain
- ✓ Profitable business with strong domestic sales and access to markets in Asia-Pacific, Africa and Europe
- ✓ ~70% of production exported to growth markets
- ✓ Increase profitability through OMV's world-class operational and commercial expertise
- ✓ Significant value creation from organic and self-funded growth
- ✓ Potential to participate in further expansion of value chain into chemicals
- ✓ EPS accretive from the first year; attractive dividend policy agreed



# Overview Ruwais – A world-class refining and petrochemical ecosystem

## 4<sup>th</sup> largest refinery in the world

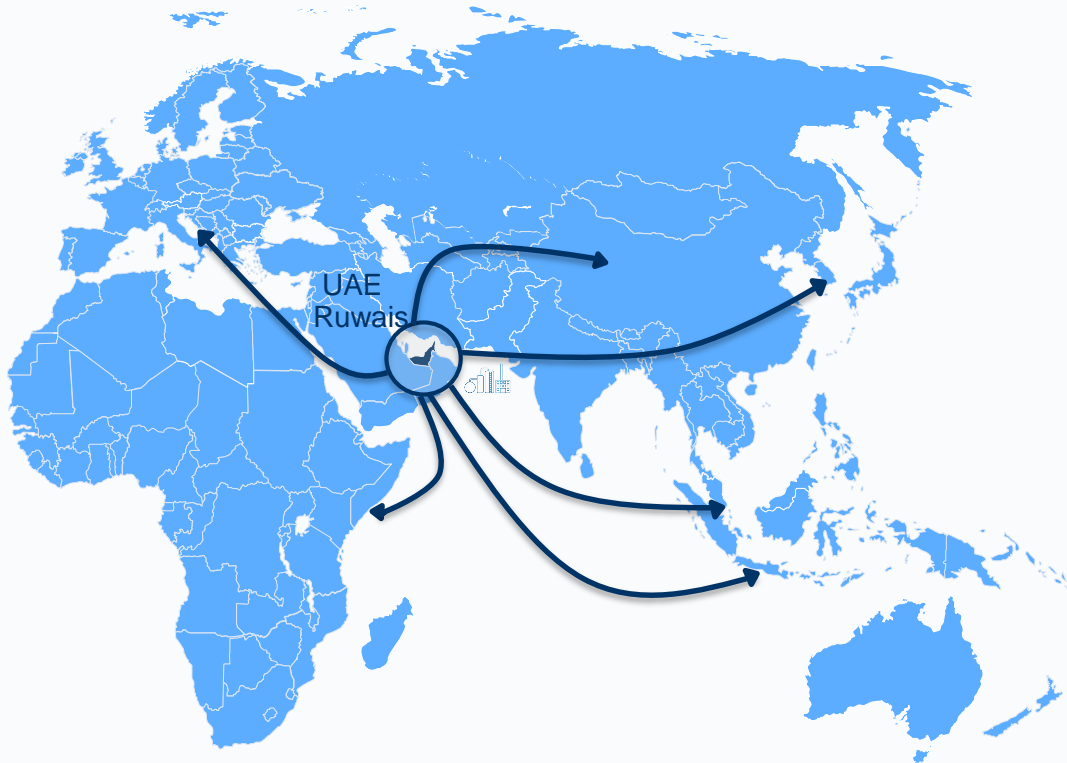


- ▶ Refining capacity of 922 kbbl/d:
  - ▶ Ruwais Refinery East: 420 kbbl/d
  - ▶ Ruwais Refinery West: 417 kbbl/d
  - ▶ Abu Dhabi Refinery: 85 kbbl/d
  - ▶ Petrochemical production: 1.7 mn t p.a.
- ▶ Associated infrastructure:
  - ▶ Advanced logistics networks, utility assets and waste handling facilities
  - ▶ Act as enablers of the Ruwais mega-site and provide predictable income
- ▶ Step change in 2019 after restart of Residue Fluid Catalytic Cracking Unit
- ▶ 95% white products, near zero heavy fuel oil, excellently positioned for IMO 2020 <sup>1</sup>

<sup>1</sup> with the Carbon Black and Delayed Coker and the Residue Fluid Catalytic Cracking Unit online

# Trading Joint Venture instrumental to optimize margins along the value chain

## Refinery has an excellent location to supply growth markets



- ▶ Trading JV to start operations as early as 2020
- ▶ OMV to own a 15% stake in the Trading JV
- ▶ Trading majority of export volumes of ADNOC Refining products as well as supply of non-Abu Dhabi feedstock
- ▶ Export volumes equivalent to ~70% of production (~32 mn t) in 2019
- ▶ Optimize margins along the value chain
- ▶ Major step to participate in attractive global markets (e.g. Asia-Pacific)

# Fantastic platform for further profitable growth

## SELF-FUNDED GROWTH

### Operational excellence

- ▶ Maximize throughput and optimize existing operations
- ▶ Further increase profitability by utilizing waste heat energy

### Increase feedstock flexibility

- ▶ Significantly expand crude slate, allowing for processing of heavier, more sour crude
- ▶ Capture value differentials

### Integrate in petchem value chain

- ▶ Upgrade naphtha streams:
  - ▶ Paraxylene (1.5 mn t p.a.)
  - ▶ Benzene (0.2 mn t p.a.)
  - ▶ Gasoline (4 mn t p.a.)

### Front End Engineering Design Phase

Final Investment Decision taken

### Profitable long-term growth pipeline

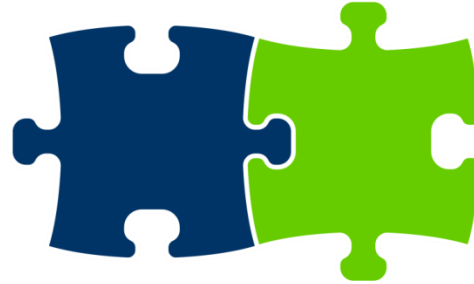
- ▶ Detailed feasibility studies for future projects ongoing (eg. new refinery)
- ▶ Focus on profitable downstream growth and integration
- ▶ Potential further integration into chemicals

ADNOC Refining gross CAPEX <sup>1</sup> planned: USD ~1.9 bn p.a.  
in current 5 year business plan

<sup>1</sup> OMV to consolidate ADNOC Refining at-equity, ADNOC Refining CAPEX will not be reported in OMV's CAPEX

# OMV Downstream Oil expertise to unlock value

## OMV – European Champion



- ▶ **Operations Excellence**  
1st quartile European Refiner <sup>1</sup>  
1st quartile Process Safety <sup>2</sup>
- ▶ **Project Management Excellence**  
Voted one of two top companies globally <sup>3</sup>
- ▶ **Profitable commercial integration**  
Top in managing integrated oil value chain  
from barrel of crude to end customer
- ▶ **Petrochemicals Integration**  
1st quartile olefins producer <sup>1</sup>  
Close integration with Borealis at two sites

<sup>1</sup> According to Solomon benchmark

<sup>2</sup> According to Process Safety Event Rate (PSER), European Refineries

<sup>3</sup> Industry Consortium Benchmark (IBC) based on Independent Project Analysis (IPA Global), 750 projects, 74 companies

## ADNOC Refining – Middle East Champion

- ▶ **Top performing** ADNOC Refining team
- ▶ Start up of key assets provides room to **maximize value of asset**
- ▶ **Value accretive growth projects** in pipeline
- ▶ **Potential to maximize integrated margin** from feedstock supply to product sales with expansion of crude slate and Trading JV
- ▶ **Integration opportunities:** Ruwais integrated platform with a similar set up as OMV sites
- ▶ Attractive platform for **potential chemical park**



# Benefitting from an integrated value chain in Abu Dhabi – One of the world’s major oil and gas centers

OMV’s integrated value chain in Abu Dhabi enhances profitability, increases optionality and reduces volatility

## Upstream



**Sarb and Umm Lulu Ghasha**

**20.0%**

OMV’s share

**5.0%**

OMV’s share

- ▶ Delivering high quality oil production growth
- ▶ Maximizing value from substantial gas and condensate resources

## Refining & Trading



**ADNOC Refining Trading JV**

**15.0%**

OMV’s share

**15.0%**<sup>1</sup>

OMV’s share

- ▶ Operating the fourth largest refinery in the world
- ▶ Increase in OMV refining and petchem capacity by 40% and 10%
- ▶ Managing an integrated margin via Trading JV

## Petrochemicals / Polymers



**Borouge**

**14.4%**<sup>2</sup>

OMV’s share

- ▶ Operating the largest polyolefin site in the world
- ▶ Providing innovative, value creating plastics solutions

<sup>1</sup> Entity to be established

<sup>2</sup> OMV owns a 36% stake in Borealis, which in turn owns 40% in Borouge



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