OMV Q1 2019 Results Conference Call
May 3, 2019

Rainer Seele
Chairman of the Executive Board and CEO

The spoken word applies

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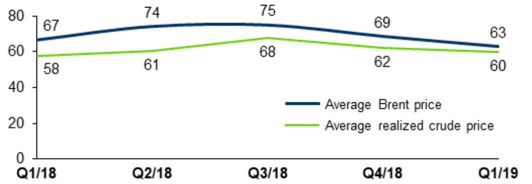
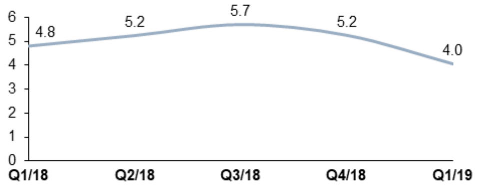
Macro environment – Brent and gas prices down, weaker refining margins

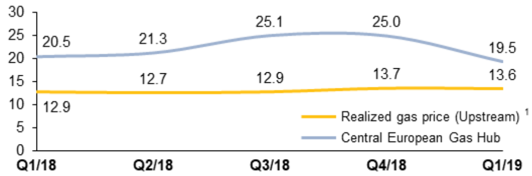
Oil prices
USD/bbl



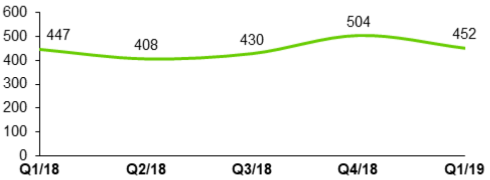
OMV indicator refining margin
USD/bbl



Gas prices
EUR/MWh



Ethylene/propylene net margin [2]
EUR/t



Note: All figures are quarterly averages
[1] Converted to MWh using a standardized calorific value across the portfolio
[2] Spread between market prices of ethylene/propylene and naphtha including standard processing consumption

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Ladies and gentlemen, good afternoon and thank you for joining us today.

The start to 2019 was solid, but softer than expected, given a weaker macro environment and the difficult security situation in Libya. Let me start by briefly reviewing the economic environment.

Slide 3: Macro environment – Brent and gas prices down, weaker refining margins

Brent increased from the low level of 53 Dollars per barrel at the beginning of the year to 68 Dollars per barrel by the end of March, averaging 63 Dollars in the first quarter of 2019. Main drivers were renewed US oil sanctions on Venezuela, lower OPEC+ production, the market expectation that OPEC+ supply cuts will be continued until June and a more positive outlook for demand. However, on average, Brent prices were down 6 percent year-on-year and 8 percent quarter-on-quarter.

European gas prices were 5 percent lower year-on-year and 22 percent down compared to the previous quarter. The price decline was mainly caused by warmer than normal temperatures and above average storage levels across Europe. In addition, the slower growth of Asian LNG demand, coupled with a ramp-up of US supply, loosened the global supply situation significantly. As a result, substantial LNG volumes targeted North West Europe during winter months.

The refining indicator margin started the year on a weak note. Although it improved slightly in February and March, the first quarter of 2019 was the weakest quarter since 2016. The margin declined 16 percent year-on-year and 23 percent quarter-on-quarter. Gasoil and fuel oil cracks came down from the high levels seen in the fourth quarter of last year, but remained strong. Light distillate cracks decreased sharply due to global oversupply of gasoline.

Ethylene and propylene margins were flat year-on-year, but declined by 10 percent compared to the fourth quarter of 2018. Although butadiene margins came down 30 percent from the high levels recorded in the fourth quarter of 2018, they were 35 percent above the prior year's quarter. Benzene margins fell sharply both year-on-year and quarter-on-quarter, due to oversupply in the market.

Key messages Q1 2019

FINANCIAL PERFORMANCE

Earnings impacted by temporary **field shutdown in Libya**

Resilient Downstream earnings

Strong cash flow from operating activities **of EUR 1.2 bn** excl. net working capital effects

STRONG OPERATIONS

Production at **474 kboe/d**

Production cost at **USD 6.8/boe**

Refinery **utilization rate of 98%**

DELIVERING THE STRATEGY

Signed acquisition of 15% share in **ADNOC Refining and global Trading JV**

Closed acquisition of 50% share in **SapuraOMV Upstream**

Signed MoU with ADNOC to explore potential **opportunities in petrochemical projects** and in **ReOil process**

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Slide 4: Key messages Q1 2019

Let me briefly point out the key developments of the first quarter of 2019.

The weaker economic environment and the temporary shutdown of the El Sharara field in Libya negatively impacted our Upstream earnings. On the other hand, Downstream earnings were very resilient, despite weaker refining margins.

Our cash generation remained very strong with a cash flow from operating activities of 1.2 billion Euros, excluding net working capital effects.

At the operational level, we recorded a strong performance both in Upstream and in Downstream. We further increased our production to 474 thousand barrels per day and reduced the average production cost to 6.8 Dollars per barrel. However, the sales volumes could not follow the increase in production, as we had no liftings in Libya.

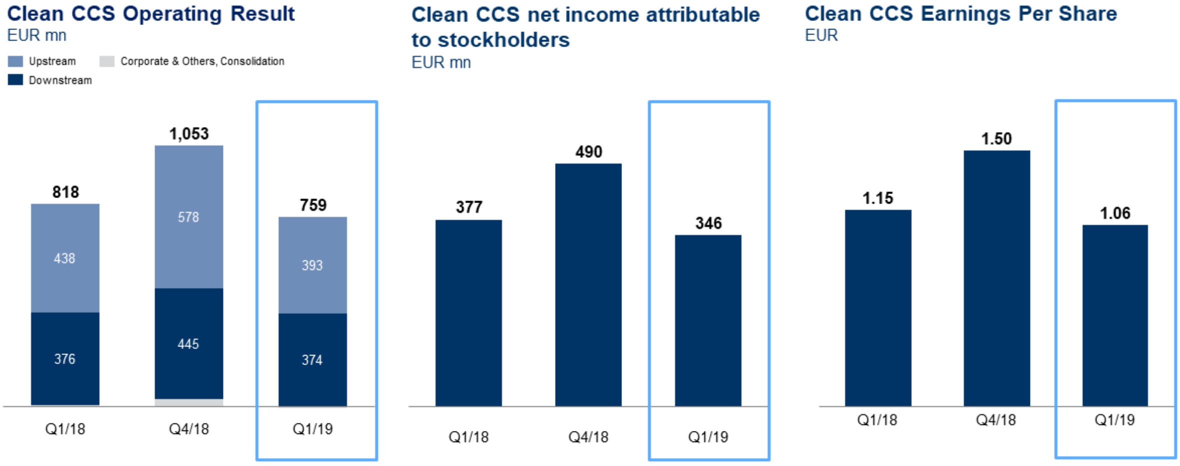
In Downstream, we continued to run our refineries at an exceptionally high utilization rate of 98 percent.

In the first three months of this year, we made significant progress towards our strategic goals. In January, we signed the acquisition of a 15 percent share in ADNOC Refining and in a to-be-established global Trading Joint Venture. With this transaction, OMV expands Downstream internationally and establishes a strong integrated position in Abu Dhabi along the value chain, spanning from Upstream production to Refining & Trading and Petrochemicals. The transaction is expected to be closed in the third quarter of this year.

In February, we closed the acquisition of a 50 percent share in the new company SapuraOMV Upstream.

In March, we signed two Memoranda of Understanding with ADNOC to explore new opportunities for collaboration in the petrochemical sector and to assess the feasibility of a scalable ReOil plant in the UAE.

Clean CCS Operating Result impacted by the security situation in Libya and higher depreciation



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Slide 5: Clean CCS Operating Result impacted by security situation in Libya and higher depreciation

Let’s now turn to our financial performance in the first quarter of 2019. The Clean CCS Operating Result came in at 759 million Euros, down 7 percent compared to the first quarter of 2018.

As mentioned already, our results were negatively impacted by the temporary shutdown of the El Sharara field in Libya for most of the quarter. Despite the restart in March, we had no oil sales in Libya in the first quarter of 2019. As a consequence, sales of 2.9 million oil barrels were missing with an earnings impact of approximately 140 million Euros.

Additionally, we recorded 106 million Euros higher depreciation, mainly due to the acquisitions in New Zealand and UAE, as well as SapuraOMV.

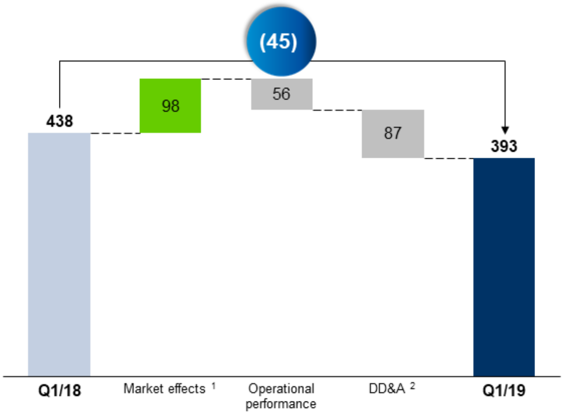
The clean tax rate was 34 percent and thus on a similar level as in the previous year’s quarter.

Clean CCS net income attributable to stockholders amounted to 346 million Euros, 8 percent lower compared to the first quarter of 2018.

Clean CCS Earnings per Share came in at 1 Euro and 6 cents.

Upstream – Missing earnings contribution from Libya and higher depreciation partially compensated by higher realized prices

Clean Operating Result
EUR mn



[1] Market effects defined as oil and gas prices, foreign exchange impact, price effect on royalties and hedging, selling and distribution costs in Russia
[2] Depreciation, Depletion and Amortization

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Q1/19 vs. Q1/18

- Realized oil price increased by 3%
- Realized gas price increased by 5%
- Production of 474 kboe/d (up by +37 kboe/d):
  - UAE (+22 kboe/d) following Umm Lulu/Sarb acquisition
  - New Zealand (+22 kboe/d) due to Shell's assets acquisition
  - Norway (+13 kboe/d) mainly due to Aasta Hansteen
  - Malaysia (+8 kboe/d) following SapuraOMV acquisition
  - Libya (-15 kboe/d) following El Sharara shutdown
  - Romania (-8 kboe/d) natural decline and divestment of marginal fields
  - Pakistan (-7 kboe/d) following divestment
- Sales volumes flat mainly due to missing oil sales in Libya, lower oil sales in Norway and Pakistan divestment
- Production costs reduced to USD 6.8/boe (-8%)
- Higher depreciation mainly due to acquisition in New Zealand, UAE and SapuraOMV

Slide 6: Upstream – Missing earnings contribution from Libya and higher depreciation partially compensated by higher realized prices

Let me now come to the performance of our two business segments. The Upstream Clean Operating Result decreased by 45 million Euros to 393 million Euros compared to the first quarter of 2018, due to lower oil sales volumes and higher depreciation.

Market effects had a positive impact of 98 million Euros compared to the first quarter of 2018. OMV's realized oil price rose by 3 percent, while the realized gas price increased by 5 percent. This was due to higher gas prices in Romania and the two-month time lag effect for half of our Russian gas volumes. Therefore, the high level of the European gas market in the fourth quarter 2018 is partly reflected in our realized prices of the first quarter 2019.

Production went up by 37 to 474 thousand barrels per day, mainly driven by the acquisitions in Abu Dhabi, New Zealand and Malaysia, as well as the production ramp-up of Aasta Hansteen in Norway. New Zealand and Malaysia were not yet fully reflected in the first quarter production, as there was planned maintenance at the Pohokura field and SapuraOMV was only consolidated as of February.

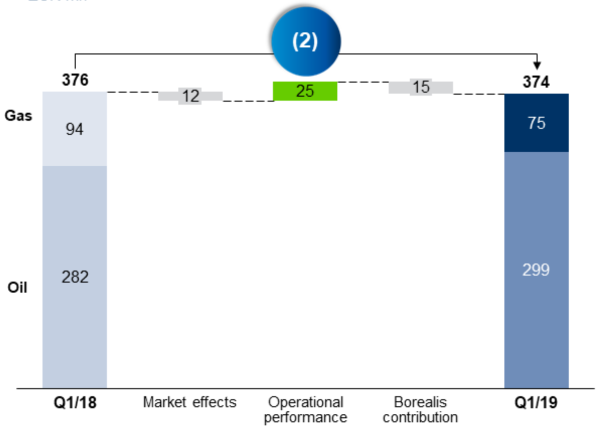
The aforementioned shutdown in Libya, the natural decline in Romania and the divestment of Pakistan in the second quarter of 2018 had a negative impact of some 30 thousand barrels per day in our production compared to the first quarter of last year.

Despite an increased production, our overall sales volumes were flat year-on-year, as higher gas sales were offset by lower oil volumes. The negative net impact of 56 million Euros in our operational performance was especially caused by the missing oil volumes from Libya to the amount of approximately 140 million Euros.

We reduced our production costs by 8 percent to 6.8 Dollars per barrel on the back of higher production and favorable currency development. Depreciation increased by 87 million Euros due to our acquisitions in the UAE and Asia-Pacific.

Downstream – Solid operational performance and resilient earnings

Clean CCS Operating Result
EUR mn



[1] Market effects defined as refining indicator margin, petrochemical margins and spark spreads

Q1/19 vs. Q1/18

Oil

- Weaker market environment
  - Refining indicator margin at USD 4.0/bbl (-16%)
  - Flat ethylene/propylene net margins (+1%)
- Strong operational performance
  - Refineries utilization rate at 98%
  - Positive effect from supply situation in southern Germany
  - Slightly better Retail business due to good fuel margins and higher sales
  - Lower contribution from Borealis following lower polyolefin margins, negative inventory valuation effects and a planned turnaround of Borouge 3

Gas

- Significant supply result in Q1/2018
- Higher natural gas sales volumes in Germany

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Slide 7: Downstream – Solid operational performance and resilient earnings

In Downstream, the Clean CCS Operating Result was almost flat at 374 million Euros.

The Downstream Oil result increased by 17 million Euros to 299 million Euros, despite lower refining margins. Ethylene and propylene margins were flat.

Our operational performance was again strong, driven by the exceptionally high refining utilization rate, higher volumes, as well as good retail and commercial margins. The commercial business in Germany and Austria benefitted from the supply situation in southern Germany, impacted by a refinery outage.

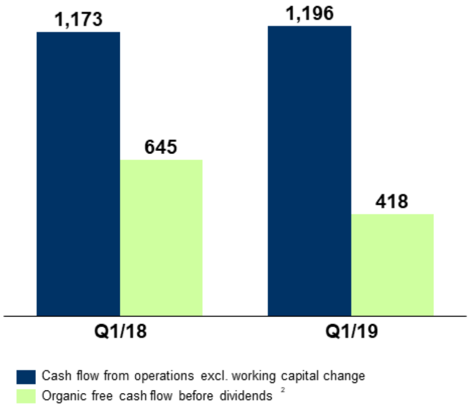
At 70 million Euros, the petrochemicals result was almost stable.

The contribution from Borealis decreased to 72 million Euros, following lower polyolefin margins, negative inventory valuation effects and a planned turnaround of Borouge 3. The performance of the fertilizer business improved due to lower gas prices.

The Clean CCS Operating Result in Downstream Gas declined from 94 to 75 million Euros, mainly attributable to a lack of arbitrage opportunities in the first quarter of 2019 and a lower storage result than in Q1 2018. Natural gas sales volumes increased by 15 percent, mainly driven by our successful marketing initiatives in Germany and the Netherlands.

Strong cash generation from operating activities of EUR 1.2 bn, excluding net working capital effects

Cash flow Q1/2019
EUR mn



Organic cash flows

- Slight increase of cash flow from operating activities excl. net working capital effects
  - Borealis interim dividends for H2 2018 of EUR 144 mn (Q1/18: EUR 252 mn for FY 2017)
- Negative net working capital effects of EUR (330) mn (Q1/18: EUR (96) mn)
- Organic cash flow from investing activities [1] of EUR 448 mn (Q1/18: EUR 431 mn)
- Organic free cash flow before dividends of EUR 418 mn (Q1/18: EUR 645 mn)

Inorganic cash flows

- Cash flow from divestments of EUR 62 mn
- Cash outflow for inorganic investments of EUR 604 mn

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[1] Organic cash flow from investing activities is Cash flow from investing activities excluding divestments and material inorganic cash flow components (e.g. acquisitions)
[2] Organic free cash flow before dividends is Cash flow from operating activities less Organic cash flow from investing activities.

Slide 8: Strong cash generation from operating activities of EUR 1.2 bn, excluding net working capital effects

Let’s now continue with cash flow. The first quarter was again strong with an operating cash flow of 1.2 billion Euros, excluding net working capital effects. This was driven by OMV’s good operational performance and the changes in our portfolio. We received the second 2018 dividend tranche from Borealis to the amount of 144 million Euros, compared to 252 million Euros in the first quarter of 2018 for the full year 2017. This reflects the change in Borealis dividend payment from annual to twice a year.

Mainly following a significant increase of inventories in Downstream Oil, we recorded negative net working capital effects to the amount of 330 million Euros, 234 million more than in the first quarter of 2018.

Organic cash flow from investing activities amounted to 448 million Euros.

The organic free cash flow decreased by 35 percent to 418 million Euros, primarily as a result of the net working capital effects.

Turning to inorganic cash flows, divestments amounted to 62 million Euros and the cash outflow for inorganic investments totaled 604 million Euros, mainly reflecting the acquisition of the 50 percent share in SapuraOMV.

IFRS 16 Impact on OMV Group

Balance sheet EUR mn

Capital employed at Jan. 1, 2019	↗ ~700
Net debt at Jan. 1, 2019	↗ ~700
Gearing ratio 2019	↗ ~4 - 5 ppt
Capex 2019	↗ ~150

Income statement 2019 EUR mn

Depreciation	↗ ~90
Operating result	↗ ~5
Net income	↘ ~5

Cash flow statement 2019 EUR mn

Free cash flow	↗ ~85

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Slide 9: IFRS 16 impact on OMV Group

As you know, IFRS 16 is effective since January 1 of this year. I would like to explain to you the impact of this new standard on OMV.

IFRS 16 eliminates the distinction between an operating lease and a finance lease. Under the previous standard, operating leases were held off the balance sheet and finance leases were reported on the balance sheet. According to the new standard, all leases are now reported on the balance sheet.

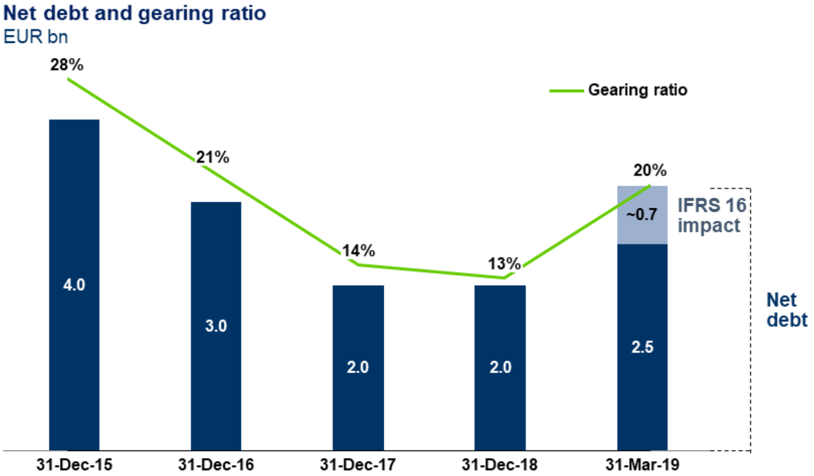
As a result of this change, we recognized an additional liability of approximately 700 million Euros from leases in our balance sheet. Our net debt rose by approximately 700 million Euros leading to a gearing ratio increase of around 4 percentage points.

IFRS 16 also impacts CAPEX by approximately 150 million Euros, based on our current estimates, as all qualifying leases will be included. Our 2019 organic CAPEX guidance of 2.3 billion Euros already covers this effect.

Looking at the impact on our income statement, we expect an additional depreciation of 90 million Euros, as operating lease expenses are now reported as depreciation and interest. The impact on both the Operating Result and Net Income is only minor.

Last, but not least, we expect an increase of approximately 85 million Euros in our free cash flow, reflecting the classification of the principal portion of the lease payments as financing cash flow.

Healthy balance sheet and strong cash position



Cash position
EUR bn [1]
3.7

Undrawn revolving credit facilities
EUR bn [1]
3.1

[1] As of end of Mar 2019

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Slide 10: Healthy balance sheet and strong cash position

OMV’s balance sheet remained very healthy and showed strong liquidity with a cash position of 3.7 billion Euros at the end of the first quarter of 2019.

Net debt increased to 3.2 billion Euros, mainly stemming from the implementation of IFRS 16.

Our gearing ratio increased to 20 percent. However, on a like-for-like basis, excluding the IFRS 16 impact, our gearing ratio rose only slightly to 15 percent compared to the end of 2018.

Outlook 2019

	2018	Outlook 2019
Brent oil price (USD/bbl)	71	65
NCG gas price (EUR/MWh)	23	<23
Total hydrocarbon production (kboe/d)	427	~ 500 [1]
OMV indicator refining margin (USD/bbl)	5.2	<5.0 (previously ~5.0)
Ethylene/propylene net margin (EUR/t)	448	<448
Utilization rate refineries (%)	92	>92
Organic CAPEX (EUR bn)	1.9	2.3
E&A expenditures (EUR mn)	300	350

[1] Assumed average contribution from Libya of above 35 kboe/d from Mar-Dec 2019

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Slide 11: Outlook 2019

Let me conclude with the outlook for 2019.

We reconfirm our 2019 market assumptions for crude oil and gas prices communicated at the beginning of the year. Refining margins are now estimated to be below 5 Dollars per barrel, given a weaker than anticipated beginning of the year.

For the remainder of this year, we expect an average production of 500 thousand barrels per day. However, this depends on the security situation in Libya. We assume that Libya will contribute some 35 thousand barrels per day in the remaining three quarters of 2019. Thus, for the full year 2019 we anticipate a total production of around 500 thousand barrels per day.

In the second quarter, we estimate a similar market environment as in the first quarter of 2019, but a better performance in Upstream. Production of El Sharara is back on stream and we already had liftings in Libya.

Thank you for your attention. Now, Reinhard and I are happy to take your questions.