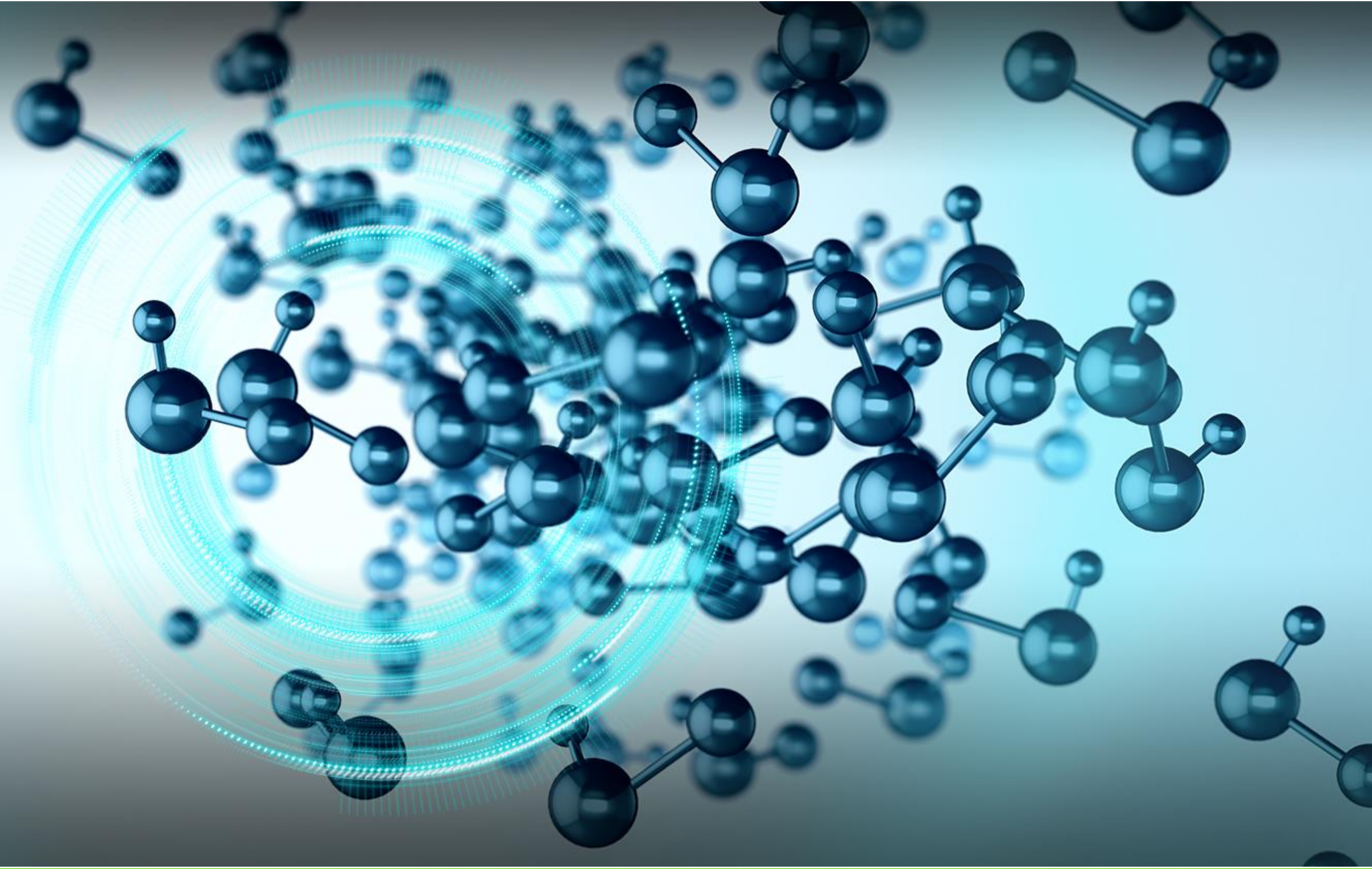
Q2 2020 Results Conference Call

Rainer Seele
Chairman of the
Executive Board and CEO

July 29, 2020



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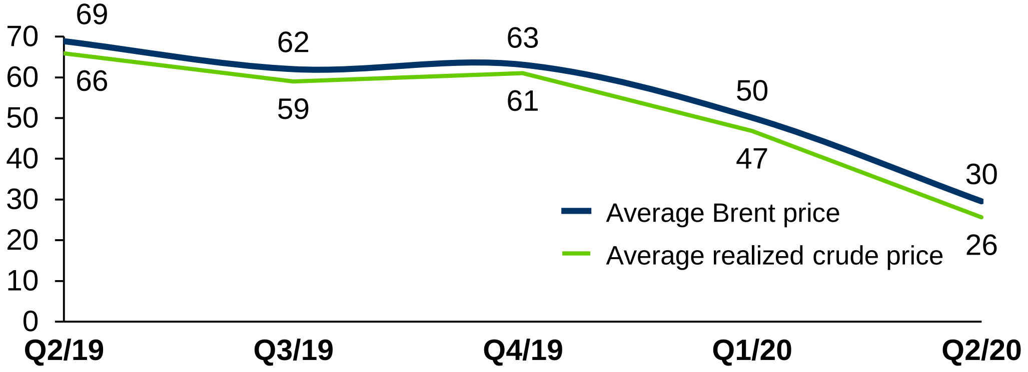
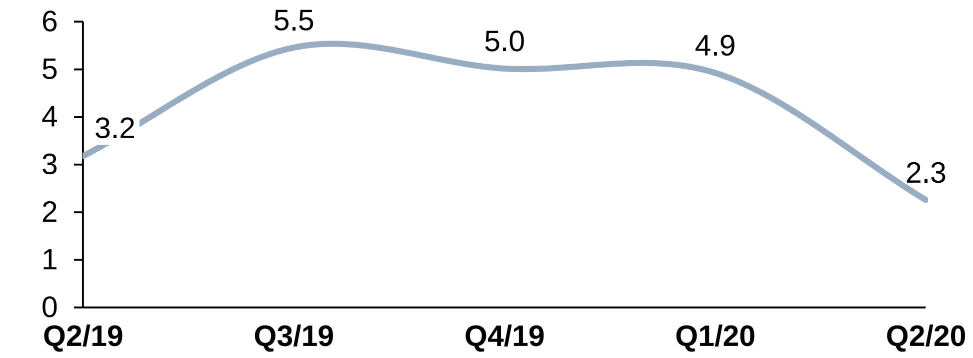
Macro environment – all indicators down significantly

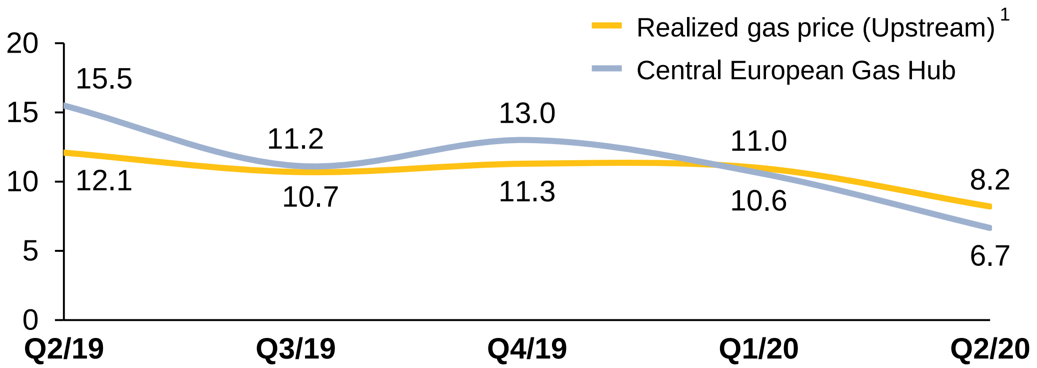
Oil prices
USD/bbl



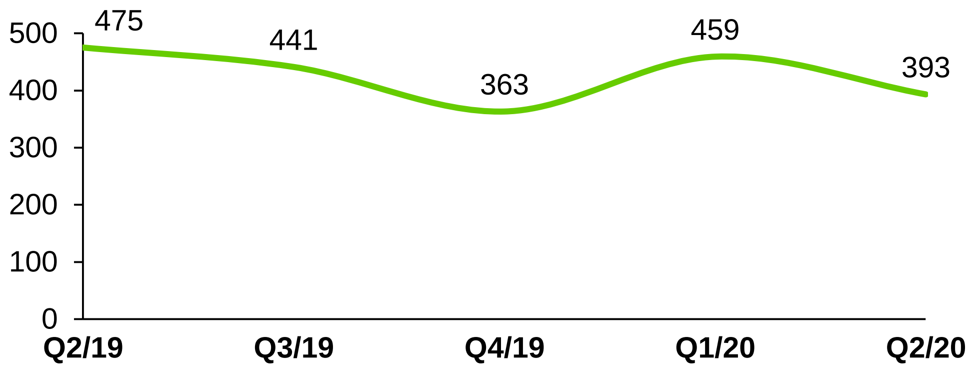
OMV indicator refining margin
USD/bbl



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

Key messages

FINANCIAL PERFORMANCE

Clean CCS Operating Result of **EUR 145 mn (–86% y-o-y)** with a substantial deterioration in Upstream and decline in Downstream

Quarterly cash flow from operating activities of **EUR 0.5 bn**

Dividend Per Share for 2019 of **EUR 1.75**

STRONG OPERATIONS

Quarterly production of **464 kboe/d**

Production cost at **USD 6.2/boe**

Refinery **utilization rate of 79%**

DELIVERING THE STRATEGY

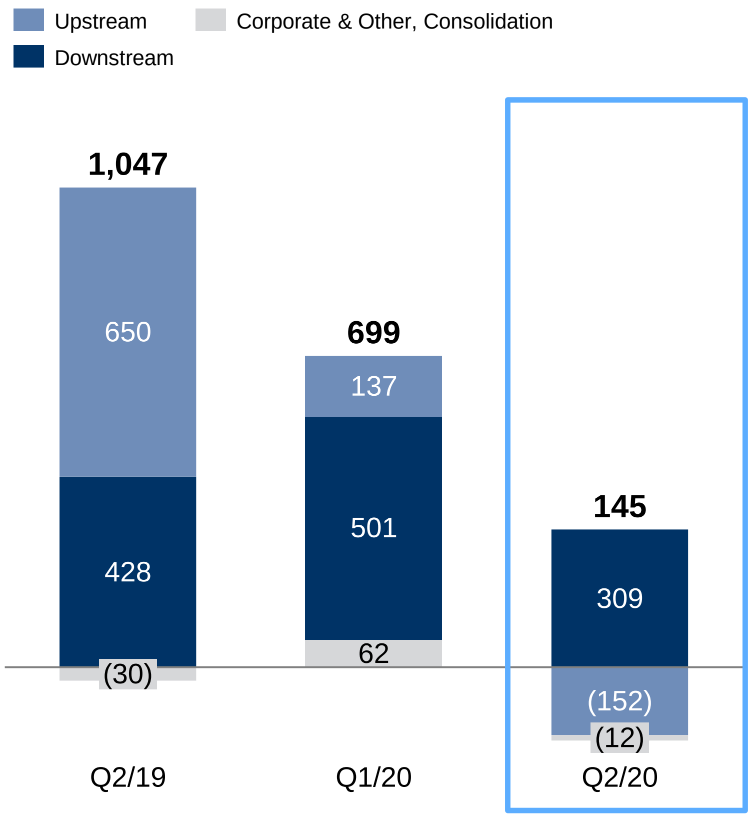
Signed MoU with **Lafarge, VERBUND and Borealis** to capture and utilize CO_2 on an industrial scale

Started construction of Austria's largest **photovoltaic plant** in cooperation with VERBUND

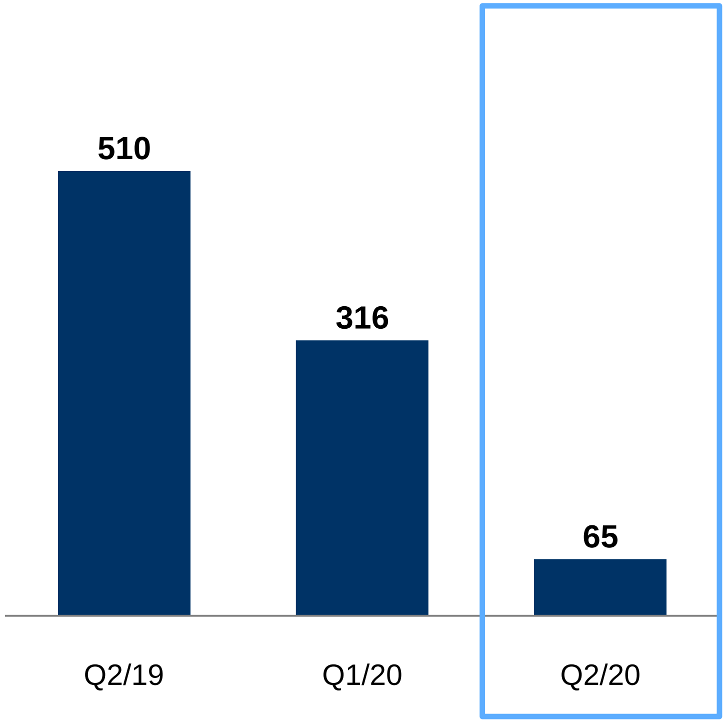
New **2025 CO_2 emissions targets** and **2050 ambition**

Clean CCS Operating Result substantially impacted by lower oil and gas prices and reduced demand

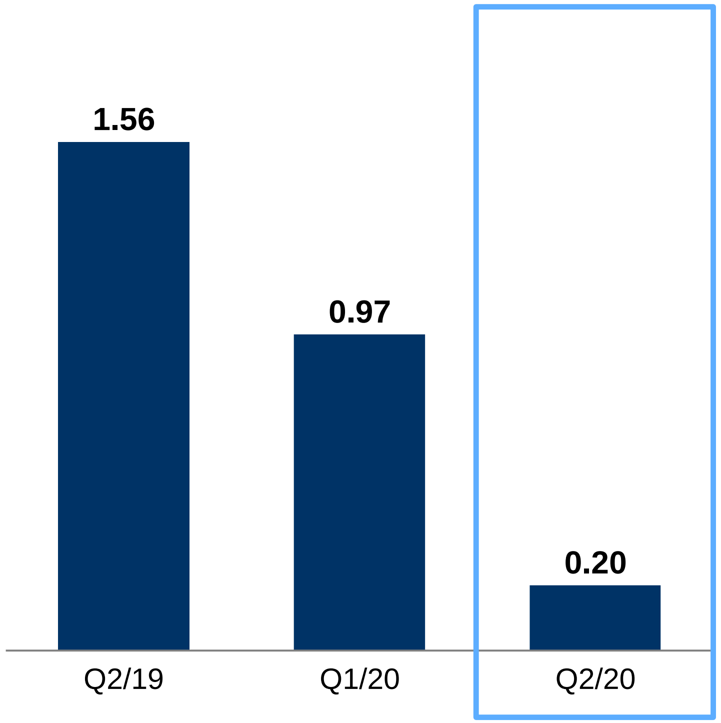
Clean CCS Operating Result
EUR mn



Clean CCS net income attributable to stockholders
EUR mn

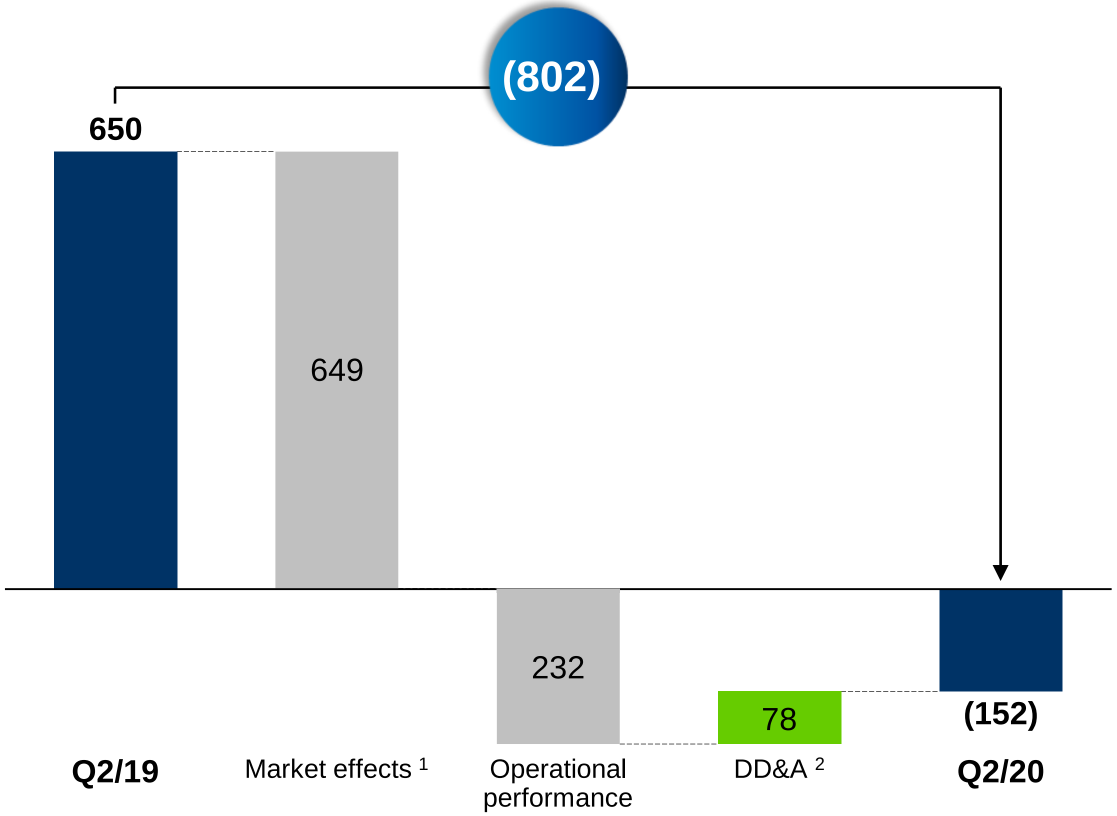


Clean CCS Earnings Per Share
EUR



Upstream – significantly weaker oil and gas market environment and no sales in Libya

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

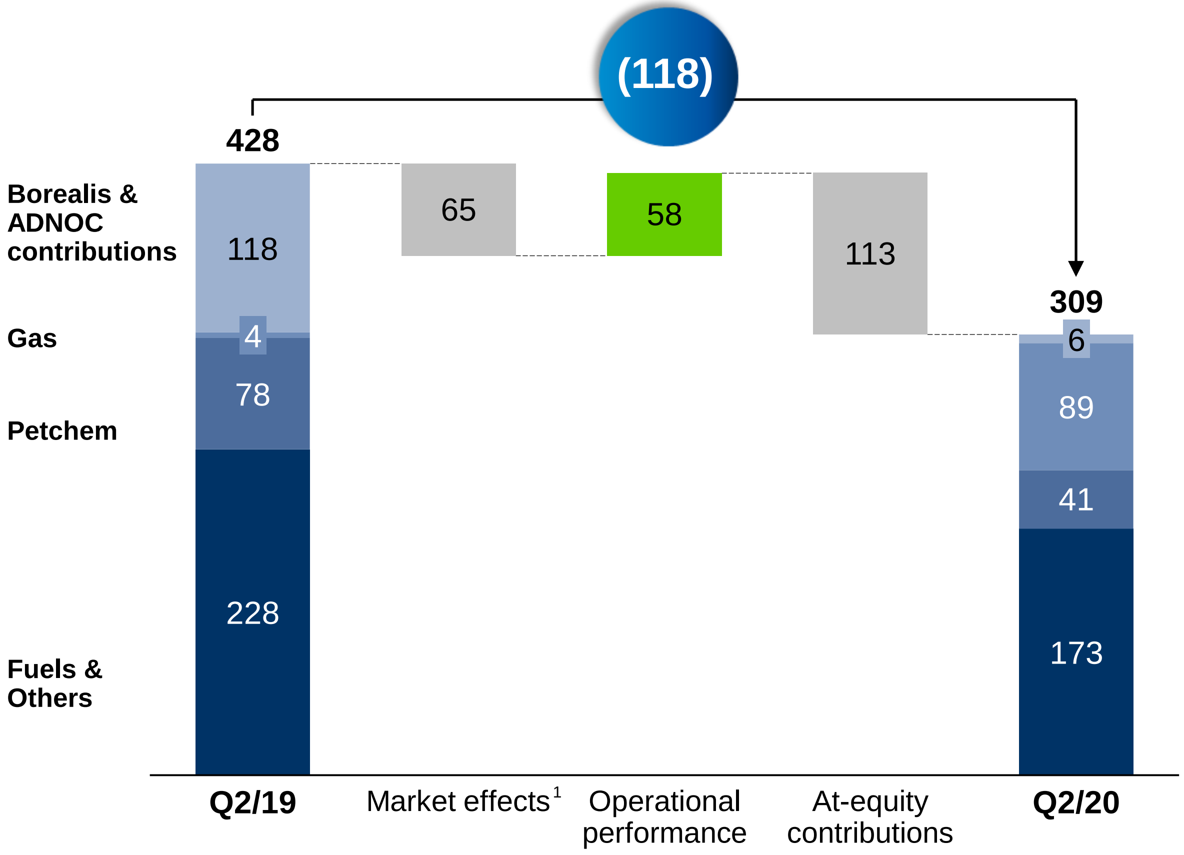
Q2/20 vs. Q2/19

- Significantly weaker market environment
  - Average realized oil price decreased by 61%
  - Average realized gas price decreased by 32%
  - Positive FX impact due to stronger EUR/USD
- Production of 464 kboe/d (-26 kboe/d)
  - Libya (-35 kboe/d)
  - Romania (-4 kboe/d)
  - Austria and New Zealand (each -3 kboe/d)
  - Malaysia (+11 kboe/d) due to ramp-up of SK408 gas field
  - Norway (+5 kboe/d)
  - UAE (+3 kboe/d)
- Sales volumes decreased by 51 kboe/d due to lower production and overlifting in Libya in Q2/19
- Production costs decreased to USD 6.2/boe (-10%)
- Lower depreciation due to New Zealand reserves revision and lower production volumes

Downstream – significantly weaker market environment, partially offset by positive hedging impact and higher gas contribution

Clean CCS Operating Result

EUR mn



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

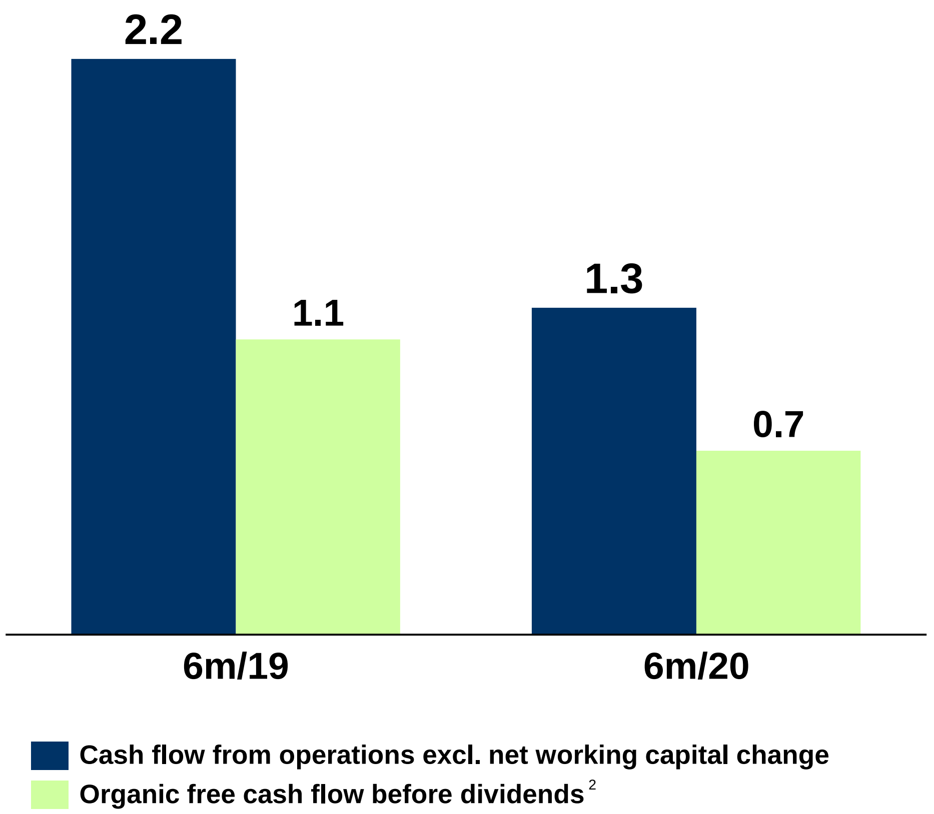
Q2/20 vs. Q2/19

- Weaker market environment
  - Refining indicator margin at USD 2.3/bbl (-29%)
  - Ethylene/propylene net margins at EUR 393/t (-17%)
- Operational performance
  - European refinery utilization rate down by 17 ppt to 79%
  - Total refined product sales lower (-23%)
  - Lower retail; lower volumes, but to a large extent offset by higher margins driven by crude oil collapse
  - Lower commercial fuels performance due to reduced volumes
  - Positive contribution from margin hedging
  - Better storage result and trading activities; significantly higher power result in Romania
- Borealis and ADNOC contributions
  - Negative ADNOC contribution due to adverse marketing environment and turnaround
  - Lower Borealis contribution, driven by significant negative inventory valuation effects, decreased light feedstock advantage versus naphtha, and an unplanned outage of the steam cracker in Sweden

Cash flow from operating activities excluding net working capital effects of EUR 1.3 bn in first six months of 2020

Organic cash flow 6m/20

EUR bn



Cash flows 6m/20 vs. 6m/19

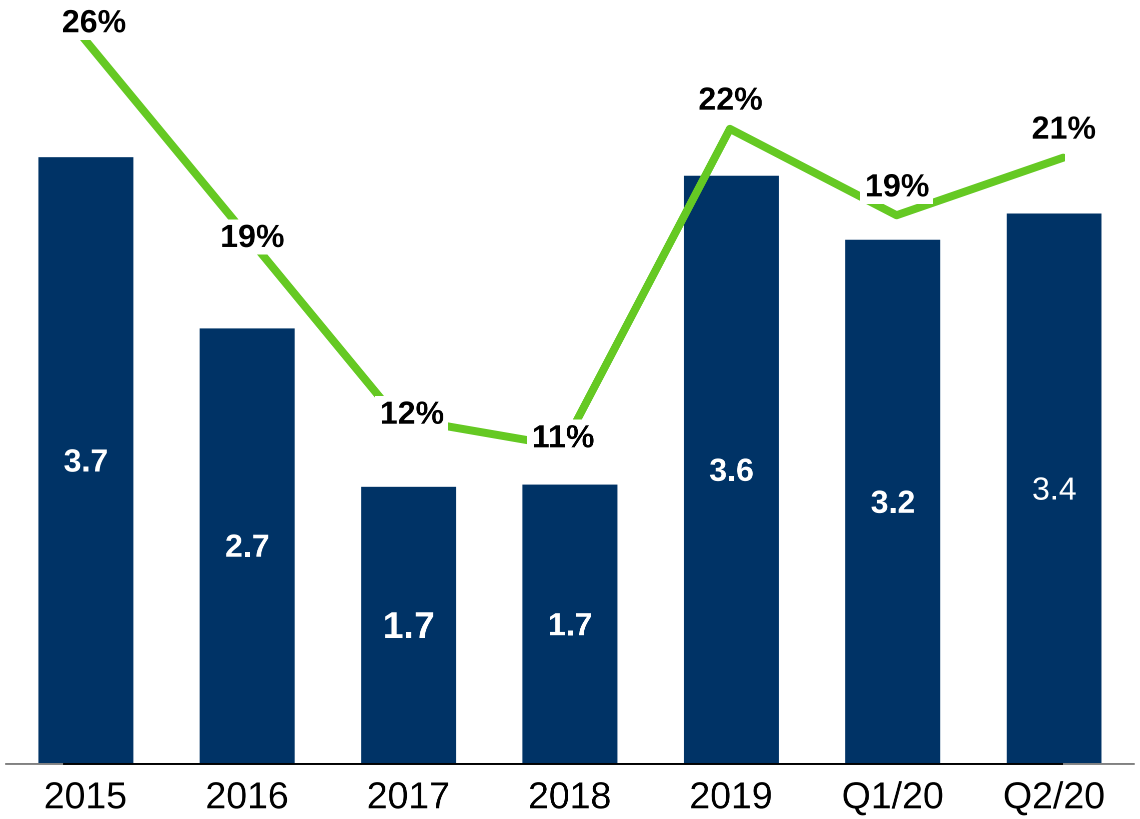
- Decrease of EUR 966 in cash flow from operating activities excl. net working capital change
- Net working capital effects of EUR 397 mn (6m/19: EUR (234) mn)
- Cash flow from operating activities of EUR 1.7 bn (6m/19: EUR 2 bn)
- Organic cash flow from investing activities[1] at EUR (952) mn (6m/19: EUR (855) mn)
- Organic free cash flow before dividends of EUR 0.7 bn (6m/19: EUR 1.1 bn)
- Payment of dividends of EUR 220 mn (6m/19: EUR 772 mn), thereof:
  - OMV Petrom minorities: EUR 174 mn (6m/19: EUR 154 mn)
  - Gas Connect Austria minority: EUR 28 mn (6m/19: EUR 29 mn)
  - Hybrid owners: EUR 14 mn (6m/19: EUR 14 mn)
- Inorganic cash flow from investing activities of EUR (122) mn

[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.

OMV

Healthy balance sheet

Net debt excluding leases,
Gearing ratio excluding leases
EUR bn, %



End of June 2020
OMV cash position

EUR 5.8 bn

In Q2/20 issued senior bonds, in particular for financing the Borealis deal [1]

EUR 3.25 bn

End of June 2020 OMV undrawn committed credit facilities

EUR 3.2 bn

Remaining OMV committed acquisition facility for the Borealis deal [1]

EUR 0.75 bn

[1] The OMV committed acquisition facility for the acquisition of a controlling interest in Borealis at signing amounted to EUR 4 bn, of which EUR 3.25 bn has been successfully refinanced with the senior bonds issued in Q2/20

Borealis deal and divestment projects progressing well

Acquisition of controlling interest in Borealis

- Regulatory approvals on track
- Joint project to identify synergies underway
- Closing expected by year-end

Divestment of share in Gas Connect Austria

- Binding offer received from VERBUND
- Ongoing negotiations
- Signing expected by year-end

Divestment of OMV retail network in Germany

- Around 40 parties interested
- Shortlist invited to data room
- Binding offers expected in the next months

Updated outlook 2020

	2019	Outlook 2020
Brent oil price (USD/bbl)	64	**40**
Average realized gas price (EUR/MWh)	11.9	**<10** (previously ~10)
Total hydrocarbon production (kboe/d)	487	**450–470** (previously 440–470 [1])
OMV European indicator refining margin (USD/bbl)	4.4	**~3.0** (previously ~4.0)
Ethylene/propylene net margin (EUR/t)	433	**<433** (previously ~433)
Utilization rate European refineries (%)	97%	**~85%** (previously ~80%)
Organic CAPEX (EUR bn)	2.3	**~1.7** (previously <1.8)
E&A expenditures (EUR mn)	360	**250**

[1] Depending on the security situation in Libya and potential imposed production cuts by governments.

OMV

OMV sets new, more ambitious emissions targets for 2025

SCOPE 1 – target 2025 (vs. 2010)

Reduce the carbon intensity of operations [1] by

≥30% (previously 19%)

- **≥60% reduction** in the Upstream carbon intensity
- **≥20% reduction** in the Refining carbon intensity
- **≥1 Mio t CO_2 equivalent** reduction in Group operated assets vs. 2020

Status year-end 2019

- Reduction of 22% vs. 2010

SCOPE 3 – target 2025 (vs. 2010)

Reduce the carbon intensity of product portfolio [2] by

>6% (previously 4%)

- **≥60% share** of low and zero carbon products in OMV portfolio
  - Increase share of **natural gas**
  - Increase volumes of **petrochemicals**
  - Increase **biogenic or waste-based** share in products

Status year-end 2019

- Reduction of 4% vs. 2010

[1] Direct emissions from operations that are majority-owned or controlled by the organization
[2] Emissions generated through the use of OMV products that are sold to third parties

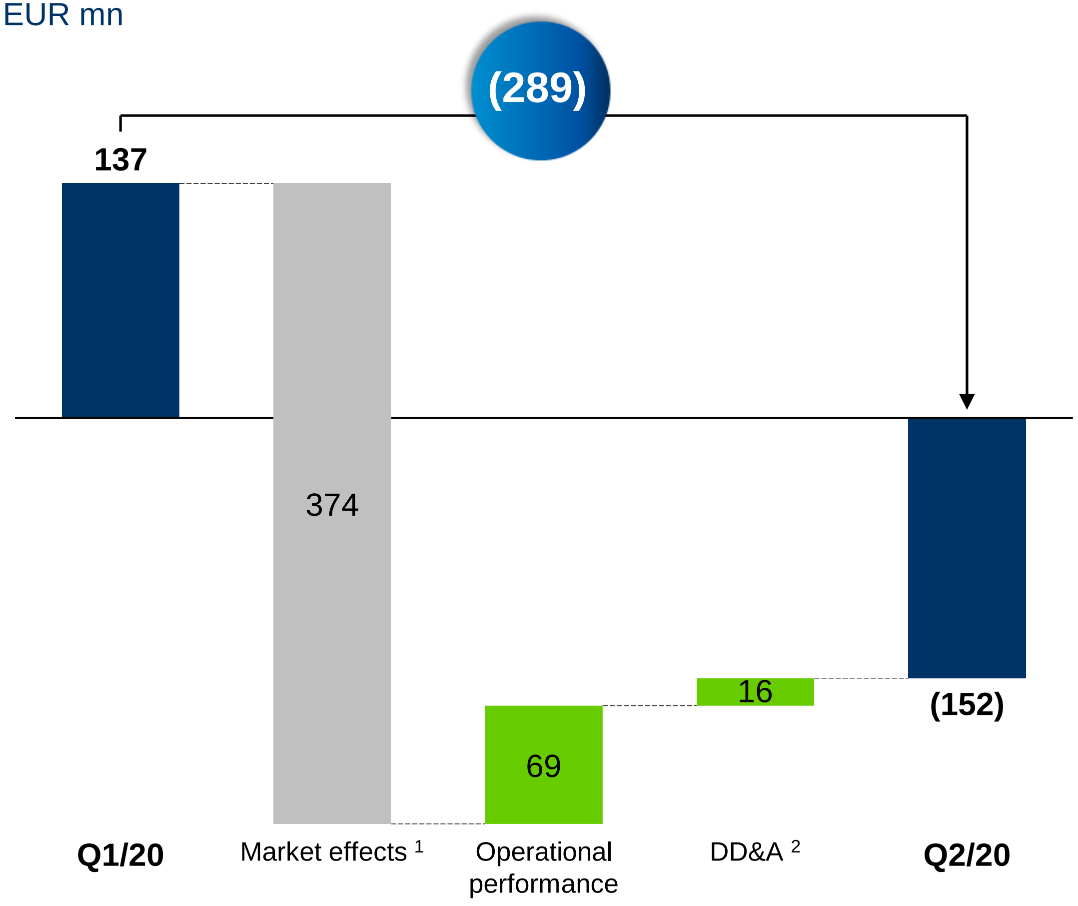
Net-zero Emissions in Our Operations by 2050

BACKUP

Upstream – significantly weaker market environment partially offset by lower exploration expenses

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

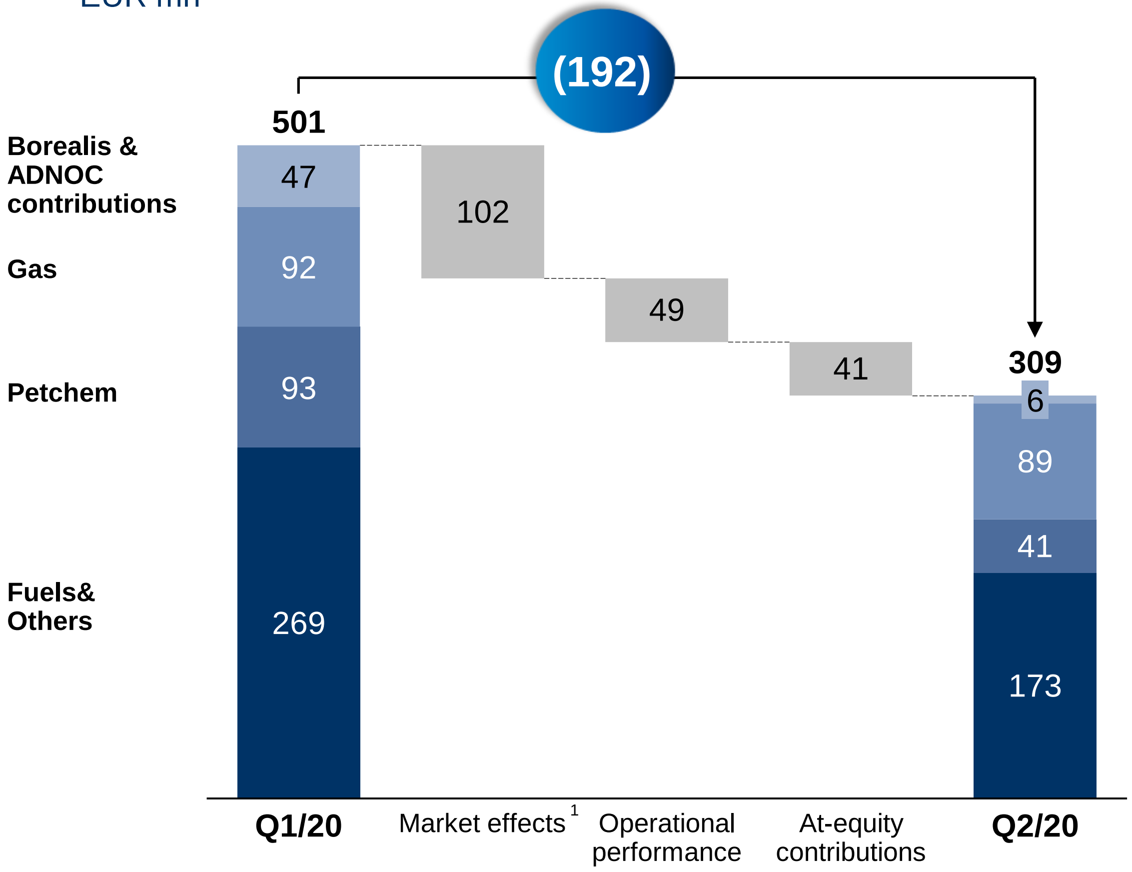
Q2/20 vs. Q1/20

- Significantly weaker market environment
  - Realized oil price decreased by 45%
  - Realized gas price decreased by 25%
- Production of 464 kboe/d (-8 kboe/d)
  - Libya (-7 kboe/d)
  - Russia (-5 kboe/d)
  - Romania (-3 kboe/d)
  - Norway (+3 kboe/d)
  - New Zealand, Tunisia, UAE (each +2 kboe/d)
- Lower sales volumes (-12 kboe/d) mainly due to fewer liftings in Norway
- Production costs slightly decreased to USD 6.2/boe (-4%)
- Significantly lower exploration expenses (write-off of EUR 73 mn recorded in Q1/20)
- Lower depreciation due to decreased production

Downstream – lower earnings due to a significant lower refining margin and reduced demand

Clean CCS Operating Result

EUR mn



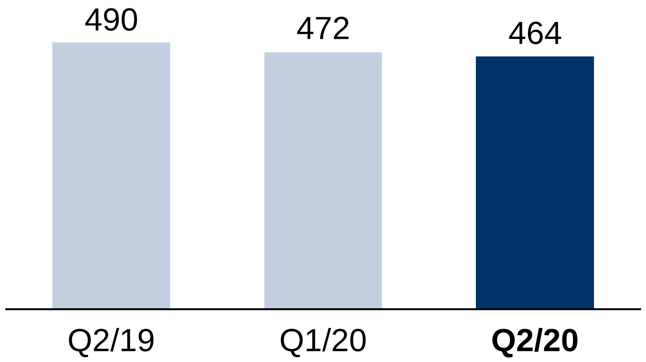
[1] Market effects defined as refining indicator margin and petrochemical margins

Q2/20 vs. Q1/20

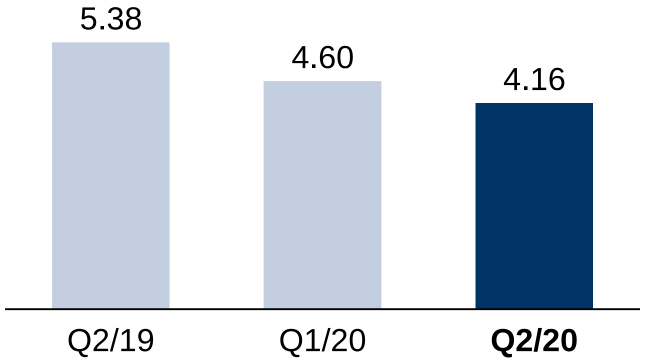
- Weaker market environment
  - Significantly lower refining margin at USD 2.3/bbl (-54%)
  - Lower ethylene/propylene net margin (-14%)
- Operational performance
  - Utilization rate decreased from 94% to 79%
  - Lower total refined product sales by 10%
  - Slightly higher retail performance due to higher fuel margins as a result of the sharp drop of crude oil prices
  - Decreased commercial fuels performance mainly driven by 90% fall in jet fuel demand
  - Stable petrochemical sales
  - Decreased gas result due to seasonality
  - Positive one-off effect from sale of CO_2 certificates in Q1/20
- Borealis and ADNOC contributions
  - Lower ADNOC contribution impacted by adverse marketing environment and turnaround
  - Lower Borealis contribution on account of negative inventory effects, a weaker Borouge result, and the one-off negative impact of the steam cracker outage

Operational KPIs

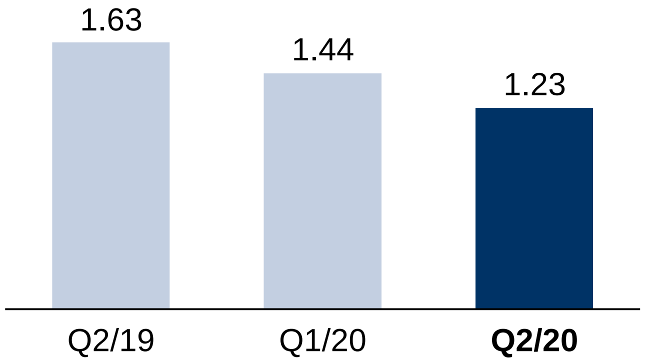
Hydrocarbon production
kboe/d



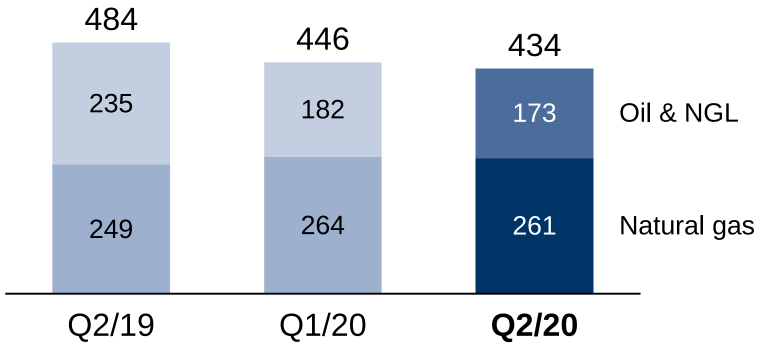
Refined product sales
mn t



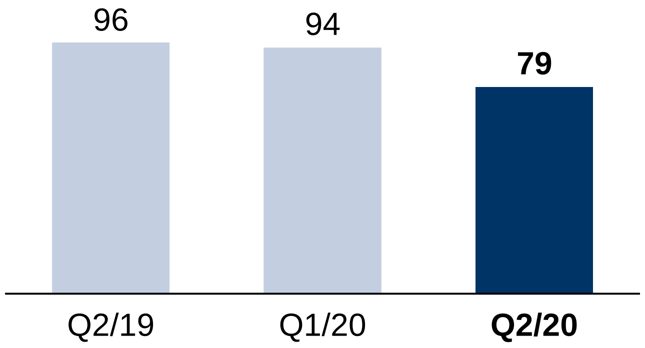
Retail sales
mn t



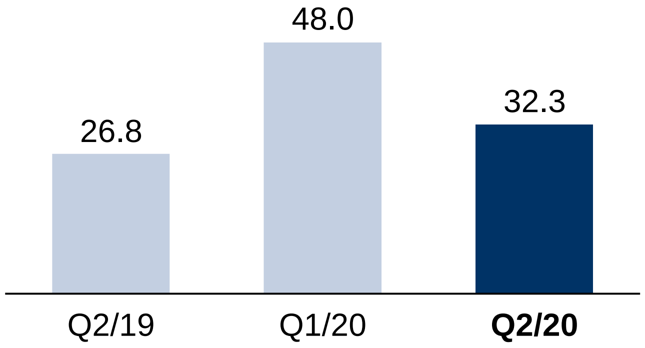
Hydrocarbon sales
kboe/d



Refinery utilization rate
%

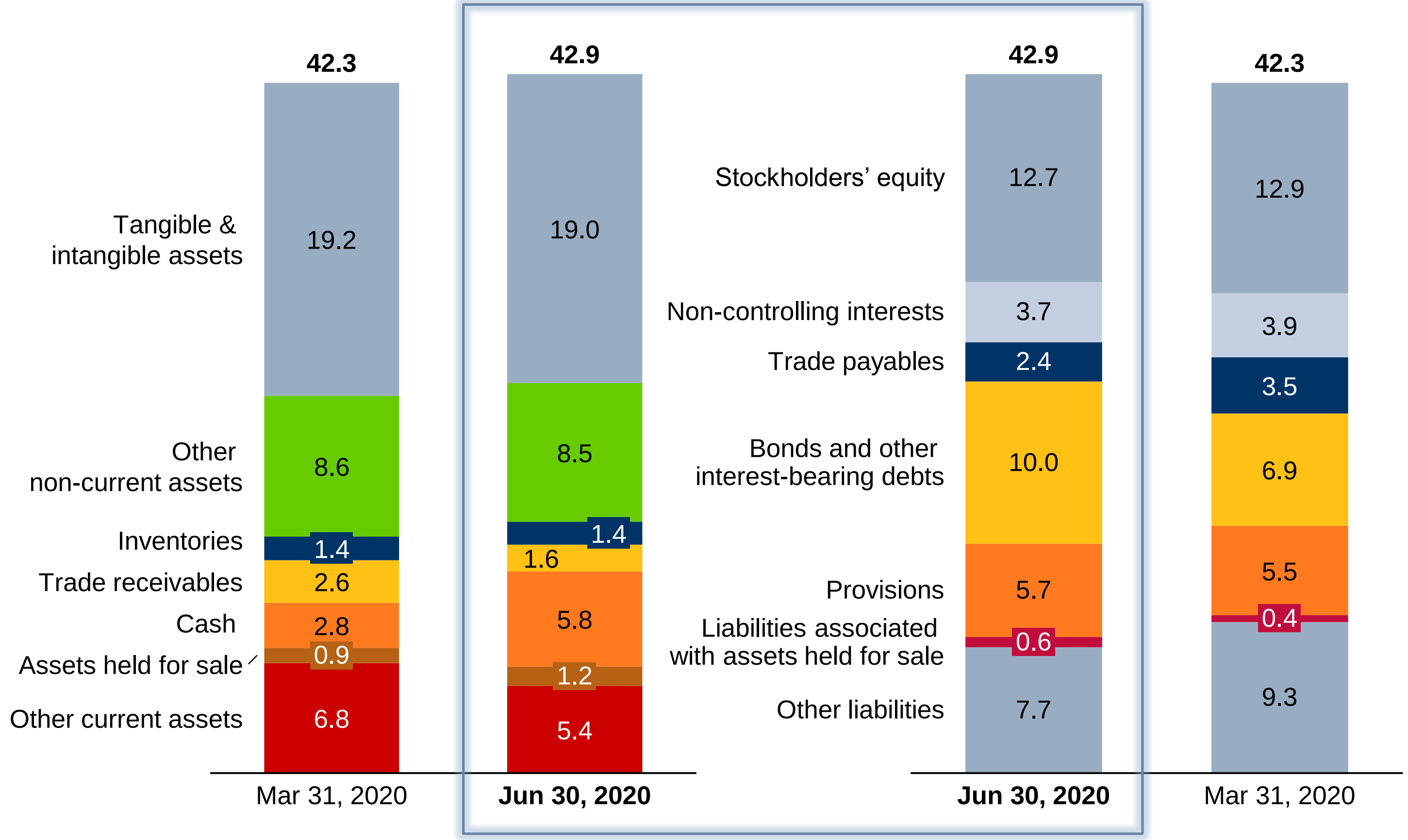


Natural gas sales
TWh



Strong balance sheet

Balance sheet June 30, 2020 vs. March 31, 2020
EUR bn



- Retail network in Germany reclassified to assets held for sale in Q2/20
- Bonds with a total nominal value of EUR 3.25 bn issued in Q2/20