Q3 2020 Results Conference Call

Rainer Seele
Chairman of the
Executive Board and CEO

October 29, 2020

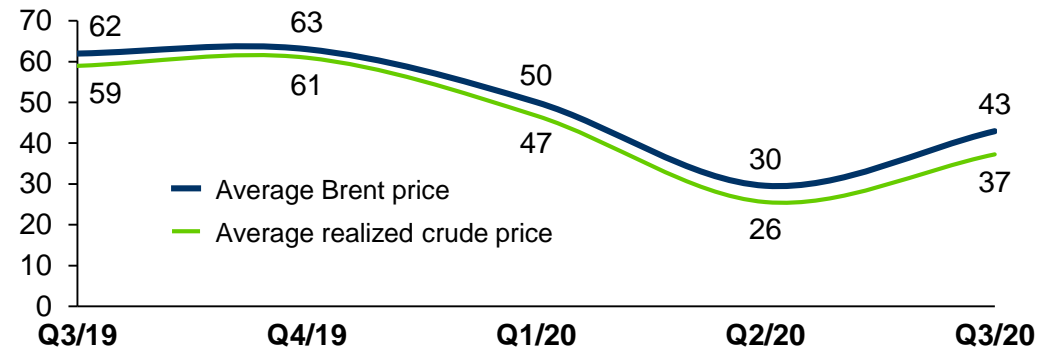The energy for a better life.

Disclaimer

This report contains forward-looking statements. Forward-looking statements may be identified by the use of terms such as "outlook," "expect," "anticipate," "target," "estimate," "goal," "plan," "intend," "may," "objective," "will", and similar terms or by their context. These forward-looking statements are based on beliefs and assumptions currently held by and information currently available to OMV. By their nature, forward-looking statements are subject to risks and uncertainties, both known and unknown, because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of OMV. Consequently, the actual results may differ materially from those expressed or implied by the forward-looking statements. Therefore, recipients of this report are cautioned not to place undue reliance on these forward-looking statements.

Neither OMV nor any other person assumes responsibility for the accuracy and completeness of any of the forward-looking statements contained in this report. OMV disclaims any obligation to update these forward-looking statements to reflect actual results, revised assumptions and expectations, and future developments and events. This report does not contain any recommendation or invitation to buy or sell securities in OMV.

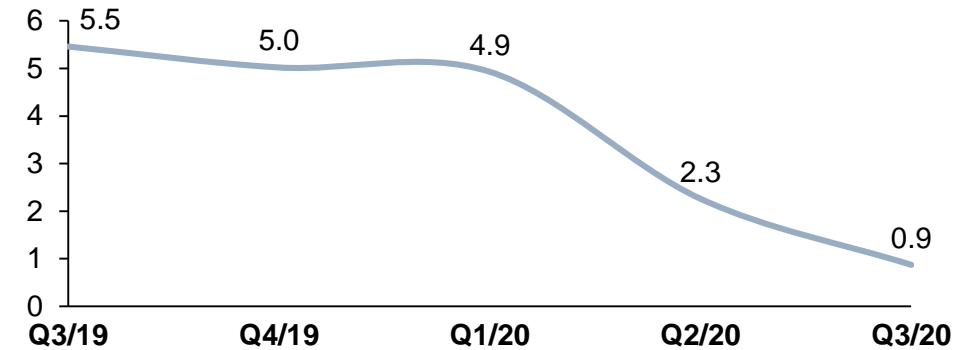# Macro environment – improved crude oil price, but significantly lower refining margin
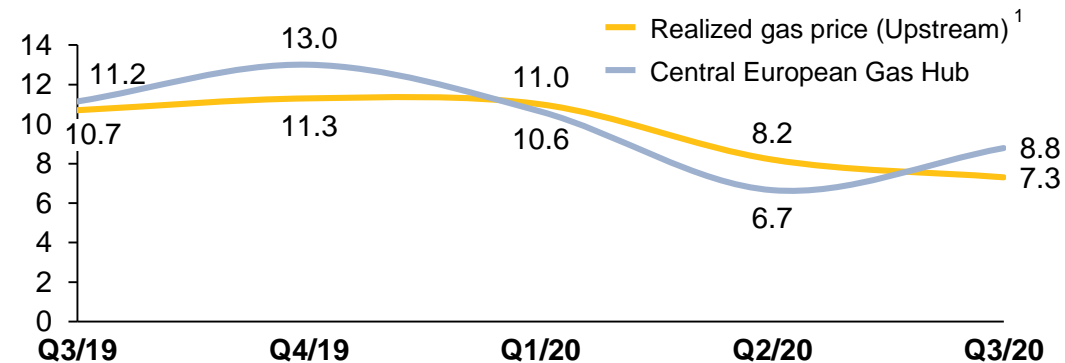
Oil prices
USD/bbl

- Average Brent price: 62, 63, 50, 30, 43
- Average realized crude price: 59, 61, 47, 26, 37

Quarters: Q3/19, Q4/19, Q1/20, Q2/20, Q3/20

OMV indicator refining margin Europe
USD/bbl

Values: 5.5, 5.0, 4.9, 2.3, 0.9

Quarters: Q3/19, Q4/19, Q1/20, Q2/20, Q3/20

Gas prices
EUR/MWh

- Realized gas price (Upstream)[1]
- Central European Gas Hub

Central European Gas Hub: 11.2, 13.0, 11.0, 6.7, 8.8
Realized gas price: 10.7, 11.3, 10.6, 8.2, 7.3

Quarters: Q3/19, Q4/19, Q1/20, Q2/20, Q3/20

Ethylene/propylene net margin [2]
EUR/t

Values: 441, 363, 459, 393, 375
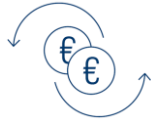
Quarters: Q3/19, Q4/19, Q1/20, Q2/20, Q3/20
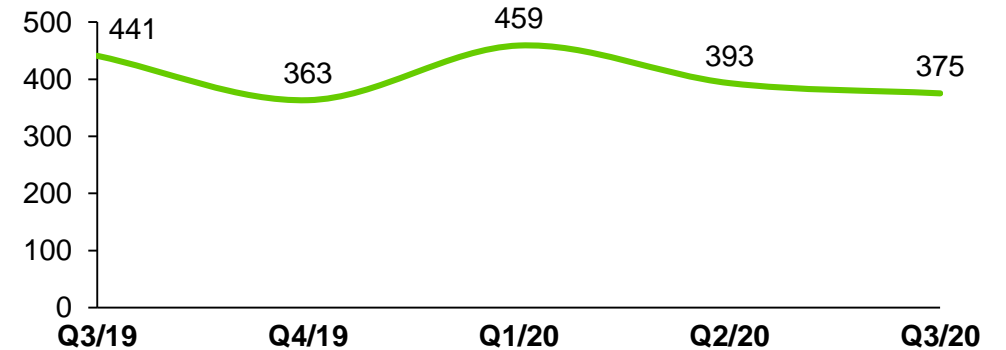
Note: All figures are quarterly averages.
[1] Converted to MWh using a standardized calorific value across the portfolio
[2] Spread between market prices of ethylene/propylene and naphtha including standard processing consumption

OMV

Key messages

FINANCIAL PERFORMANCE	STRONG OPERATIONS	DELIVERING THE STRATEGY
Clean CCS Operating Result of **EUR 317 mn**	Quarterly production of **444 kboe/d**	Long-term **oil price revision**
(67)% y-o-y	Production cost at **USD 7.5/boe**	Signed sale agreement with VERBUND for 51% stake in **Gas Connect Austria**
+119% q-o-q	Refinery **utilization rate of 90%**	
Quarterly cash flow from operating activities of **EUR 0.8 bn**	Strong gas **storage** business	

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

Clean CCS Operating Result
EUR mn

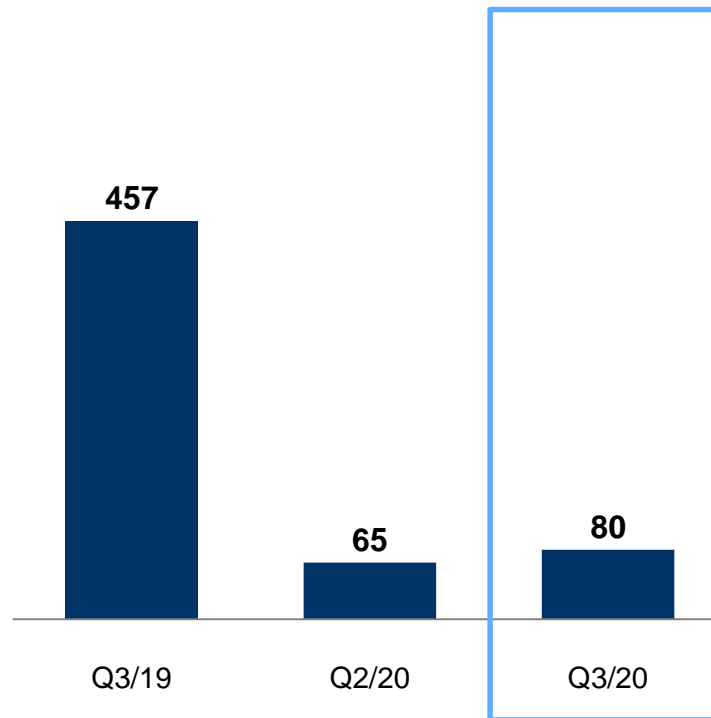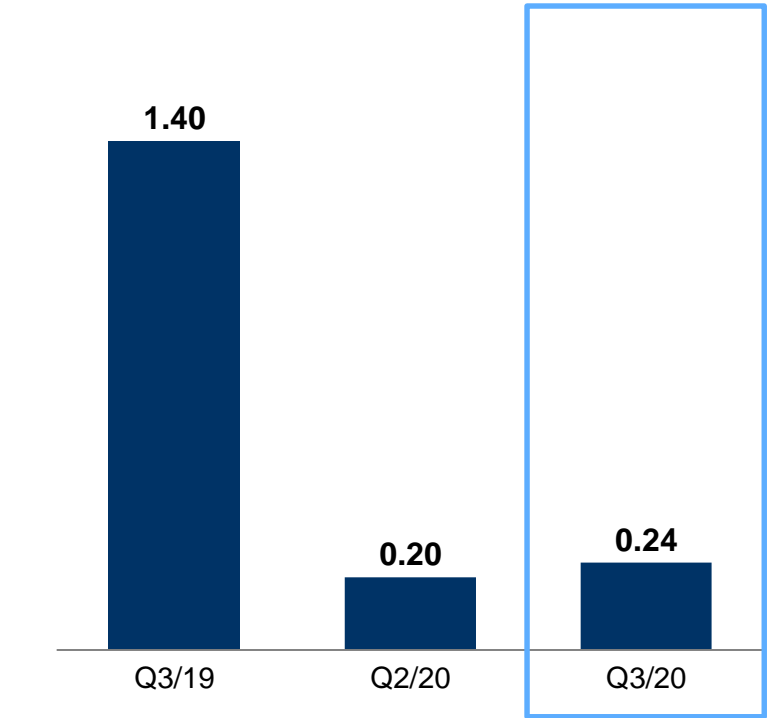- ■ Upstream   ■ Corporate & Other
- ■ Downstream
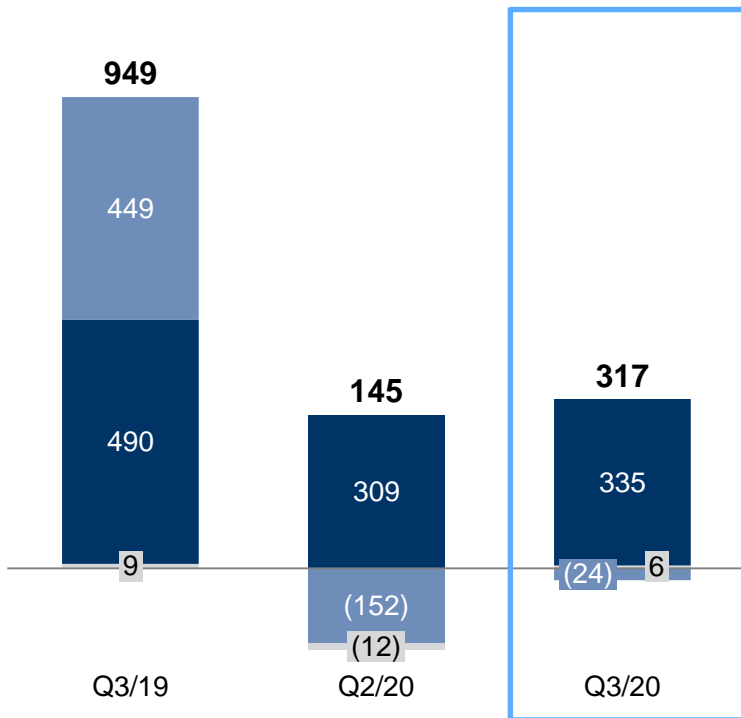
Clean CCS net income attributable to stockholders
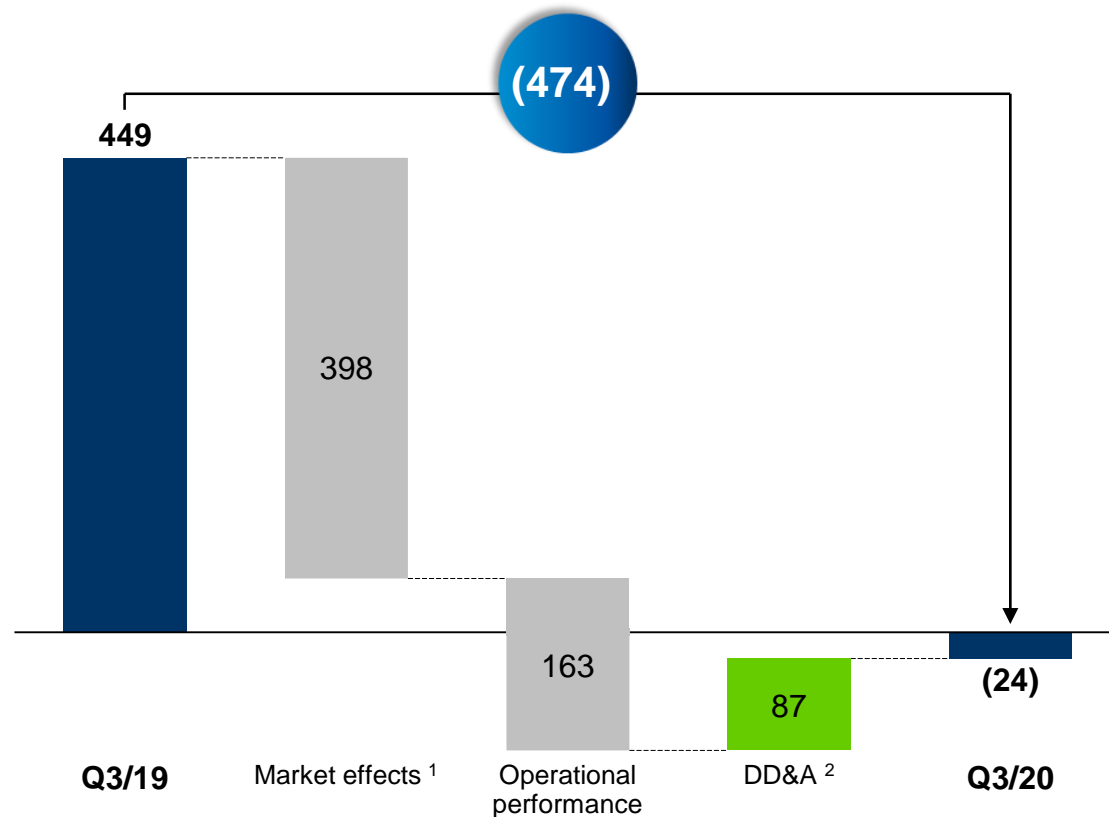EUR mn

Clean CCS Earnings Per Share
EUR

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Upstream – significantly weaker oil and gas prices and missing contribution from Libya

Clean Operating Result
EUR mn

(474)

449

398

163

87

(24)

Q3/19   Market effects [1]   Operational performance   DD&A [2]   **Q3/20**

[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

Q3/20 vs. Q3/19

▶ Significantly weaker market environment

  ▶ Average realized oil price decreased by 37%

  ▶ Average realized gas price declined by 32%

  ▶ Negative FX impact

▶ Production of 444 kboe/d (-36 kboe/d)

  ▶ Libya (-35 kboe/d)

  ▶ New Zealand (-10 kboe/d)

  ▶ Romania (-9 kboe/d)

  ▶ Norway and Russia (each -4 kboe/d)

  ▶ Malaysia (+26 kboe/d) due to ramp-up of SK408 gas field

▶ Sales volumes decreased by 43 kboe/d due to lower production

▶ Production costs increased to USD 7.5/boe (+18%) due to lower production and FX effect

▶ Lower depreciation due to lower production volumes and effect of impairments

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

Clean CCS Operating Result
EUR mn
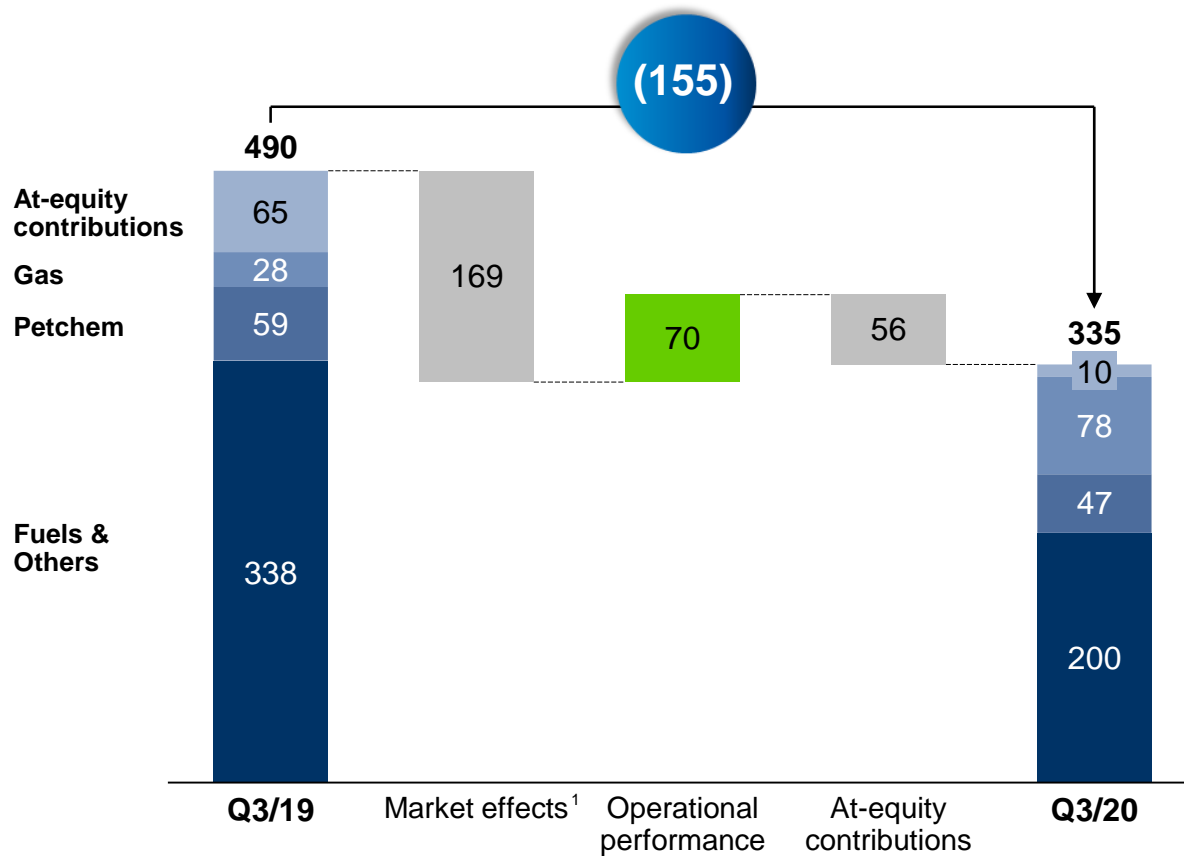
At-equity contributions
Gas
Petchem
Fuels & Others

490 → (155) → 335

| Q3/19 | Market effects[1] | Operational performance | At-equity contributions | Q3/20 |

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

Q3/20 vs. Q3/19

- ▶ Weaker market environment
  - ▶ Refining indicator margin at USD 0.9/bbl (-84%)
  - ▶ Ethylene/propylene net margins at EUR 375/t (-15%)
- ▶ Operational performance
  - ▶ European refinery utilization rate at 90%
  - ▶ Lower total refined product sales (-16%)
  - ▶ Improved retail performance
  - ▶ Decreased commercial fuels performance mainly caused by significant fall in jet fuel demand
  - ▶ Positive contribution from margin hedging
  - ▶ Better storage result and trading activities; significantly higher power result in Romania
- ▶ At-equity contributions
  - ▶ Negative ADNOC contribution due to significantly lower refining margin and lower utilization rate
  - ▶ Decreased Borealis contribution, as a result of lower integrated polyolefin margins and lower fertilizer result, partially offset by positive inventory effects and higher volumes

OMV

Solid organic free cash flow of EUR 1.1 bn in 9m/20

Organic cash flow 9m/20
EUR bn
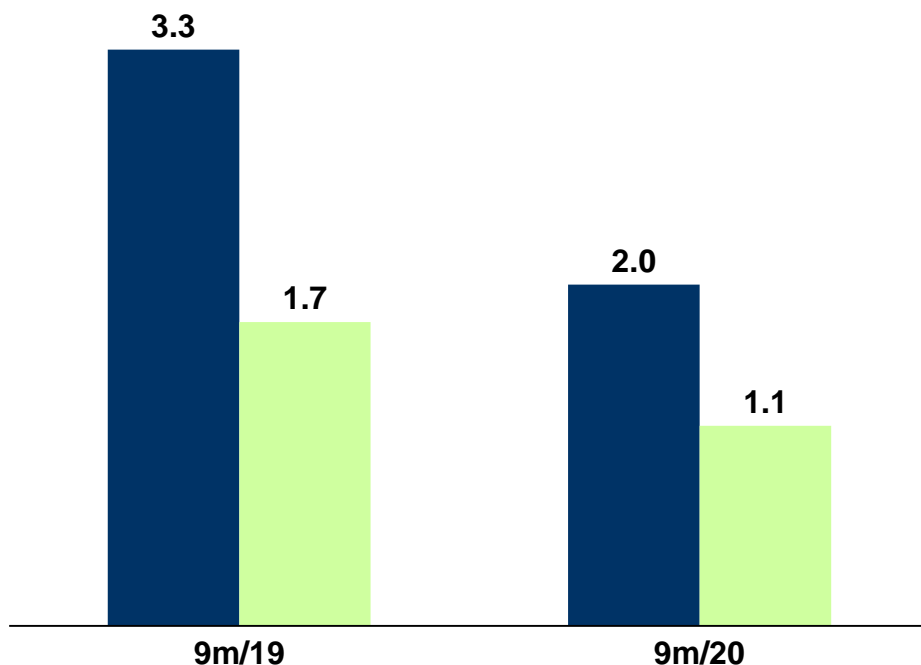
- Cash flow from operations excl. net working capital change
- Organic free cash flow before dividends [2]

Cash flows 9m/20 vs. 9m/19

▶ Decrease of EUR 1.3 bn in cash flow from operating activities excl. net working capital change

▶ Net working capital effects of EUR 502 mn (9m/19: EUR (227) mn)

▶ Cash flow from operating activities of EUR 2.5 bn (9m/19: EUR 3.1 bn)

▶ Organic cash flow from investing activities [1] at EUR (1,311) mn (9m/19: EUR (1,334) mn)

▶ Organic free cash flow before dividends of EUR 1,147 mn (9m/19: EUR 1,741 mn)

▶ Payment of dividends of EUR 220 mn (9m/19: EUR 772 mn), thereof:
  - ▶ OMV Petrom minorities: EUR 174 mn (9m/19: EUR 154 mn)
  - ▶ Gas Connect Austria minority: EUR 28 mn (9m/19: EUR 29 mn)
  - ▶ Hybrid owners: EUR 14 mn (9m/19: EUR 14 mn)
  - ▶ OMV stockholders: EUR 0 (9m/19: EUR 572 mn)

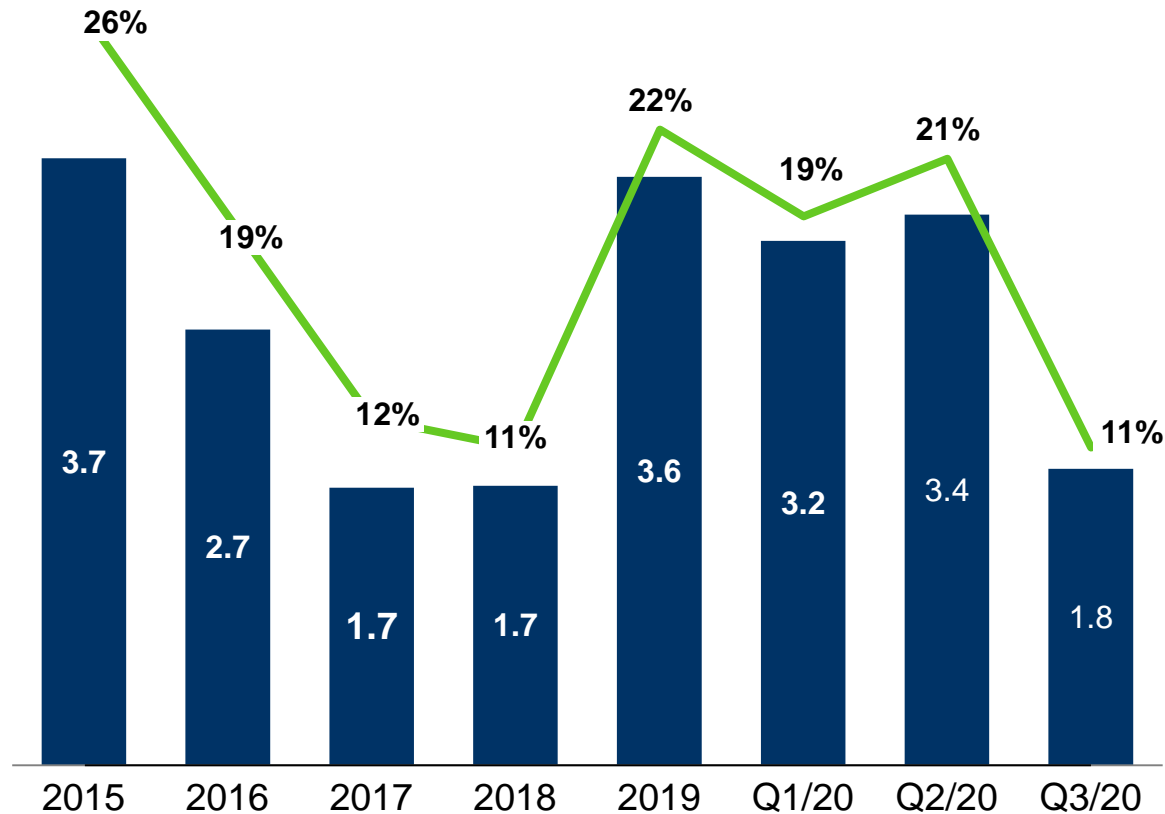▶ Inorganic cash flow from investing activities of EUR (187) mn

[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.

Healthy balance sheet

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

Gearing ratio [1] excluding leases

Net debt excluding leases

	2015	2016	2017	2018	2019	Q1/20	Q2/20	Q3/20
Gearing ratio	26%	19%	12%	11%	22%	19%	21%	11%
Net debt	3.7	2.7	1.7	1.7	3.6	3.2	3.4	1.8

End of Sept. 2020 OMV cash position

EUR 7.3 bn

End of Sept. 2020 OMV undrawn committed credit facilities

EUR 3.2 bn

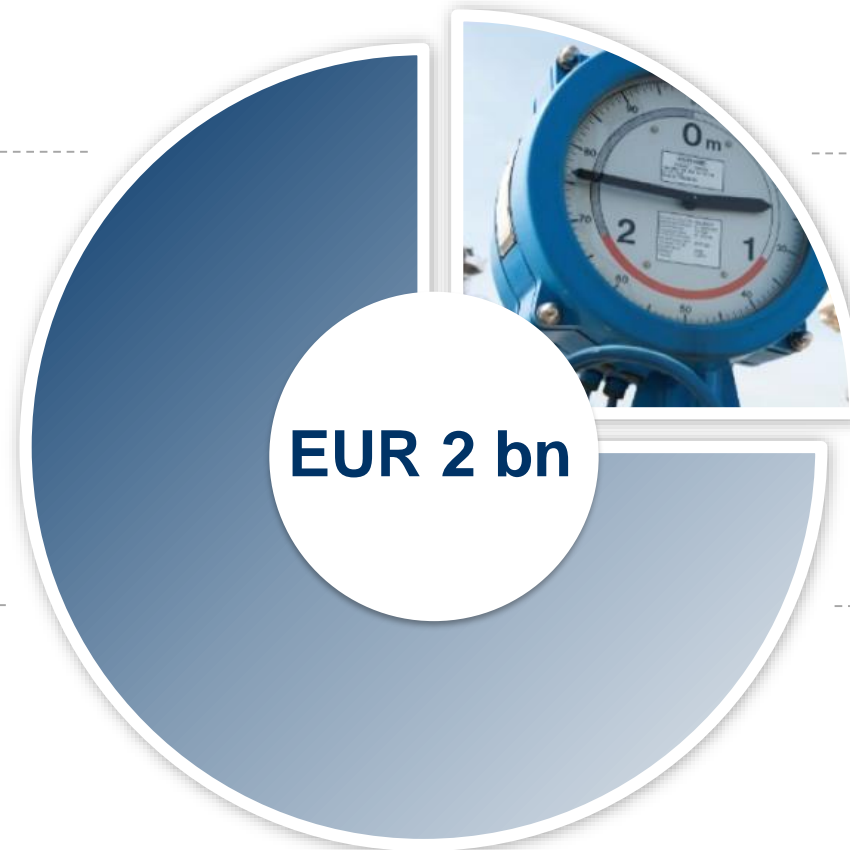[1] Defined as net debt to equity

OMV

Good progress on EUR 2 bn divestment program

Divestment of OMV retail network in Germany

- ▶ Signing expected in Q4/20
- ▶ Closing expected in H1/21

Divestment of 51% share in Gas Connect Austria

- ▶ Signed on Sept. 23, 2020
- ▶ Closing expected in H1/21

Net debt reduction
EUR (570) mn

EUR 2 bn

Divestments in Upstream

- ▶ Maari field in New Zealand – closing expected in Q4/20
- ▶ Kazakhstan Upstream operations
- ▶ Four oil fields in Malaysia

Other assets to be announced

OMV

Updated outlook 2020

	2019	Outlook 2020
Brent oil price (USD/bbl)	64	**40**
Average realized gas price (EUR/MWh)	11.9	**<10**
Total hydrocarbon production (kboe/d)	487	**450–470** [1]
OMV European indicator refining margin (USD/bbl)	4.4	**~ 2.5** (previously ~3.0)
Ethylene/propylene net margin (EUR/t)	433	**<433**
Utilization rate European refineries (%)	97%	**~85%**
Organic CAPEX (EUR bn)	2.3	**~1.7** [2]
E&A expenditures (EUR mn)	360	**250**

[1] Depending on the security situation in Libya and potential imposed production cuts by governments
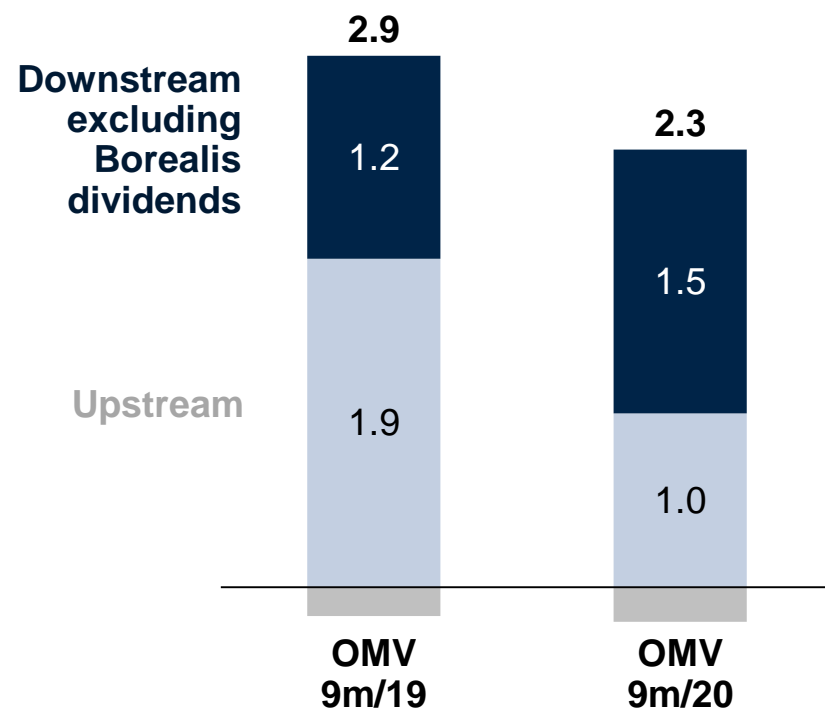
[2] Excluding Borealis consolidation after closing

OMV

OMV completes the acquisition of additional 39% share in Borealis
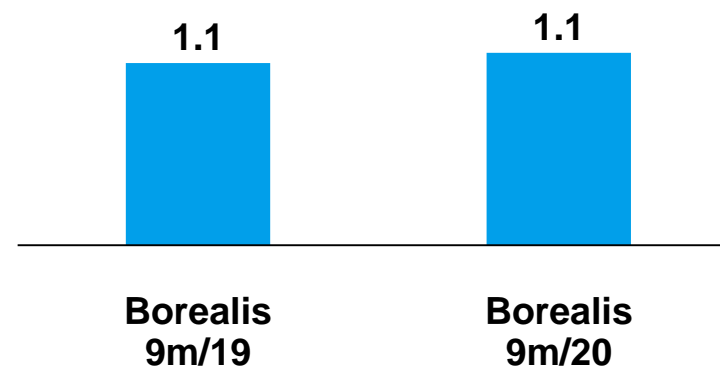

Schwechat site, Austria
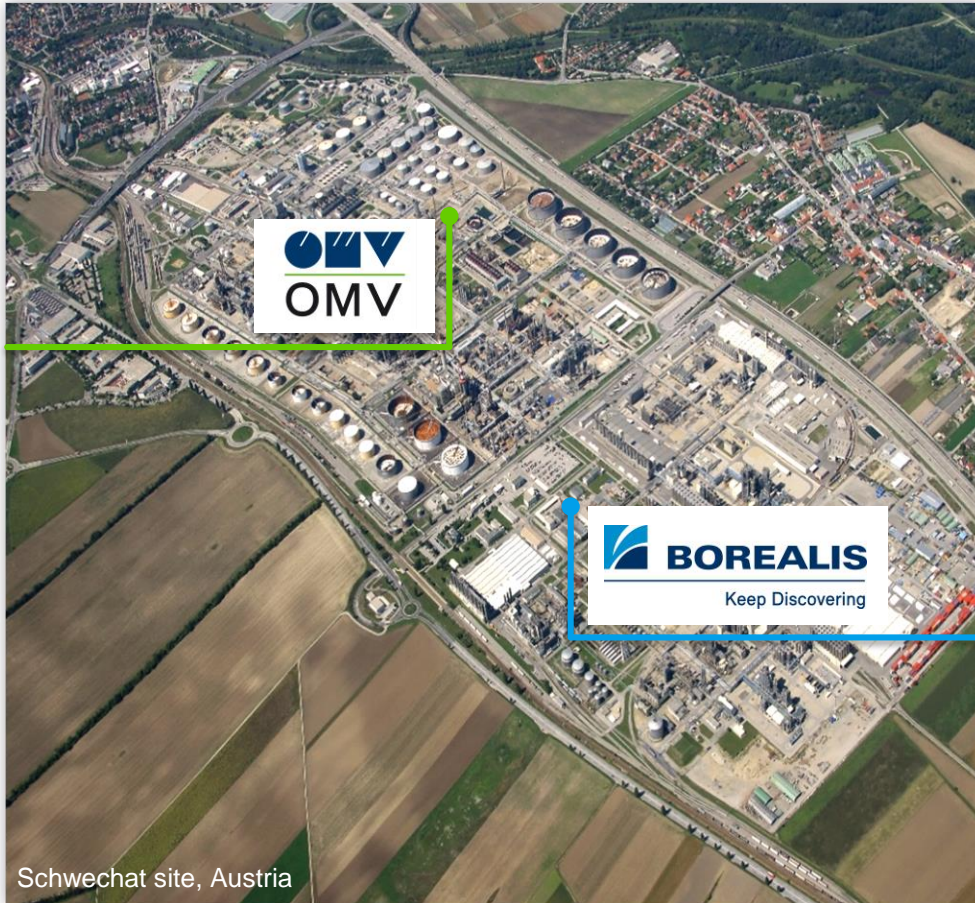
▶ OMV acquires additional 39% share in Borealis, **increasing its share to a controlling interest of 75%**

  ▶ Purchase price of USD 4.68 bn

  ▶ Cash-out (net of cash acquired) of **EUR 3.8 bn** paid in full at closing

  ▶ Borealis will be **fully consolidated** in OMV's financials

  ▶ **EPS accretive** from first year onward

  ▶ Synergies of more than **EUR 800 mn** until 2025

▶ OMV becomes **#1** in European ethylene and propylene capacity and **#8** in global polymer capacity

Very resilient operating cash flow of Borealis of EUR 1.1 bn
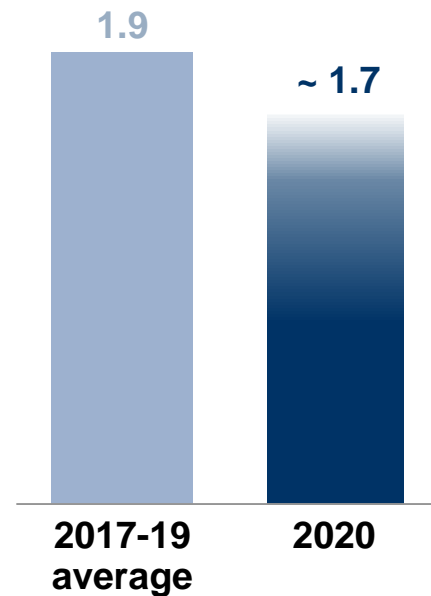
OMV
Operating cash flow
EUR bn

Borealis
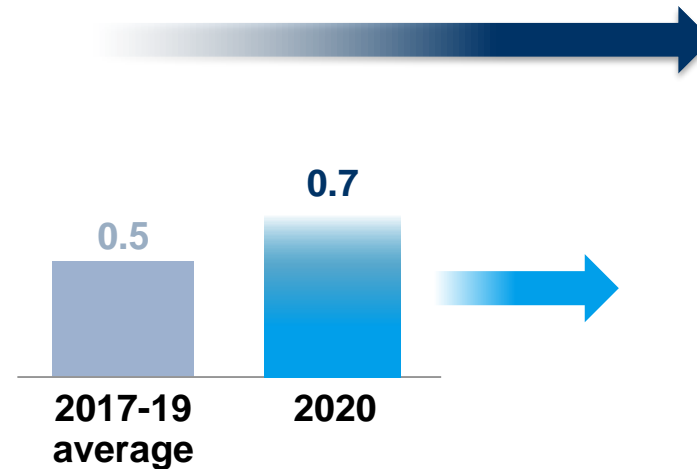**Operating cash flow (incl. Borouge dividends)**
EUR bn

Downstream excluding Borealis dividends

Upstream

OMV
9m/19: **2.9** (1.2 / 1.9)

OMV
9m/20: **2.3** (1.5 / 1.0)

Borealis
9m/19: **1.1**

Borealis
9m/20: **1.1**

Disciplined capital spending supports high free cash flows from combined businesses

OMV
Organic CAPEX
EUR bn

Borealis
CAPEX
EUR bn

OMV & Borealis
combined organic CAPEX
EUR bn

OMV Organic CAPEX:
- 1.9 — 2017-19 average
- ~ 1.7 — 2020

Borealis CAPEX:
- 0.5 — 2017-19 average
- 0.7 — 2020

OMV & Borealis combined organic CAPEX:
- ~ 2.4 [1] — 2020
- 2.5 - 3.0 — 2021+
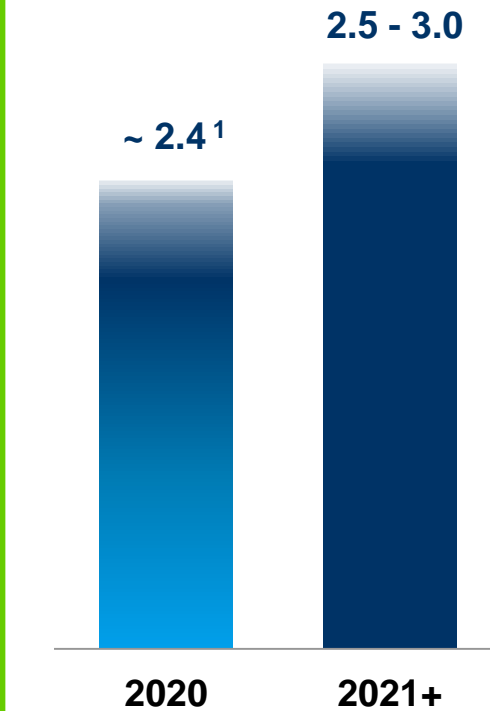
[1] Pro-forma illustration including full year Capex of Borealis. OMV will consolidate it only starting with October 29, 2020
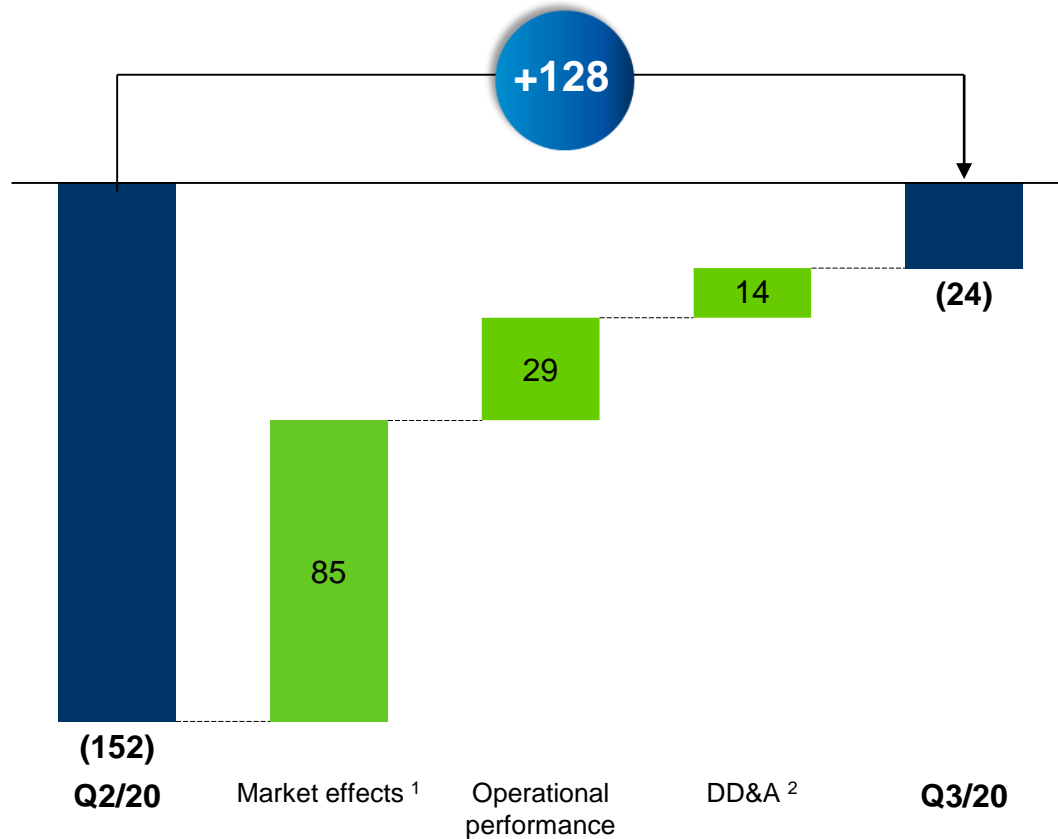
OMV

BACKUP

The energy for a better life.

Upstream – improved crude oil price, partially offset by lower gas price and weaker USD/EUR

Clean Operating Result
EUR mn

+128

|				
(152)	85	29	14	(24)
Q2/20	Market effects [1]	Operational performance	DD&A [2]	**Q3/20**

Q3/20 vs. Q2/20

▶ Slightly improved market environment
  - ▶ Realized oil price increased by 46%
  - ▶ Realized gas price decreased by 12%
  - ▶ Realized hedging loss
  - ▶ Negative effect due to weaker USD/EUR

▶ Production of 444 kboe/d (-19 kboe/d)
  - ▶ Norway (- 10 kboe/d)
  - ▶ Russia (-10 kboe/d)
  - ▶ Romania (-6 kboe/d)
  - ▶ Malaysia (+13 kboe/d)

▶ Lower sales volumes (-11 kboe/d); overlifting of oil volumes in Norway

▶ Production costs increased to USD 7.5/boe (+ 21%) due to lower produced volumes

▶ Lower depreciation due to decreased production

[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

Downstream – higher earnings due to improved Retail and Borealis performance

Clean CCS Operating Result
EUR mn
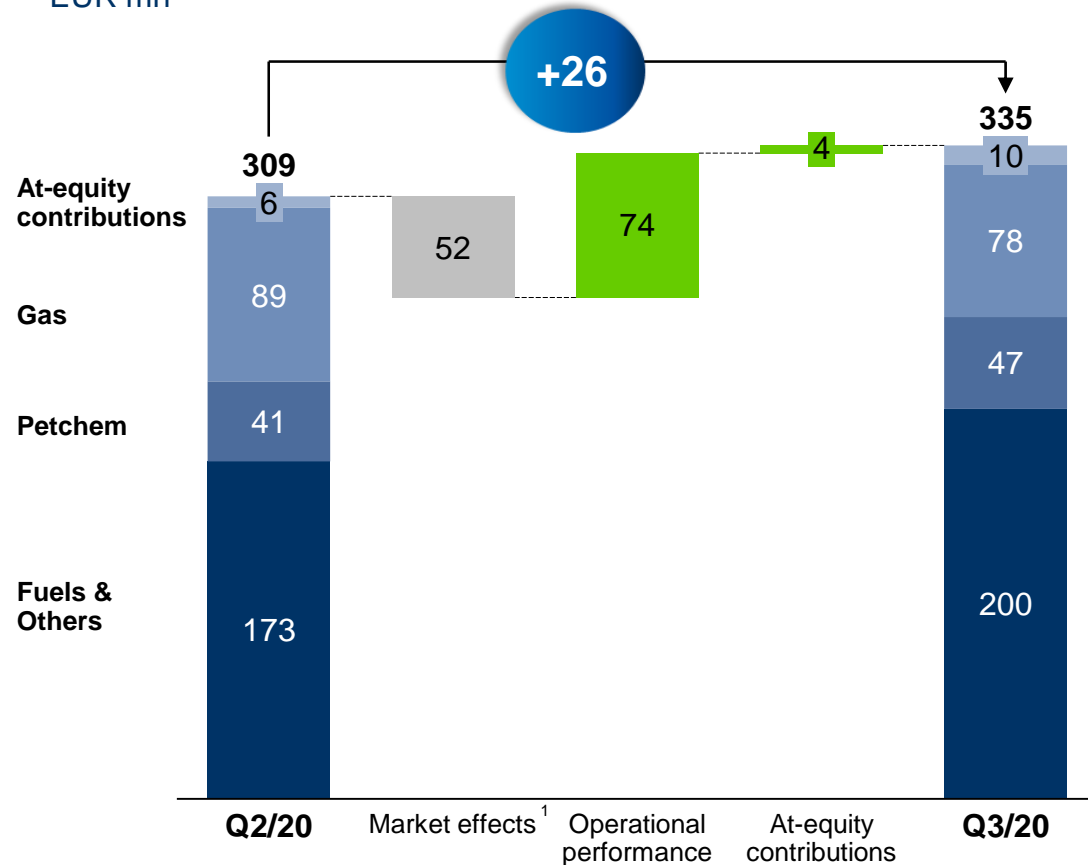
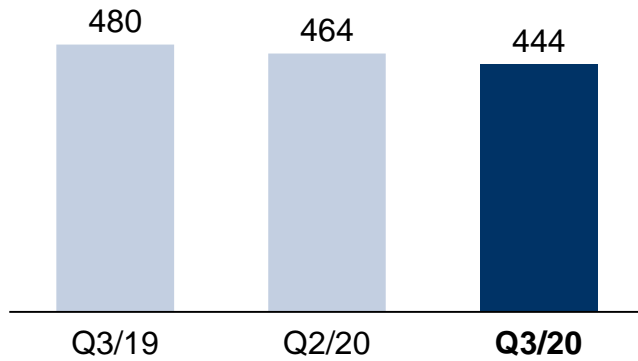¹ Market effects defined as refining indicator margin and petrochemical margins

Q3/20 vs. Q2/20

- ▶ Weaker market environment
    - ▶ Lower refining margin at USD 0.9/bbl (-61%)
    - ▶ Lower ethylene/propylene net margin (-5%)
- ▶ Operational performance
    - ▶ Utilization rate increased from 79% to 90%
    - ▶ Higher total refined product sales by 13%
    - ▶ Significantly higher retail performance due to higher fuel and non-fuel business sales, partially offset by lower fuel margins
    - ▶ Slightly lower commercial fuels performance
    - ▶ Higher petrochemical sales
    - ▶ Decreased gas result due to decreasing summer/winter spreads
- ▶ Borealis and ADNOC contributions
    - ▶ Lower ADNOC contribution impacted by a significant decrease in refining margin
    - ▶ Significantly higher Borealis contribution on account of higher polyolefin sales and positive inventory effects, partially offset by lower integrated margins
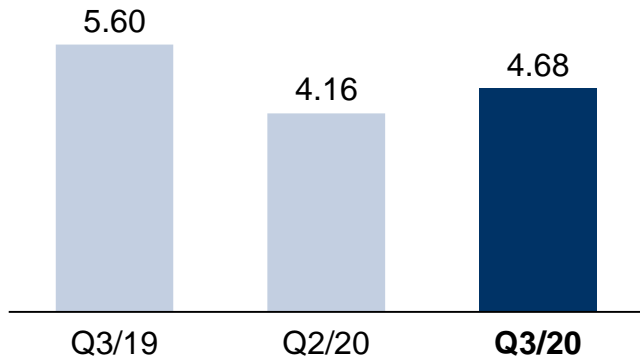
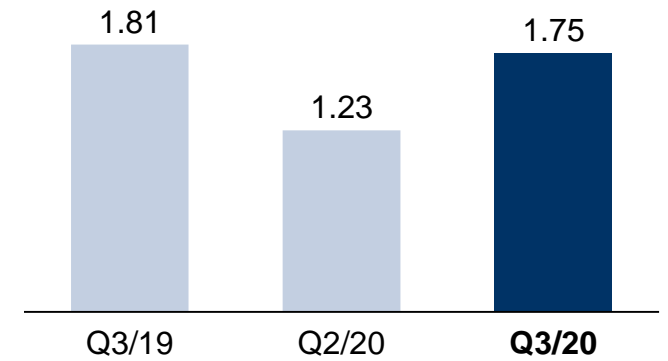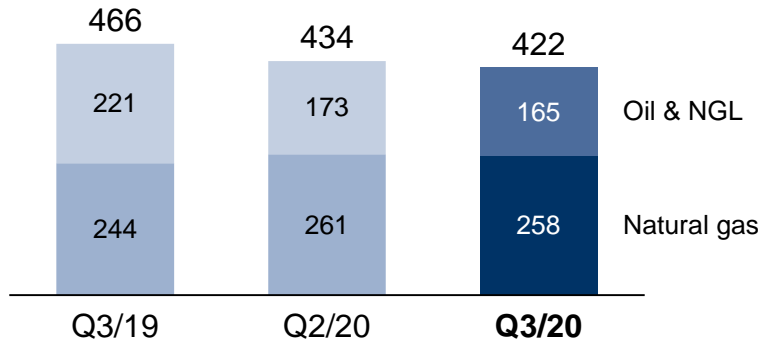# Operational KPIs

Hydrocarbon production
kboe/d

480	464	444
Q3/19	Q2/20	**Q3/20**

Refined product sales
mn t

5.60	4.16	4.68
Q3/19	Q2/20	**Q3/20**

Retail sales
mn t

1.81	1.23	1.75
Q3/19	Q2/20	**Q3/20**

Hydrocarbon sales
kboe/d

466	434	422	
221	173	165	Oil & NGL
244	261	258	Natural gas
Q3/19	Q2/20	**Q3/20**	

Refinery utilization rate
%

96	79	90
Q3/19	Q2/20	**Q3/20**

Natural gas sales
TWh

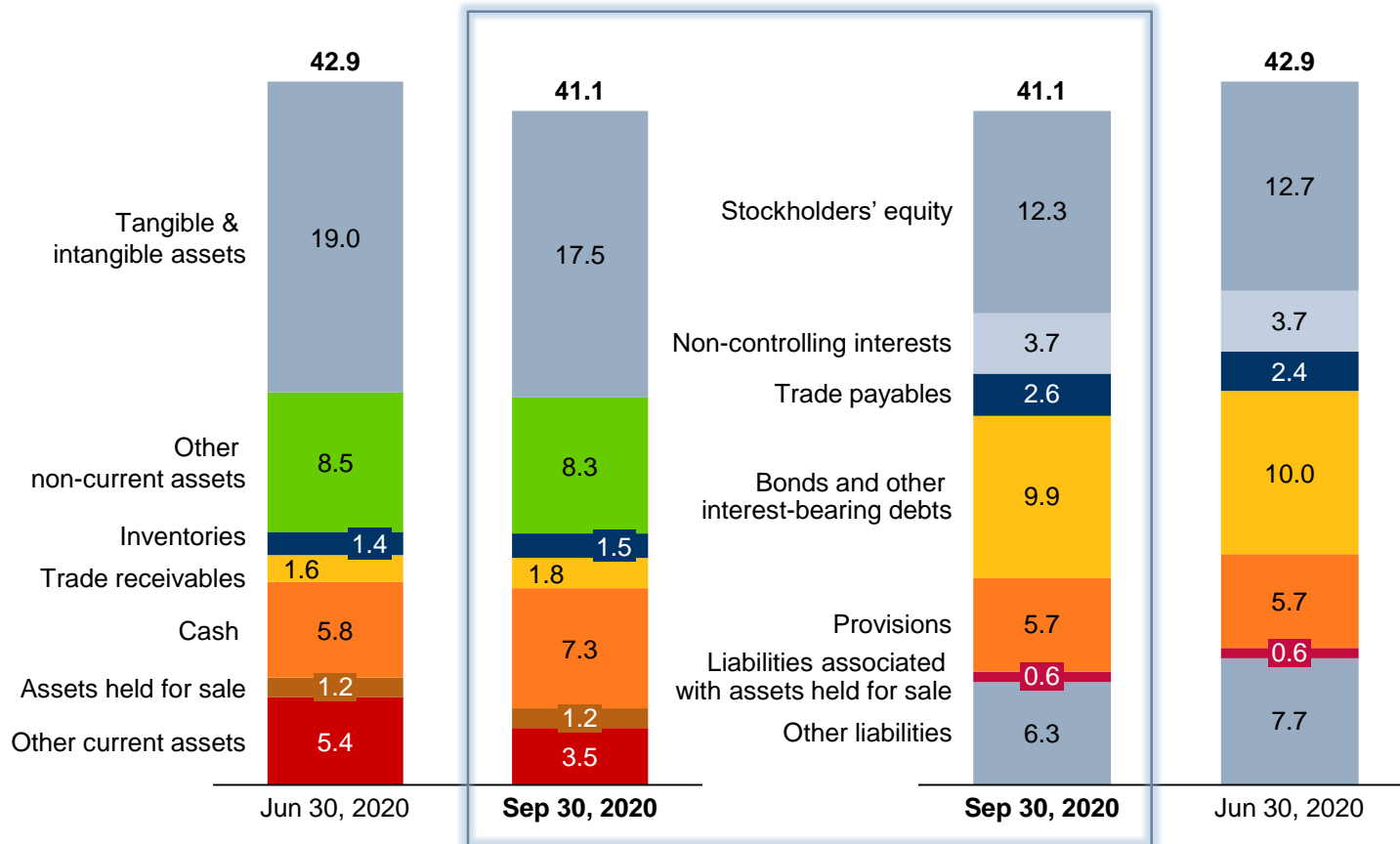|		
27.2	32.3	33.3
Q3/19	Q2/20	**Q3/20**

OMV
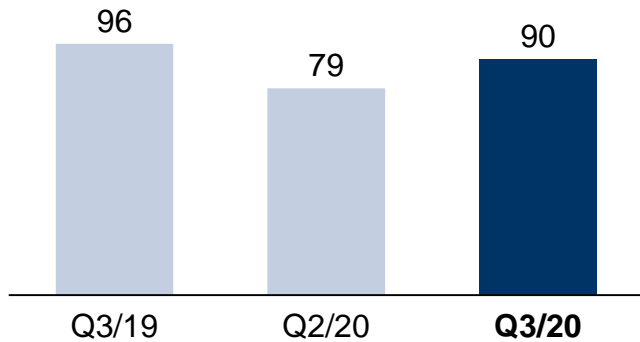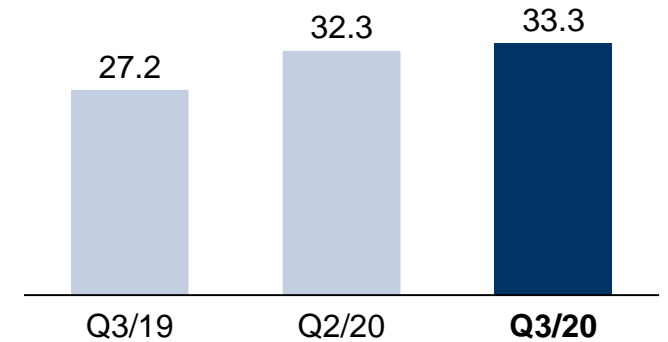
Strong balance sheet

Balance sheet September 30, 2020 vs. June 30, 2020
EUR bn

- ▶ Decrease of tangible and intangible assets impacted by impairments triggered by reassessment of long-term price assumptions

- ▶ Hybrid bonds with a nominal value of EUR 1.25 bn issued in Sept 20, leading to increased cash and equity position