



Q4 2020 Results Conference Call

Rainer Seele
Chairman of the
Executive Board and CEO

February 4, 2021

Disclaimer

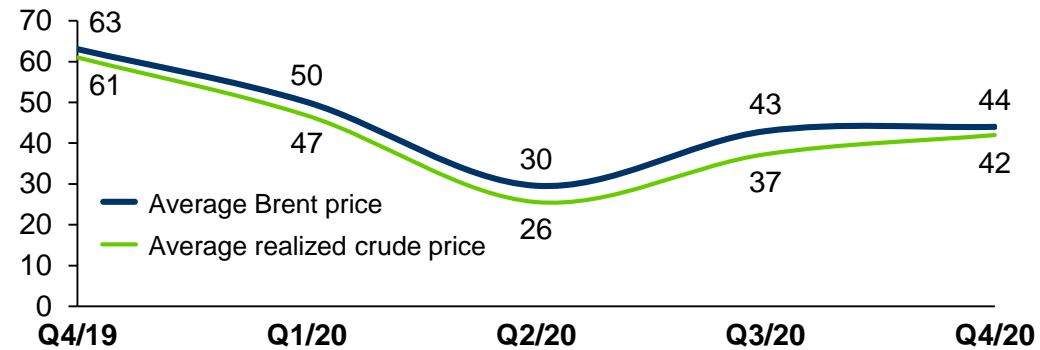
This report contains forward-looking statements. Forward-looking statements may be identified by the use of terms such as “outlook,” “expect,” “anticipate,” “target,” “estimate,” “goal,” “plan,” “intend,” “may,” “objective,” “will”, and similar terms or by their context. These forward-looking statements 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.

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Macro environment – improved crude oil and gas prices, but still below prior-year level

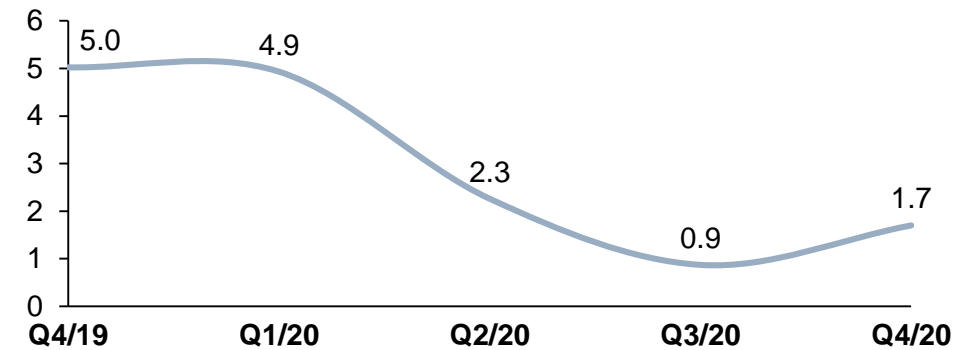
Oil prices

USD/bbl



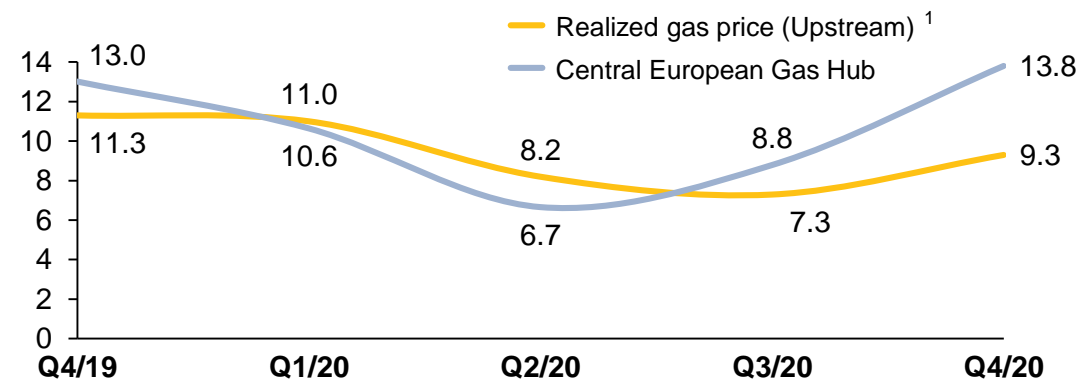
OMV indicator refining margin Europe

USD/bbl



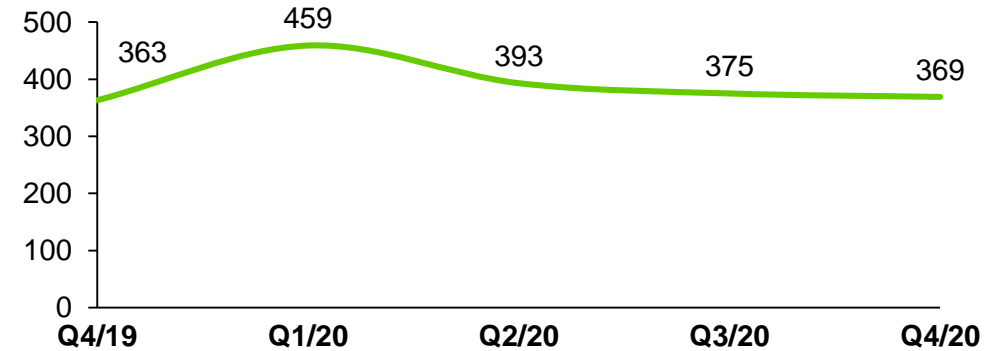
Gas prices

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 524 mn**

(33)% y-o-y
+65% q-o-q

Borealis fully consolidated starting end of October 2020

Quarterly cash flow from operating activities¹ of **EUR 0.8 bn**

2020 Dividend Per Share of EUR 1.85²



STRONG OPERATIONS

Quarterly production of **472 kboe/d**

Production cost at **USD 6.2/boe**

Refinery utilization rate in Europe of **81%**

Strong **polyolefin sales**



DELIVERING THE STRATEGY

Closed acquisition of **additional 39% share in Borealis**

Signed **divestment of OMV retail network in Germany** to EG Group

Signed **divestment** of Upstream business in **Kazakhstan**

FID for **biofuel production** (co-processing) in Austria

Committed to **H2Accelerate**

¹ Excluding net working capital effects

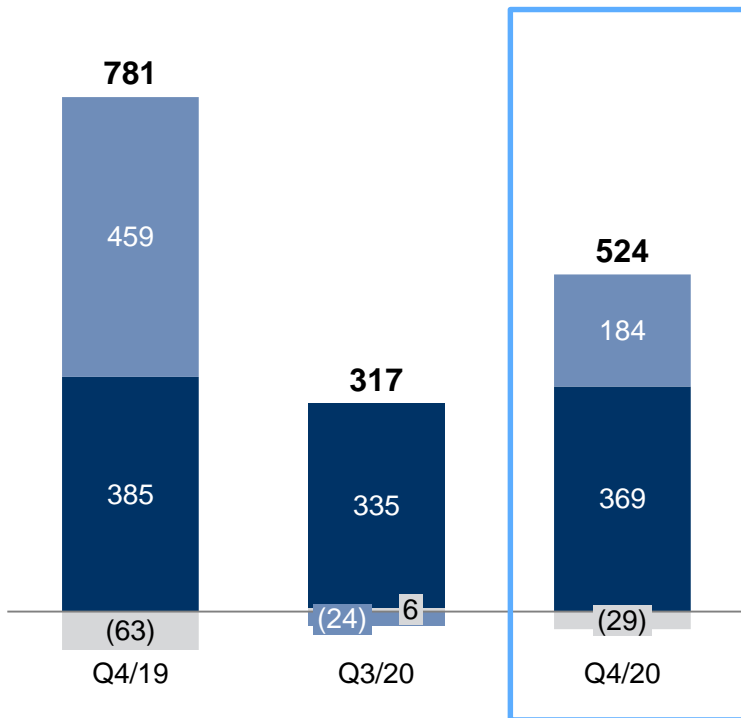
² as proposed by the Executive Board; subject to confirmation by the Supervisory Board and the AGM 2021

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

Clean CCS Operating Result

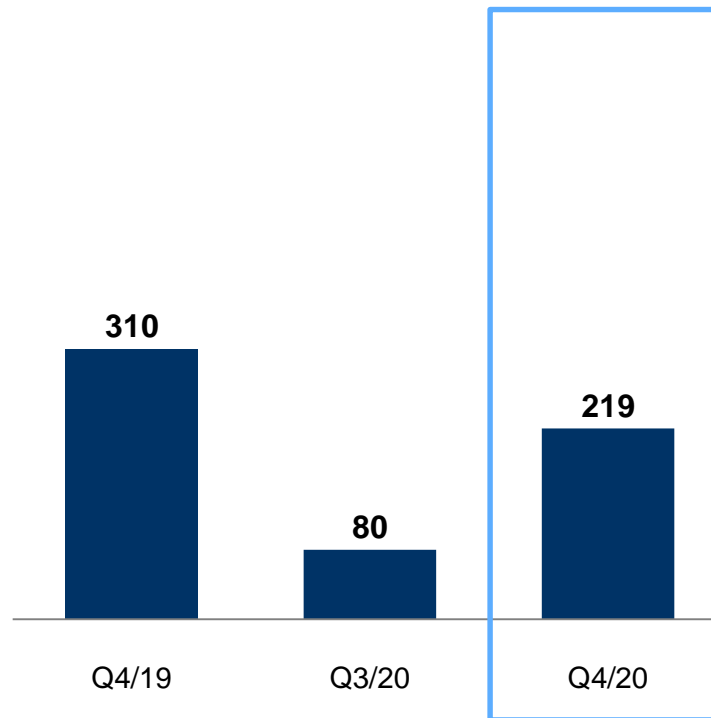
EUR mn

Upstream Corporate & Other
Downstream



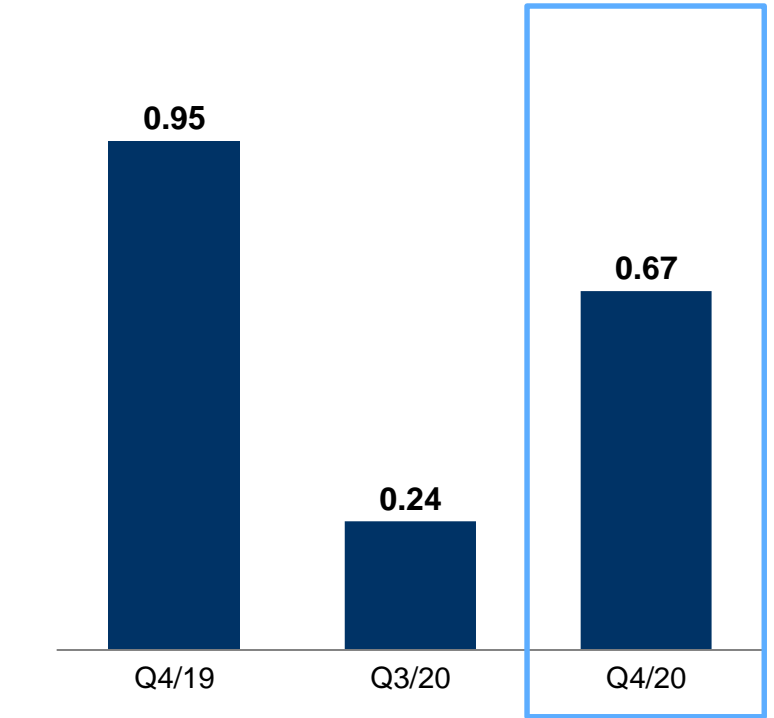
Clean CCS net income attributable to stockholders

EUR mn



Clean CCS Earnings Per Share

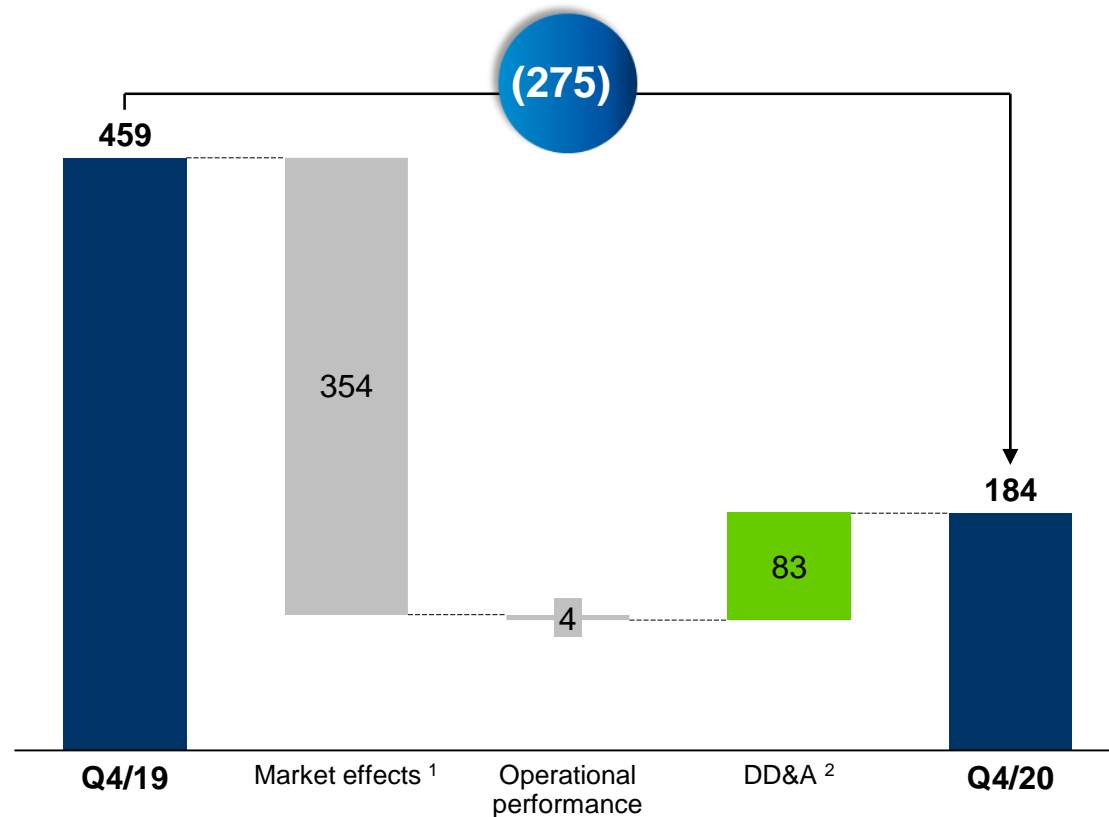
EUR



Upstream – weaker realized oil and gas prices and lower production

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

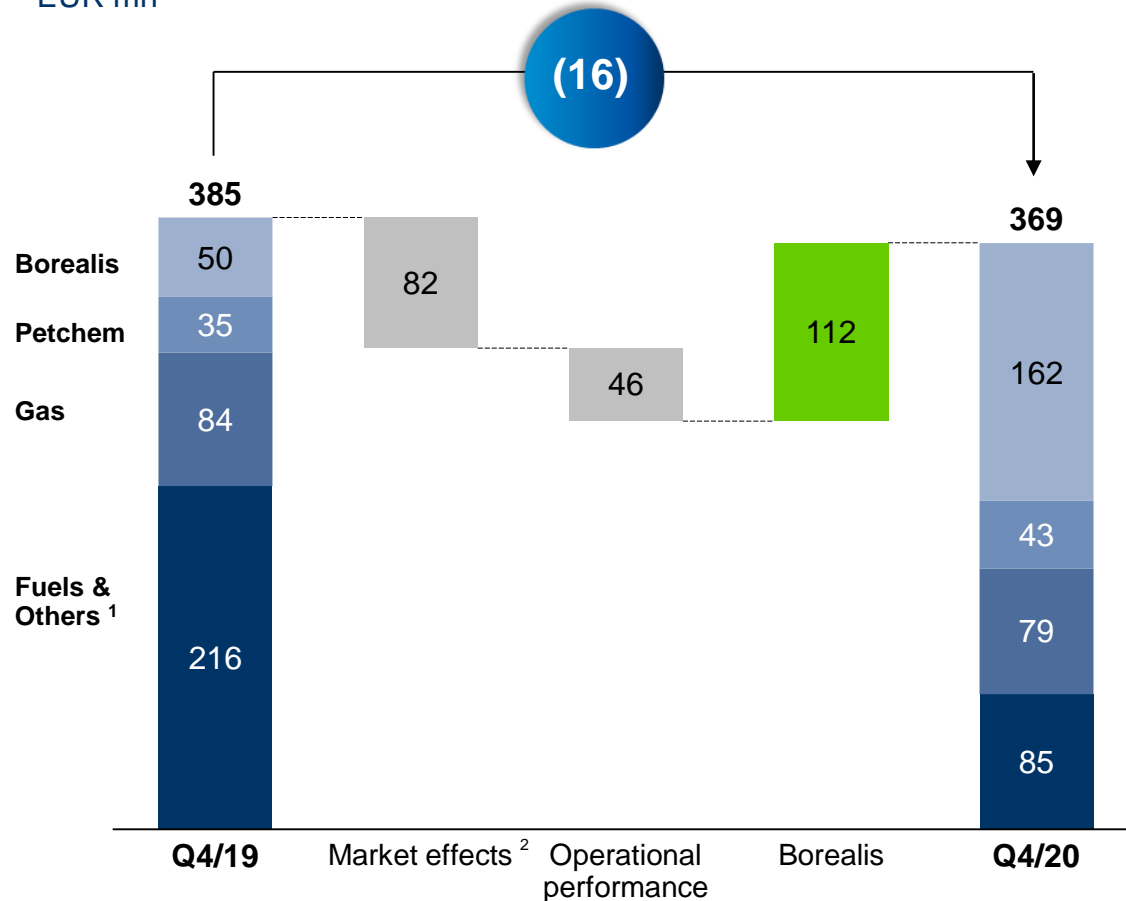
² Depreciation, Depletion, and Amortization

Q4/20 vs. Q4/19

- ▶ Significantly weaker market environment
 - ▶ Average realized oil price decreased by 32%
 - ▶ Average realized gas price declined by 18%
 - ▶ Negative FX impact
- ▶ Production of 472 kboe/d (-33 kboe/d)
 - ▶ Libya (-16 kboe/d)
 - ▶ Romania (-11 kboe/d)
 - ▶ New Zealand (-10 kboe/d)
 - ▶ Russia (-9 kboe/d)
 - ▶ Norway (-5 kboe/d)
 - ▶ Malaysia (+21 kboe/d) due to start-up of SK408 gas field
- ▶ Sales volumes decreased by 23 kboe/d due to lower production
- ▶ Production costs decreased to USD 6.2/boe (-3%)
- ▶ Lower depreciation due to lower production volumes as well as the effect from impairments and reserves revision

Downstream – weaker market environment almost offset by Borealis full consolidation and positive hedging impact

Clean CCS Operating Result EUR mn



¹ Including at-equity contribution from ADNOC Refining & Trading JV

² Market effects defined as refining indicator margin and petrochemical margins; do not yet include result impact from Borealis crackers

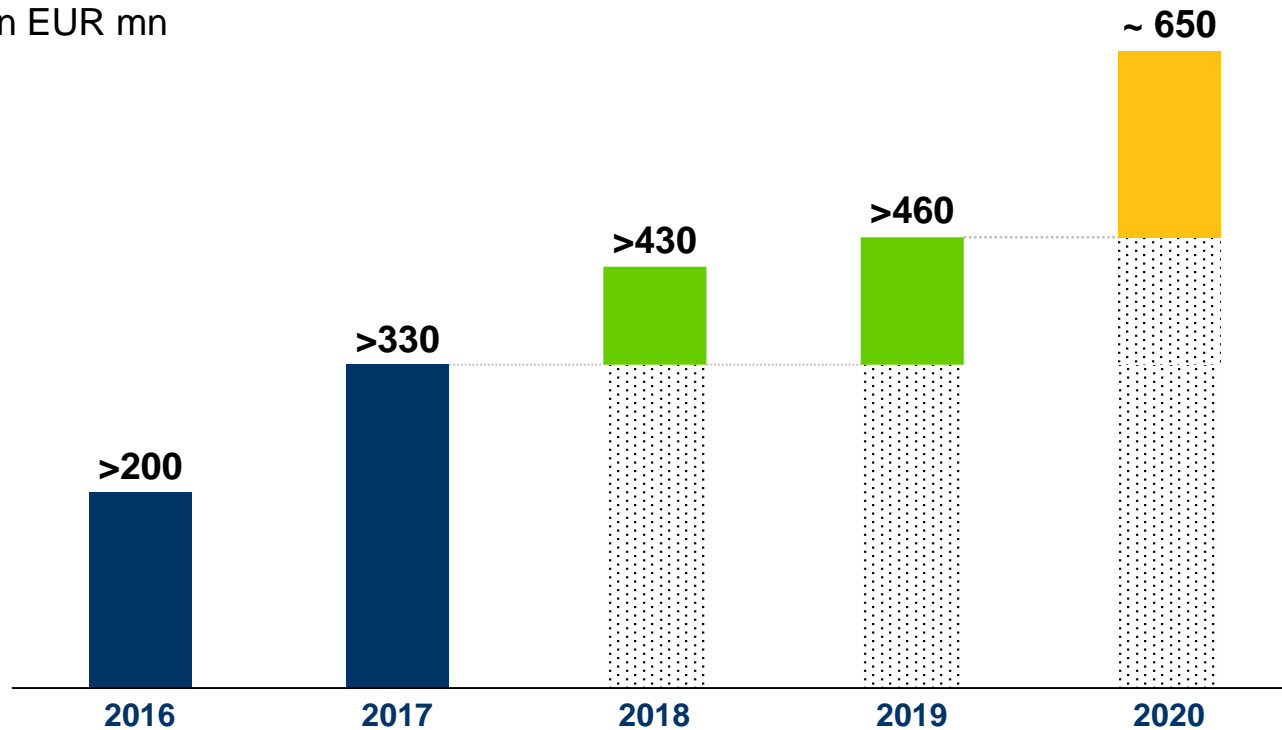
Q4/20 vs. Q4/19

- ▶ Weaker market environment
 - ▶ Refining indicator margin Europe at USD 1.7/bbl (-66%)
 - ▶ Ethylene/propylene net margin at EUR 369/t (+2%)
- ▶ Operational performance
 - ▶ Positive contribution from margin hedging
 - ▶ Lower refinery utilization rate and refined product sales
 - ▶ Strong retail performance
 - ▶ Decreased commercial fuels performance mainly caused by significant drop in jet fuel demand
 - ▶ Lower gas storage result, partly compensated by significantly higher power result in Romania
 - ▶ Lower ADNOC Refining & Trading JV contribution due to significantly lower refining margin
 - ▶ Go live of ADNOC Global Trading in December
- ▶ Borealis (fully consolidated starting October 29, 2020)
 - ▶ Higher polyolefin sales volumes with stronger margins and positive inventory effects; lower fertilizer business
 - ▶ Improved Borouge performance

Stringent cost discipline

OPEX savings

In EUR mn



- Efficiency program 2015-2017 ¹
- Efficiency program 2018-2020 ²
- Response to challenging environment in 2020 ³

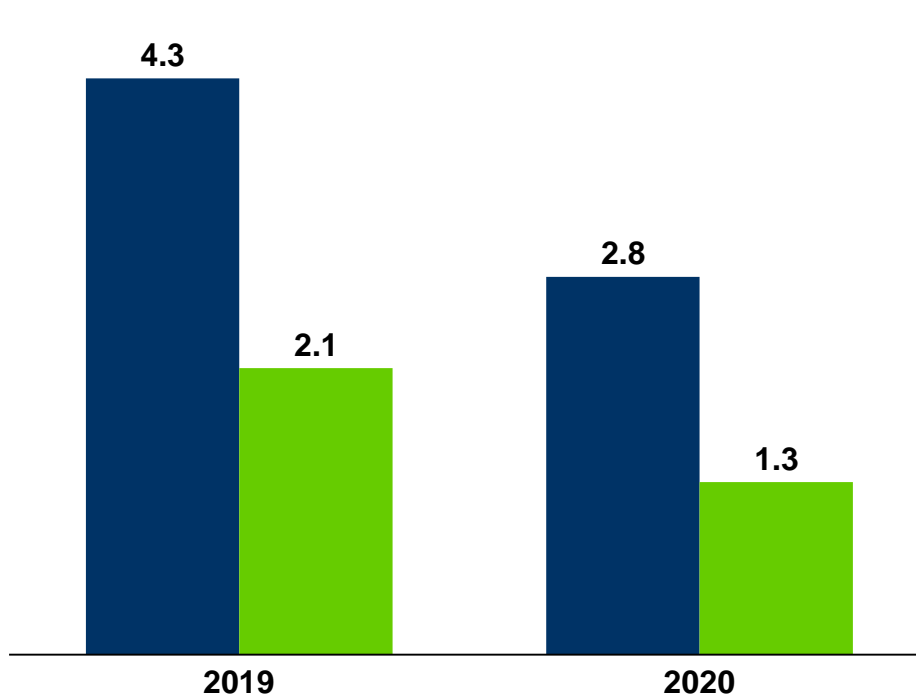
¹ versus 2015 on a comparable basis
² versus 2017 on a comparable basis
³ versus 2019 on a comparable basis

- ▶ **Operational efficiency** in both Upstream and Downstream
- ▶ **Process optimization and harmonization**
- ▶ Capture economies of scale and **strictly manage overhead costs**
- ▶ **Leverage digitalization** and optimize IT processes
- ▶ **Procurement savings** and contractor renegotiations

OMV Group – good organic free cash flow of EUR 1.3 bn in 2020

Cash flow 12m/20 vs. 12m/19

EUR bn



■ Cash flow from operating activities excl. net working capital effects
■ Organic free cash flow before dividends ²

- ▶ Decrease of EUR 1.5 bn in cash flow from operating activities excluding net working capital effects
 - ▶ Borealis dividend of EUR 108 mn (12/19: EUR 297 mn)
- ▶ Net working capital effects of EUR 351 mn (12m/19: EUR (208) mn)
- ▶ **Cash flow from operating activities of EUR 3.1 bn** (12m/19: EUR 4.1 bn)
- ▶ Organic cash flow from investing activities ¹ at EUR (1.9) bn (12m/19: EUR (1.9) bn)
- ▶ **Organic free cash flow before dividends of EUR 1.3 bn** (12m/19: EUR 2.1 bn)
- ▶ Payment of dividends of EUR 879 mn (12m/19: EUR 858 mn)
- ▶ Inorganic cash flow from investing activities of EUR (4.1) bn
 - ▶ Thereof acquisition of 39% share in Borealis EUR (3.9) bn

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.

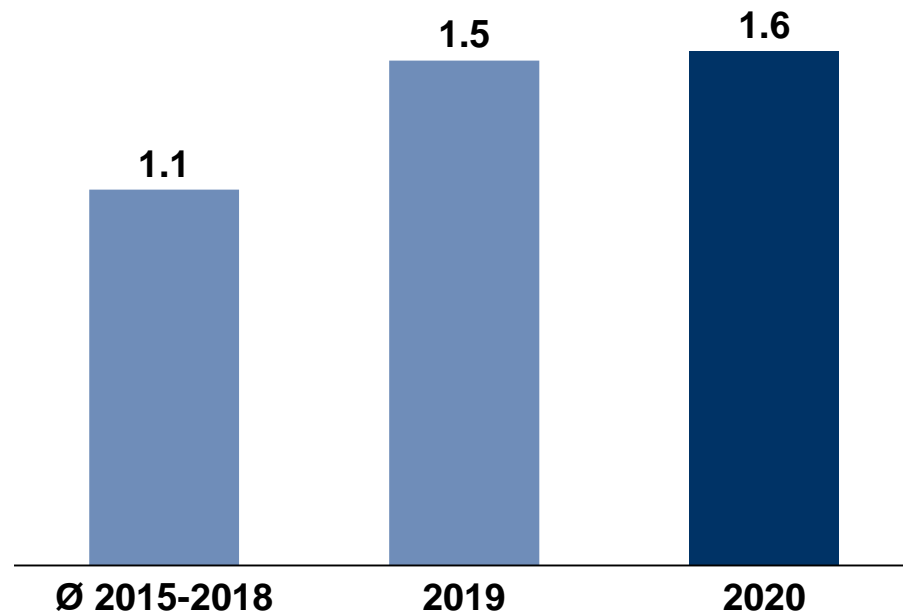
Borealis – strong and stable cash flow generation in 2020

Borealis

Operating cash flow 2020

(including dividends from at-equity participations)

EUR bn

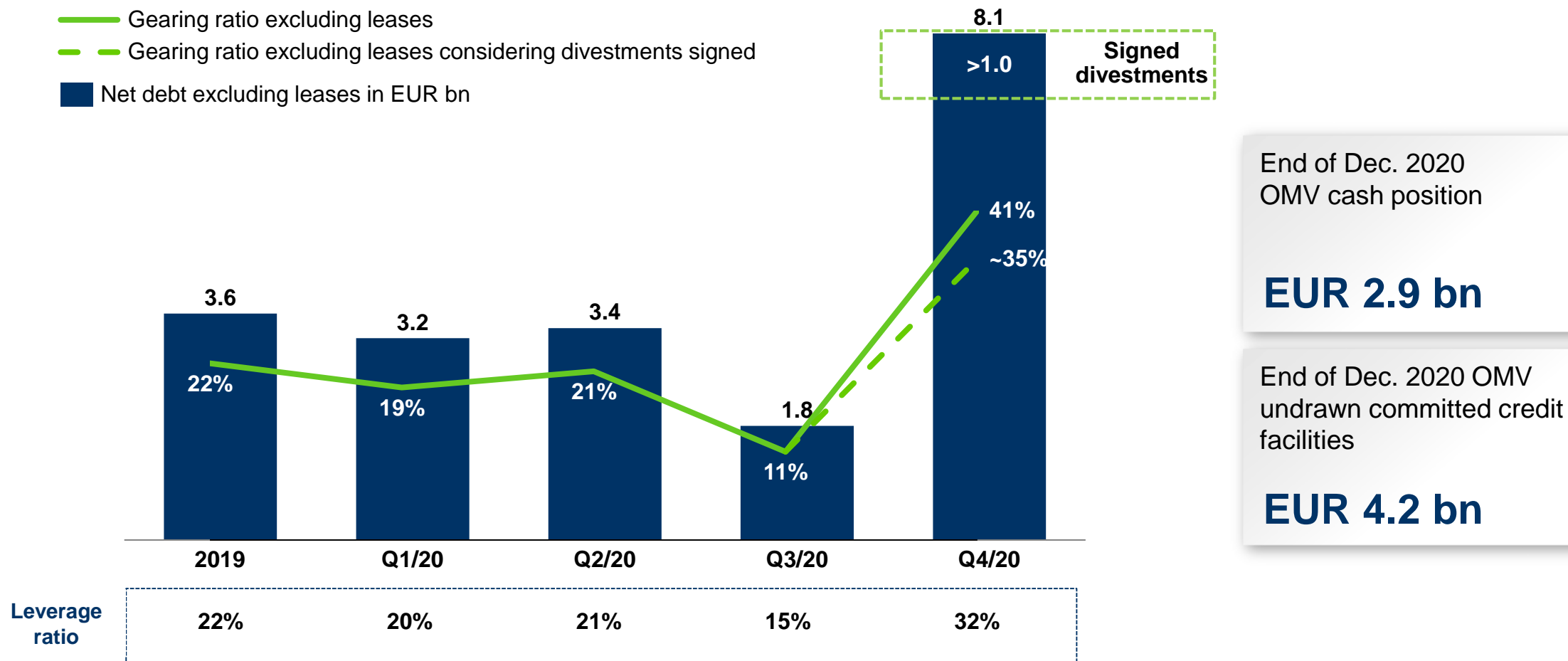


Note: Borealis stand-alone view

Uses of cash in 2020

- ▶ Running CAPEX of around EUR 0.5 bn p.a.
- ▶ Dividends
- ▶ M&A
 - ▶ Acquisition of NOVA Chemicals' 50% ownership interest in Novealis (Baystar JV 50% Total, 50% Novealis)
 - ▶ Acquisition of a controlling stake in South Korean compounder DYM Solution Co.
- ▶ Growth projects
 - ▶ PDH Kallo plant in Belgium
 - ▶ Baystar JV steam cracker and Borstar® PE plant in Texas, USA

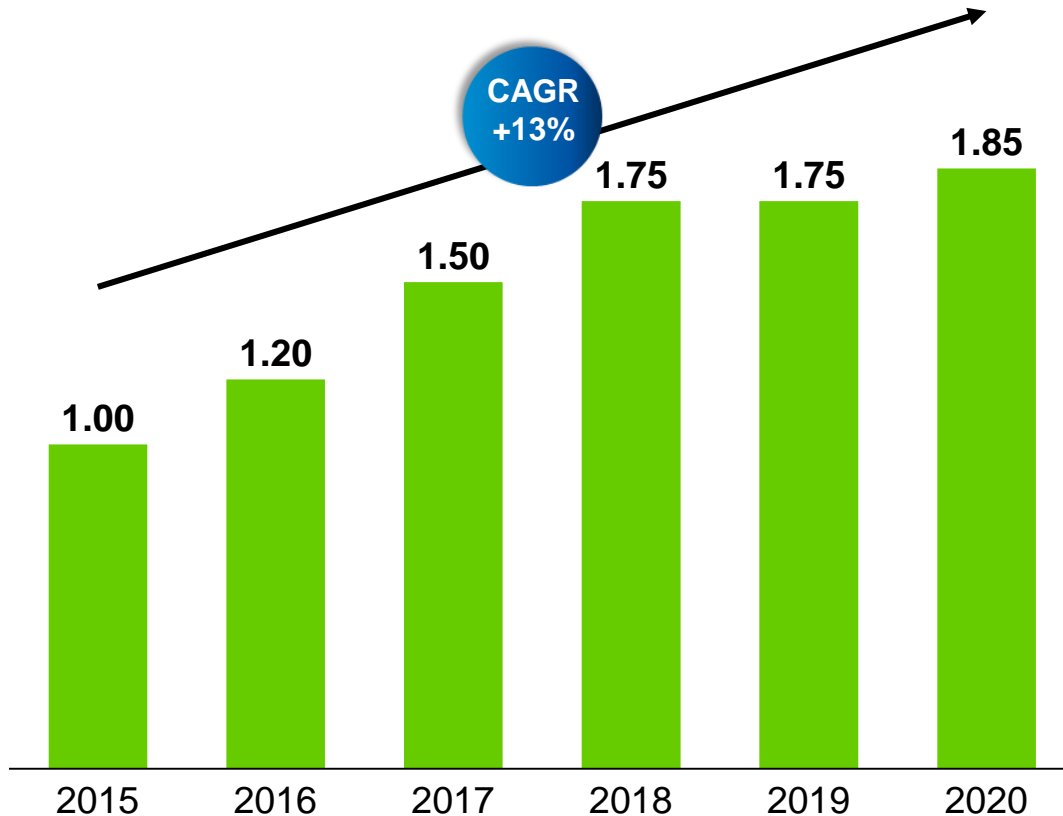
Temporary increase in net debt following Borealis acquisition



Note: Gearing ratio excluding leases is defined as net debt excluding leases-to-equity
 Leverage ratio defined as net debt including leases-to-capital employed

Clear commitment to our progressive dividend policy

Dividend Per Share EUR



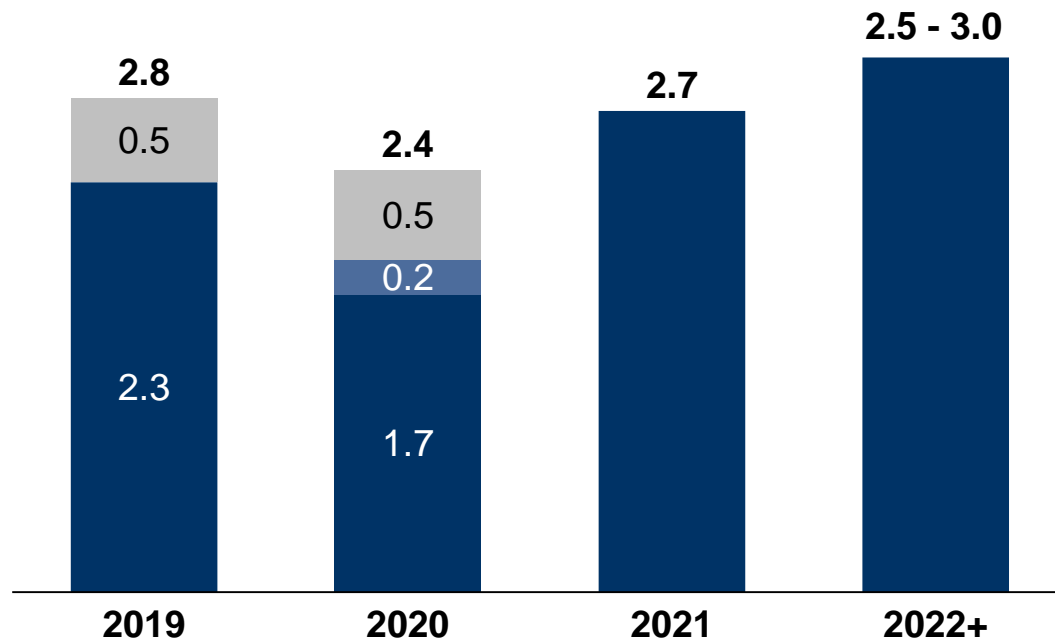
- ▶ **Record dividend of EUR 1.85** per 2020 proposed (+6% vs. 2019)
- ▶ We are committed to deliver an **attractive shareholder return**
- ▶ **Progressive dividend policy:** OMV aims to increase the dividend or at least maintain it at the respective previous year's level

Disciplined capital spending supports high free cash flows from combined businesses

Organic CAPEX

EUR bn

- Borealis Organic CAPEX before full consolidation
- OMV Organic CAPEX from Borealis after full consolidation
- OMV Group Organic CAPEX¹



¹ 2020 excluding Borealis EUR 0.2 bn after full consolidation

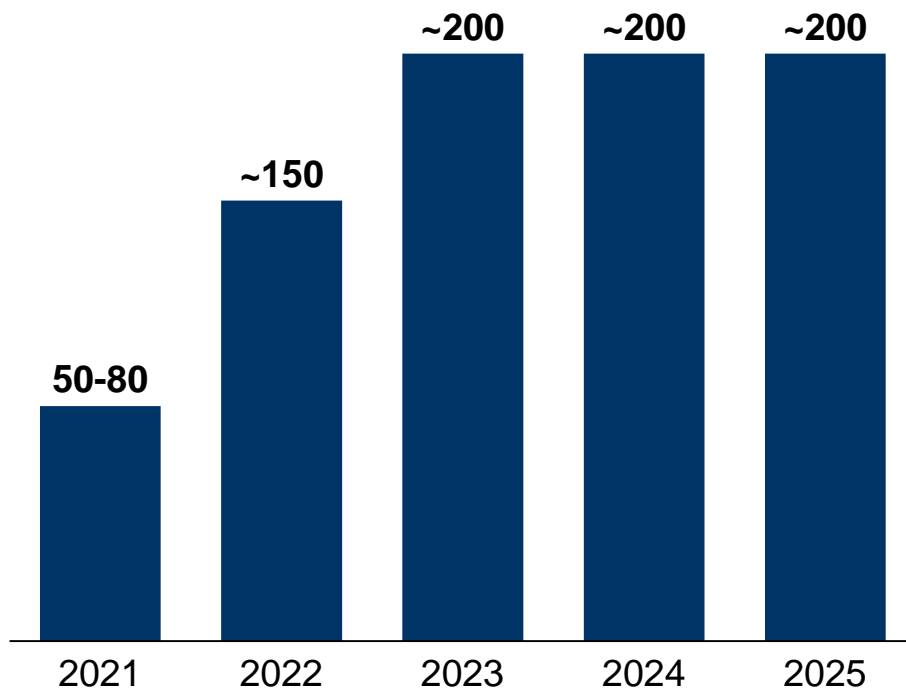
Main projects in 2021

- ▶ **EUR 2.7 bn**
 - ▶ thereof ~EUR 200 mn leases
- ▶ **Upstream**
 - ▶ Malaysia, UAE, New Zealand, Norway
- ▶ **Downstream**
 - ▶ Energy transition projects (e.g. Re-Oil®, co-processing)
 - ▶ Expansion of steam cracker in Burghausen
- ▶ **Borealis**
 - ▶ PDH Kallo plant in Belgium

Borealis synergies of at least EUR 800 mn by year-end 2025

≥800

EUR mn by year-end 2025



Operational cost savings

Combined purchasing

Debottlenecking

Value chain optimization

Tax benefits

Update on the EUR 2 bn divestment program

Signed divestments

51% share in Gas Connect Austria

- ▶ Closing expected in H1/21
- ▶ Net debt reduction of EUR 570 mn

OMV retail network in Germany

- ▶ Closing expected in 2021
- ▶ Net debt reduction of ~ EUR 500 mn

Kazakhstan Upstream operations

- ▶ Closing expected in H1/21

New Zealand – Maari field

- ▶ Closing expected in H1/21

> EUR 1 bn



Ongoing divestments

Divestment of the NITRO business¹

- ▶ Fertilizer, technical nitrogen and the melamine products
- ▶ Leading European player
- ▶ Non-core asset

Divestment of operations in Slovenia

- ▶ 120 retail sites and commercial business
- ▶ Limited integration with refinery

Other assets already announced

- ▶ Four oil fields in Malaysia

Additional assets to be announced in 2021



Outlook 2021

	2020	Outlook 2021
Brent oil price (USD/bbl)	42	50-55
Average realized gas price (EUR/MWh)	8.9	> 10
Total hydrocarbon production (kboe/d)	463	~ 480
OMV indicator refining margin in Europe (USD/bbl)	2.4	> 2.4
European ethylene indicator margin (EUR/t)	435	435
European propylene indicator margin (EUR/t)	364	364
European polyethylene indicator margin (EUR/t) ¹	350	> 350
European polypropylene indicator margin (EUR/t) ²	413	> 413
Utilization rate European refineries (%)	86	86
Organic CAPEX (EUR bn)	1.9 ¹	2.7

¹ HD BM FD EU Domestic EOM (ICIS low) - Ethylene CP WE (ICIS)

² PP Homo FD EU Domestic EOM (ICIS low) – Propylene CP WE (ICIS)

³ Including Borealis CAPEX, consolidated since Oct 29, 2020

Updated strategic priorities 2025

STRATEGIC PRIORITIES

- ▶ **Transition into an integrated chemical company**
- ▶ Continue to leverage the **proven concept of integration** along the value chain
- ▶ **Maximize value** of existing traditional oil and gas portfolio
- ▶ Expand portfolio of **low- and zero-carbon products**



FINANCIAL FRAMEWORK

- ▶ Clean CCS operating result of EUR ≥5 bn by 2025
- ▶ Cash flow from operating activities ¹ of **EUR ≥ 5 bn** by 2025
- ▶ ROACE target ≥ 12%
- ▶ **Positive free cash flow** after dividends
- ▶ **Gearing ratio** target of ≤ 30%
- ▶ **Progressive dividend policy**
- ▶ Strengthen balance sheet and deliver **attractive shareholder returns**

¹ Excluding net working capital effects

Updated strategic priorities 2025

EXPLORATION & PRODUCTION

- ▶ **Run portfolio for value**, harvesting the cash flow
- ▶ Maintain production **corridor of ~ 450-500 kboe/d**, with overweight on gas
- ▶ Manage **production cost below USD 7/boe**
- ▶ Drive digital transformation to further strengthen competitiveness
- ▶ **Lower carbon intensity** by $\geq 60\%$ vs. 2010

CHEMICALS & MATERIALS REFINING & MARKETING

- ▶ Leverage Borealis as platform for **chemicals growth**
- ▶ Realize **integration synergies** with Borealis of EUR ≥ 800 mn
- ▶ Strive for **leadership in circular plastics** economy
- ▶ Optimize asset utilization and **maximize margin generation** across the integrated value chain
- ▶ Reduce **carbon footprint** of our operations
- ▶ Become the **leading gas integrated supplier** with a strong market presence from Northwest to Southeast Europe
- ▶ Achieve **10% gas market share in Germany**

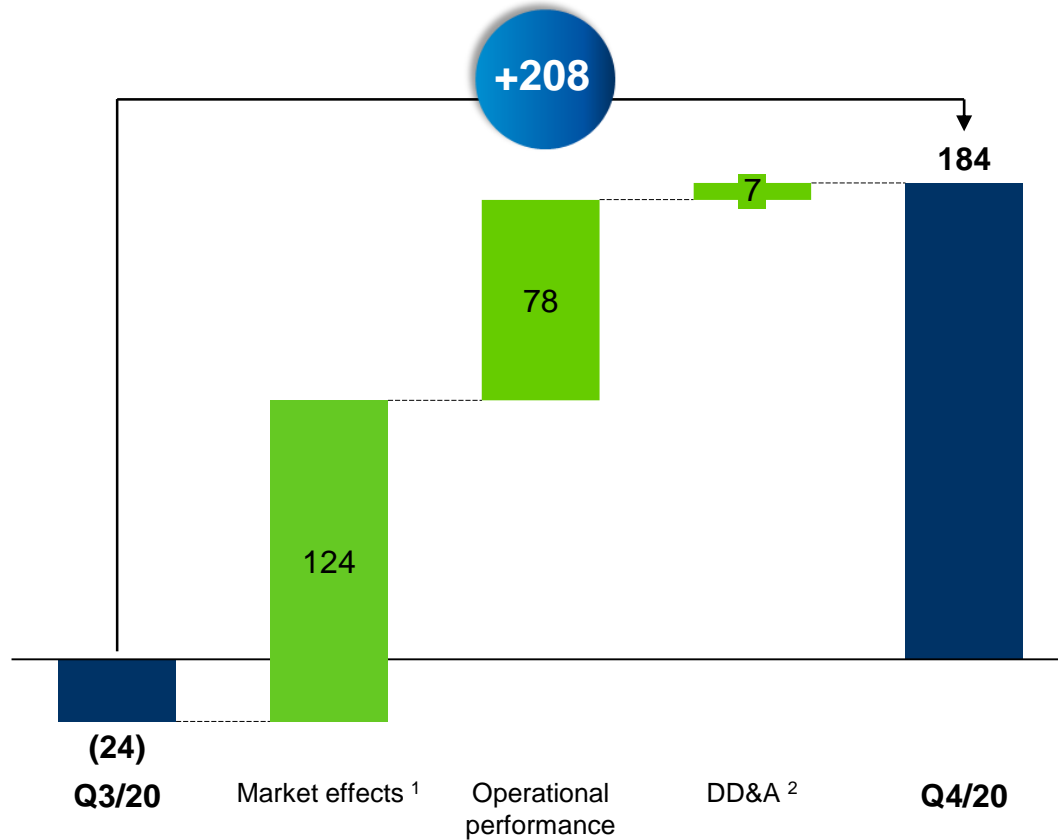
BACKUP

OMV Aktiengesellschaft

Upstream – improved crude oil and gas prices, supported by production resumption 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

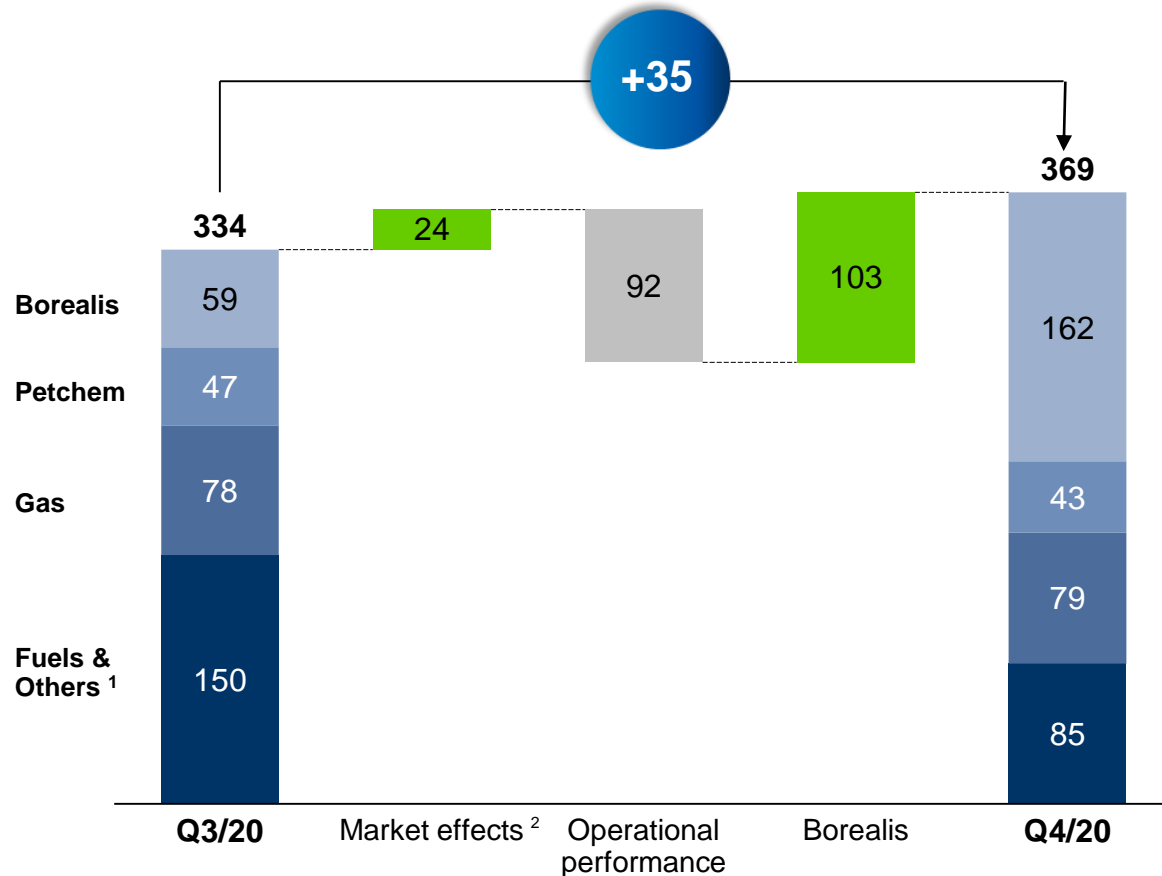
² Depreciation, Depletion, and Amortization

Q4/20 vs. Q3/20

- ▶ Improved market environment
 - ▶ Realized oil price increased by 11%
 - ▶ Realized gas price increased by 27%
 - ▶ No realized hedging loss
 - ▶ Negative effect due to weaker USD/EUR
- ▶ Production of 472 kboe/d (+28 kboe/d)
 - ▶ Libya (+21 kboe/d)
 - ▶ Russia (+11 kboe/d)
 - ▶ Norway (+6 kboe/d)
 - ▶ Malaysia (-4 kboe/d)
 - ▶ New Zealand (-4 kboe/d)
- ▶ Higher sales volumes (+ 32 kboe/d) following production
- ▶ Production costs decreased to USD 6.2/boe (- 17%)

Downstream – improved results supported by significantly higher contribution from Borealis

Clean CCS Operating Result EUR mn



¹ Including at-equity contribution from ADNOC Refining & Trading

² Market effects defined as refining indicator margin and petrochemical margins; do not yet include result impact from Borealis crackers

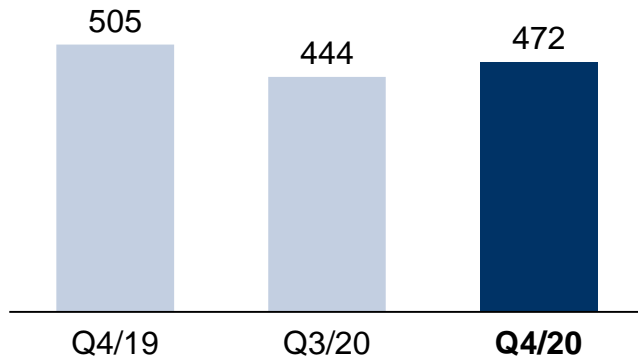
Q4/20 vs. Q3/20

- ▶ Better market environment
 - ▶ Higher refining margin at USD 1.7/bbl (+95%)
 - ▶ Slightly lower ethylene/propylene net margin (-2%)
- ▶ Operational performance
 - ▶ Utilization rate decreased from 90% to 81%
 - ▶ Lower total refined product sales by 7%
 - ▶ Lower retail performance due to seasonality and impact of lockdowns
 - ▶ Slightly lower commercial fuels performance
 - ▶ Almost stable gas result
 - ▶ ADNOC Refining & Trading: higher contribution due to slightly higher refining margin
 - ▶ Go live of ADNOC Global Trading in December
- ▶ Borealis (fully consolidated starting October 29, 2020)
 - ▶ Improved Borouge performance; fertilizer business down

Operational KPIs

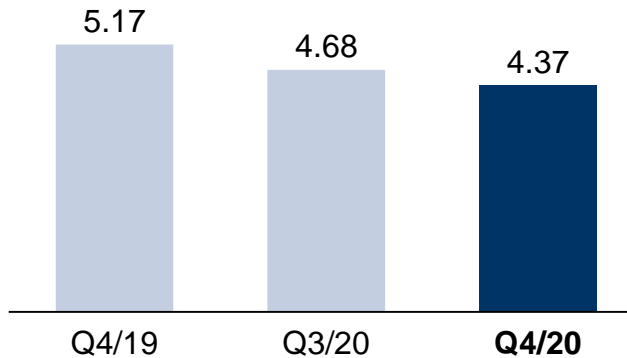
Hydrocarbon production

kboe/d



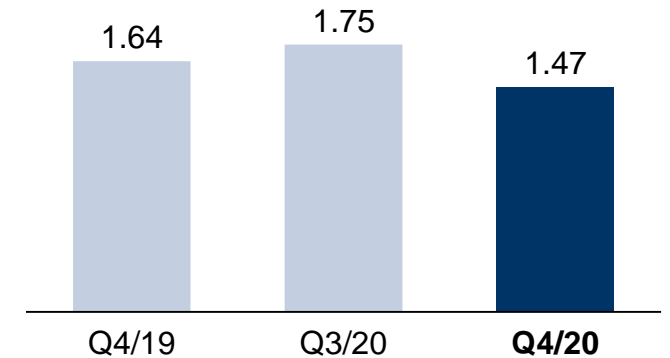
Refined product sales

mn t



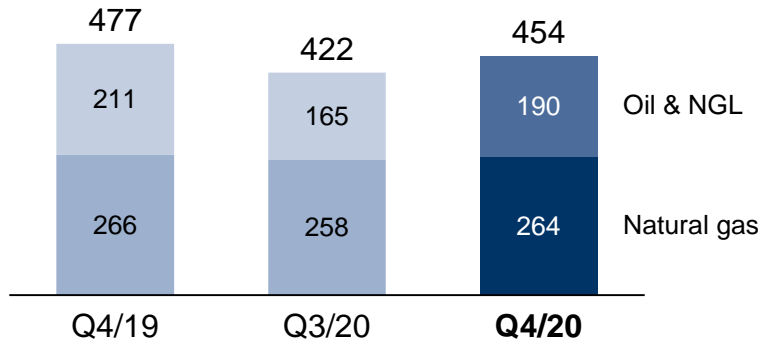
Retail sales

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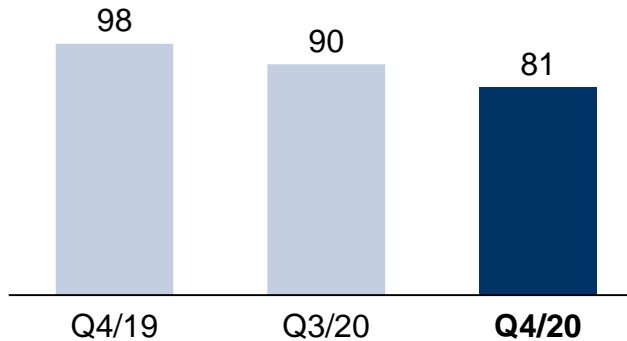
Hydrocarbon sales

kboe/d



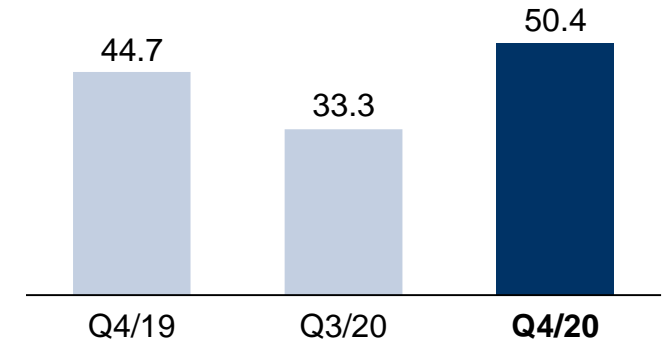
Refinery utilization rate

%



Natural gas sales

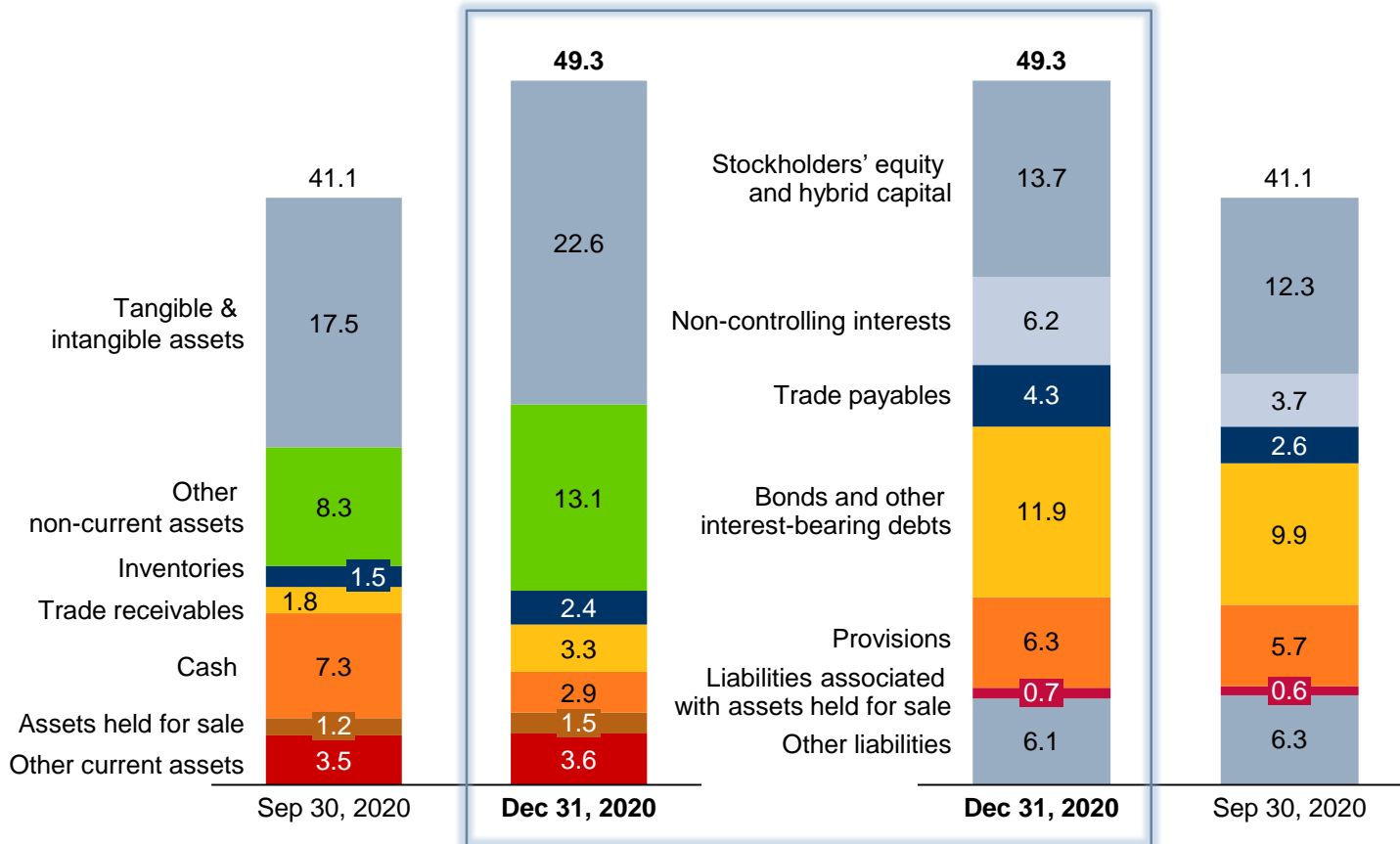
TWh



Strong balance sheet

Balance sheet December 31, 2020 vs. September 30, 2020

EUR bn



- ▶ Deviations predominantly impacted by the acquisition of additional 39% shares in Borealis resulting in full consolidation, resulting in significant increases of:
 - ▶ Tangible & intangible assets
 - ▶ Other non-current assets: mainly due to at-equity accounted investments of Borealis - mainly Borouge – only partly offset by de-recognition of previous 36% share of Borealis; also including a significant increase of deferred tax assets due to tax synergies from the Borealis acquisition
 - ▶ Non-controlling interest increase related to 25% share of Mubadala in Borealis
 - ▶ Bonds & other interest bearing debt
- ▶ Upstream: Reclassification of Kazakhstan entities & Sapura oil assets to held for sale

Sensitivities of the OMV Group results in 2021

Annual impact excl. hedging

in EUR mn

	Clean CCS Operating Result	Operating cash flow
Brent oil price (USD +1/bbl)	+60	+25
Realized gas price (EUR +1/MWh) ¹	+150	+100
OMV indicator refining margin in Europe (USD +1/bbl)	+110	+85
Ethylene/propylene net margin (EUR +10/t) ¹	+15	+10
EUR/USD (USD changes by USD +0.01)	+20	+15

¹ Excluding Borealis

Note: Materially different Brent and FX levels (vs. current levels) would lead to different sensitivity results.



OMV