OMV Group Factsheet Q3 2021

October 29, 2021

Key Performance Indicators [1]

Group

- Clean CCS Operating Result rose sharply to EUR 1,790 mn, fueled by better performance in all segments
- Clean CCS net income attributable to stockholders of the parent amounted to EUR 781 mn, clean CCS Earnings Per Share were EUR 2.39
- Cash flow from operating activities excluding net working capital effects grew by 192% to EUR 2,007 mn
- Organic free cash flow before dividends totaled EUR 1,032 mn
- Clean CCS ROACE stood at 10%
- Total Recordable Injury Rate (TRIR) was 1.07

Exploration & Production

- Production grew by 26 kboe/d to 470 kboe/d
- Production cost decreased by 11% to USD 6.7/boe

Refining & Marketing

- OMV refining indicator margin Europe increased considerably to USD 4.4/bbl
- Natural gas sales volumes increased by 20% to 40.0 TWh

Chemicals & Materials

- Polyethylene indicator margin Europe increased by 43% to EUR 524/t, polypropylene indicator margin Europe grew by 91% to EUR 748/t
- Polyolefin sales volumes decreased marginally to 1.50 mn t

Note: Figures in the following tables may not add up due to rounding differences. In the interest of a fluid style that is easy to read, non-gender-specific terms have been used in the OMV Group Report.

[1] Figures reflect the Q3/21 period; all comparisons described relate to the same quarter in the previous year except where otherwise mentioned.

Outlook

Market environment

For 2021, OMV expects the average Brent crude oil price to be around USD 70/bbl (previous forecast: in the range between USD 65/bbl and USD 70/bbl; 2020: USD 42/bbl). In 2021, the average realized gas price is anticipated to be higher than EUR 15/MWh (previous forecast: higher than EUR 12/MWh; 2020: EUR 8.9/MWh).

Group

- In 2021, organic CAPEX is projected to come in at around EUR 2.7 bn [1], including non-cash effective CAPEX related to leases of around EUR 0.2 bn.

Exploration & Production

- OMV expects total production to be above 480 kboe/d in 2021 (previous forecast: at around 480 kboe/d; 2020: 463 kboe/d), depending on the security situation in Libya.
- Organic CAPEX for Exploration & Production is anticipated to come in at around EUR 1.1 bn in 2021.
- In 2021, Exploration and Appraisal (E&A) expenditure is expected to be at around EUR 230 mn (2020: EUR 227 mn).

Refining & Marketing

- The OMV refining indicator margin Europe in 2021 is expected to be at around USD 3.5/bbl (previous forecast: at 2020 level; 2020: USD 2.4/bbl).
- In 2021, fuels and other sales volumes in OMV's markets in Europe are projected to be higher than in 2020 (2020: 15.5 mn t). Retail and commercial margins are forecast to be below those in 2020.
- The utilization rate of the European refineries is expected to be above the prior-year level (previous forecast: at 2020 level; 2020: 86%). In 2021, there is no major turnaround planned for our refineries in Europe.
- Natural gas sales volumes in 2021 are projected to be above those in 2020 (2020: 164 TWh).
- Organic CAPEX in Refining & Marketing and Corporate is forecast at around EUR 0.7 bn.

Chemicals & Materials

- The ethylene indicator margin Europe is expected to be above the prior-year level (previous forecast: at 2020 level; 2020: EUR 435/t). The propylene indicator margin Europe is projected to be substantially above the prior-year level (previous forecast: above 2020 level; 2020: EUR 364/t).
- The steam cracker utilization rate in Europe is expected to be above 90% (2020: 73%).
- The polyethylene indicator margin Europe in 2021 is forecast to substantially exceed the prior-year level (2020: EUR 350/t). The polypropylene indicator margin Europe is expected to be substantially higher than the prior-year level (2020: EUR 413/t).
- The polyethylene sales volume excluding JVs in 2021 is projected to be above the prior-year level (2020: 1.76 mn t). The polypropylene sales volume excluding JVs is expected to be above the prior-year level (2020: 2.12 mn t).
- Organic CAPEX related to Chemicals & Materials is predicted to be around EUR 0.9 bn.

[1] Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure and excluding acquisitions and contingent considerations.

Group performance

Financial highlights

In EUR mn (unless otherwise stated)

Q3/21	Q2/21	Q3/20	Δ [1]		9m/21	9m/20	Δ
8,512	7,266	3,696	130%	Sales revenues [2]	22,206	11,594	92%
1,790	**1,299**	**317**	**n.m.**	**Clean CCS Operating Result [3]**	**3,959**	**1,162**	**n.m.**
816	498	(24)	n.m.	Clean Operating Result Exploration & Production [3]	1,674	(39)	n.m.
361	181	236	53%	Clean CCS Operating Result Refining & Marketing [3]	650	835	(22)%
623	647	99	n.m.	Clean Operating Result Chemicals & Materials [3]	1,712	310	n.m.
(16)	(16)	(12)	(41)%	Clean Operating Result Corporate & Other [3]	(40)	(30)	(32)%
7	(10)	18	(60)%	Consolidation: elimination of intersegmental profits	(37)	86	n.m.
41	33	38	3	Clean CCS Group tax rate in %	35	32	3
1,018	853	160	n.m.	Clean CCS net income [3]	2,471	704	n.m.
781	**643**	**80**	**n.m.**	**Clean CCS net income attributable to stockholders of the parent [3, 4]**	**1,847**	**460**	**n.m.**
2.39	1.97	0.24	n.m.	Clean CCS EPS in EUR [3]	5.65	1.41	n.m.
1,790	**1,299**	**317**	**n.m.**	**Clean CCS Operating Result [3]**	**3,959**	**1,162**	**n.m.**
(750)	**(127)**	**(997)**	**25%**	**Special items [5]**	**(814)**	**(1,174)**	**31%**
38	66	72	(47)%	CCS effects: inventory holding gains/(losses)	329	(451)	n.m.
1,079	**1,238**	**(607)**	**n.m.**	**Operating Result Group**	**3,475**	**(463)**	**n.m.**
339	383	(1,044)	n.m.	Operating Result Exploration & Production	1,071	(1,290)	n.m.
134	207	353	(62)%	Operating Result Refining & Marketing	740	448	65%
618	678	91	n.m.	Operating Result Chemicals & Materials	1,760	320	n.m.
(19)	(20)	(12)	(64)%	Operating Result Corporate & Other	(48)	(37)	(32)%
7	(10)	5	38%	Consolidation: elimination of intersegmental profits	(49)	96	n.m.
(63)	(31)	(59)	(6)%	Net financial result	(140)	(128)	(9)%
1,016	1,207	(666)	n.m.	Profit before tax	3,335	(591)	n.m.
52	33	31	21	Group tax rate in %	36	21	15
484	809	(458)	n.m.	Net income	2,128	(468)	n.m.
279	622	(487)	n.m.	Net income attributable to stockholders of the parent [4]	1,555	(622)	n.m.
0.85	1.90	(1.49)	n.m.	Earnings Per Share (EPS) in EUR	4.76	(1.90)	n.m.
2,007	1,725	687	192%	Cash flow from operating activities excl. net working capital effects	5,443	1,956	178%
1,608	1,561	791	103%	Cash flow from operating activities	4,234	2,457	72%
1,012	1,450	368	175%	Free cash flow before dividends	2,875	960	200%
978	604	368	166%	Free cash flow after dividends	1,958	740	165%
1,032	948	432	139%	Organic free cash flow before dividends [6]	2,512	1,147	119%
6,214	7,148	1,830	n.m.	Net debt excluding leases	6,214	1,830	n.m.
7,394	8,339	2,853	159%	Net debt including leases	7,394	2,853	159%
28	34	11	17	Gearing ratio excluding leases in %	28	11	17
25	28	15	10	Leverage ratio in %	25	15	10
628	659	363	73%	Capital expenditure [7]	1,780	1,218	46%
624	632	363	72%	Organic capital expenditure [8]	1,743	1,158	51%
10	8	6	4	Clean CCS ROACE in % [3]	10	6	4
15	13	1	14	ROACE in %	15	1	14
22,757	23,530	19,228	18%	Employees	22,757	19,228	18%
1.07	0.95	0.54	98%	Total Recordable Injury Rate (TRIR) [9]	1.07	0.54	98%

[1] Q3/21 compared to Q3/20

[2] Sales revenues excluding petroleum excise tax

[3] Adjusted for special items and CCS effects; further information can be found below the table “Special items and CCS effects.”

[4] After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

[5] The disclosure of special items is considered appropriate in order to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. Special items from equity-accounted companies and temporary effects from commodity hedging for material transactions are included.

[6] Organic free cash flow before dividends is cash flow from operating activities less cash flow from investing activities excluding disposals and material inorganic cash flow components (e.g., acquisitions).

[7] Capital expenditure including acquisitions

[8] Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure and excluding acquisitions and contingent considerations.

[9] Calculated as 12 months rolling average per 1 mn hours worked

Third quarter 2021 (Q3/21) compared to third quarter 2020 (Q3/20)

Consolidated sales revenues increased substantially by 130% to EUR 8,512 mn due to the additional revenues stemming from full consolidation of Borealis as well as higher market prices and sales volumes. The **clean CCS Operating Result** rose sharply by EUR 1,473 mn from EUR 317 mn to a record EUR 1,790 mn. The clean Operating Result of Exploration & Production grew to EUR 816 mn (Q3/20: EUR (24) mn), while the clean CCS Operating Result of Refining & Marketing improved to EUR 361 mn (Q3/20: EUR 236 mn). In Chemicals & Materials, the clean Operating Result significantly increased to EUR 623 mn (Q3/20: EUR 99 mn). The consolidation line was EUR 7 mn in Q3/21 (Q3/20: EUR 18 mn).

At 41%, the **clean CCS Group tax rate** was higher than in the same quarter last year (Q3/20: 38%), due to the significantly higher contribution from high tax regime countries. The **clean CCS net income** increased substantially to EUR 1,018 mn (Q3/20: EUR 160 mn). The **clean CCS net income attributable to stockholders of the parent** was EUR 781 mn (Q3/20: EUR 80 mn). **Clean CCS Earnings Per Share** grew tenfold to EUR 2.39 (Q3/20: EUR 0.24).

Net **special items** of EUR (750) mn were recorded in Q3/21 (Q3/20: EUR (997) mn) and were mainly related to temporary hedging effects. Net special items in Q3/20 were mainly related to the impairments triggered by OMV's revision of its long-term Brent crude oil price planning assumptions. **CCS effects** of EUR 38 mn were recognized in Q3/21. The OMV Group's reported **Operating Result** rose considerably to EUR 1,079 mn (Q3/20: EUR (607) mn).

The **net financial result** decreased to EUR (63) mn (Q3/20: EUR (59) mn). This development was mainly due to a lower net interest result attributable to higher interest expenses in relation to discounting of receivables, which was partly offset by an improved foreign exchange result. With a **Group tax rate** of 52%, **net income** grew substantially to EUR 484 mn (Q3/20: EUR (458) mn).The **net income attributable to stockholders of the parent** increased sharply to EUR 279 mn (Q3/20: EUR (487) mn). **Earnings Per Share** rose to EUR 0.85 (Q3/20: EUR (1.49)).

As of September 30, 2021, the **net debt excluding leases** amounted to EUR 6,214 mn compared to EUR 1,830 mn on September 30, 2020, mainly impacted by the acquisition of an additional 39% share in Borealis. As of September 30, 2021, the **gearing ratio excluding leases** stood at 28% (September 30, 2020: 11%). For further information on the gearing ratio, please see "Financial liabilities". The leverage ratio defined as (net debt including leases) / (equity + net debt including leases) amounted to 25% as of September 30, 2021 (September 30, 2020: 15%).

Total **capital expenditure** came in at EUR 628 mn (Q3/20: EUR 363 mn) and was mainly attributable to organic projects in the Exploration & Production and Chemicals & Materials segments. In Q3/21, **organic capital expenditure** was up by 72% to EUR 624 mn (Q3/20: EUR 363 mn), mainly due to the full consolidation of Borealis.

Business segments

Exploration & Production

Third quarter 2021 (Q3/21) compared to third quarter 2020 (Q3/20)

- The clean Operating Result grew sharply to EUR 816 mn, thanks to strong positive market effects and operational performance.
- Production up by 26 kboe/d to 470 kboe/d, mainly thanks to Libya, the UAE and Norway; sales volumes benefitted from liftings catch-up.
- Production cost decreased to USD 6.7/boe, mainly due to the divestment of high-cost oil assets in Kazakhstan and Malaysia.

In Q3/21, the **clean Operating Result** increased markedly from EUR (24) mn in Q3/20 to EUR 816 mn. A benign market environment was bolstered by an improved operational performance. Net market effects boosted results by EUR 638 mn, thanks to the persistently strong commodity price growth for both crude oil and natural gas. Adverse factors were FX movements and hedging losses. Operational performance added another EUR 256 mn, on the back of higher production and sales volumes, mainly thanks to the return to full operations in Libya, revised OPEC quota restrictions in the United Arab Emirates, and higher natural gas flows in Norway. Q3/21 exploration expenses were mainly caused by the write-off of one exploration well. In Q3/20, exploration expenses were significantly higher as a consequence of OMV's revision of its long-term Brent crude oil price planning assumptions.

In Q3/21, net **special items** amounted to EUR (477) mn (Q3/20: EUR (1,020) mn), mainly consisting of temporary natural gas hedging effects. In Q3/20, special items were mainly related to the impairments triggered by OMV's revision of its long-term Brent crude oil price planning assumptions. The **Operating Result** strengthened to EUR 339 mn (Q3/20: EUR (1,044) mn).

Production cost excluding royalties dropped to USD 6.7/boe (Q3/20: USD 7.5/boe), mainly owing to the divestment of high-cost oil assets in Kazakhstan and Malaysia.

The **total hydrocarbon production** volume expanded by 26 kboe/d to 470 kboe/d. Libyan production was at full capacity during the entire quarter, while it had been severely affected by a force majeure situation in the same period last year. Output in the UAE grew on the back of revised OPEC quota restrictions. Norwegian production profited from better natural gas extraction performance. Natural decline in Romania and the divestment of assets in Malaysia and Kazakhstan were limiting factors to production growth. **Total hydrocarbon sales volumes** improved to 465 kboe/d (Q3/20: 422 kboe/d), driven by higher production volumes and a liftings catch-up effect.

Oil price growth continued during Q3/21, albeit at a slower pace than previously. For much of July and August, the price development was slightly negative, mainly fueled by concerns surrounding the impact on the global economy of the spread of the Delta variant of COVID-19. September saw prices recover, largely due to improving demand on the back of the continuing economic rebound. Supply remained tight, affected by production outages caused by Hurricane Ida as well as by high OPEC+ quota compliance. The **average Brent price** increased during the quarter, reaching USD 73.5/bbl. In a yearly comparison, the oil price rose considerably. As a result, the Group's **average realized crude oil price** advanced by 86% year-over-year. On the natural gas side, prices continued their steady upward climb in Q3/21 as European storage levels were not able to make up for their previous deficit. Limited Russian imports over the summer, a heavy maintenance season in Norway and the UK, and limited LNG arrivals due to strong demand in Asia were the main reasons. This left European storages just 70% full ahead of the winter season. High European natural gas prices started to impact demand toward the end of the summer, as power generators replaced natural gas for coal as feedstock, and fertilizer plants reduced output. OMV's **average realized natural gas price** in EUR/MWh was more than double than that of the same quarter last year.

Capital expenditure including capitalized E&A rose from EUR 204 mn to EUR 300 mn in Q3/21 as the COVID-19 pandemic had led to a significant activity cutback in the same quarter last year. In Q3/21, organic capital expenditure was primarily directed at projects in Romania, Norway, and the United Arab Emirates. **Exploration expenditure** was raised by 66% to EUR 44 mn in Q3/21 and was mainly related to activities in Norway and New Zealand.

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Refining & Marketing

Third quarter 2021 (Q3/21) compared to third quarter 2020 (Q3/20)

- Clean CCS Operating Result rose sharply to EUR 361 mn, driven by substantially higher refining margins, increased fuel sales volumes, and a positive contribution from ADNOC Refining.
- Lower contribution from the gas business, mainly due to the divestment of Gas Connect Austria in Q2/21.
- Margin hedges contributed positively to the result, albeit to a much lesser extent than in Q3/20.

The **clean CCS Operating Result** increased to EUR 361 mn (Q3/20: EUR 236 mn). Strong margins, higher demand, and a positive result from ADNOC Refining more than compensated for the lower contribution from margin hedges and the gas business. The **OMV refining indicator margin Europe** strengthened remarkably to USD 4.4/bbl (Q3/20: USD 0.9/bbl). Higher product cracks for light and middle distillates were only partially offset by rising feedstock costs. Disruptions in the U.S. Gulf Coast led to more imports from Europe, which provided further support to the European refining margin. In Q3/21, the **utilization rate of the European refineries** marginally improved by 1 percentage point to 91% (Q3/20: 90%). At 4.7 mn t, **fuels and other sales volumes Europe** increased considerably by 14% in the wake of eased travel restrictions. The commercial business showed an increased contribution on the back of higher margins and a strong rebound in quantities sold by 21%. This was mostly thanks to improved demand for jet fuel compared to Q3/20, when travel restrictions imposed had a major impact on aviation activity. The retail business also contributed more to results on the basis of 7% growth in retail volumes sold, higher sales in non-oil business, and improved fuel margins.

The contribution of **ADNOC Refining & Trading** rose significantly to EUR 6 mn (Q3/20: EUR (49) mn), mainly due to increased refining margins in ADNOC Refining attributable to improved market conditions and higher utilization rates. ADNOC Global Trading provided a strong support to the result as a consequence of the launch at the end of 2020.

The contribution of the **gas business** decreased to EUR 41 mn (Q3/20: EUR 78 mn), largely due to the divestment of Gas Connect Austria at the end of May 2021, rising storage expenses in Austria owing to higher gas prices, and a lower contribution from the power business. The power business in Romania benefited from favorable power forward contracts in Q3/20. Partly compensating was the ability to benefit from the high market volatility through supply and sales contracts. In addition, **natural gas sales volumes** rose considerably by 20% from 33.3 TWh to 40.0 TWh, mainly on account of higher sales volumes in Germany and the Netherlands. The development was partially offset by lower sales volumes in Austria, Hungary, and Romania.

Net **special items** amounted to EUR (265) mn (Q3/20: EUR 32 mn) and were primarily related to commodity derivatives. In Q3/21, **CCS effects** of EUR 38 mn were recorded as a consequence of increasing crude oil prices. Consequently, the **Operating Result** of Refining & Marketing declined by 62% to EUR 134 mn (Q3/20: EUR 353 mn).

Capital expenditure in Refining & Marketing was EUR 120 mn (Q3/20: EUR 138 mn). In Q3/21, organic capital expenditure was predominantly related to investments in the European refineries and retail stations.

Chemicals & Materials

Third quarter 2021 (Q3/21) compared to third quarter 2020 (Q3/20)

- Clean Operating Result grew sharply to EUR 623 mn, mainly due to a substantially better market environment, a higher contribution following the full consolidation, and positive inventory effects.
- Borealis JVs benefited from a strong polyolefin market environment in Asia and the United States.
- Following the closing of the acquisition of an additional 39% stake on October 29, 2020, OMV holds a 75% stake in Borealis, which is thus fully consolidated in OMV’s figures, leading to higher contributions.

The **clean Operating Result** grew more than sixfold to EUR 623 mn (Q3/20: EUR 99 mn), mainly due to the full consolidation of Borealis, substantially higher polyolefin and increased olefin margins in Europe, as well as to positive inventory valuation effects. A strong contribution from the Borealis JVs also added to the result.

The contribution of OMV base chemicals grew due to higher ethylene and propylene indicator margins. The **ethylene indicator margin Europe** increased by 22% to EUR 489/t (Q3/20: EUR 402/t), while the **propylene indicator margin Europe** rose to a greater extent, by 41%, to EUR 488/t (Q3/20: EUR 347/t). Strong European demand elevated prices for ethylene and propylene, offsetting increases in feedstock costs. Propylene in particular was affected by a tightening supply-demand balance.

The **utilization rate of the European steam crackers** operated by OMV and Borealis improved significantly by 24 percentage points to 88% in Q3/21 (Q3/20: 64%). Q3/20 was impacted by an unplanned outage of the Stenungsund steam cracker.

The contribution of **Borealis excluding JVs** grew sharply by EUR 341 mn to EUR 400 mn (Q3/20: EUR 59 mn). This was mainly attributable to the very strong performance of the polyolefin business and an increased contribution from the base chemicals business. Positive inventory valuation effects also supported the result. The Borealis base chemicals business improved on the back of higher margins supported by increased production at the Stenungsund steam cracker, as well as from positive inventory valuation effects. Contrary to Q3/21, the base chemicals business saw in Q3/20 a positive light feedstock advantage. The polyolefin business saw a steep increase due to substantially higher margins and also because of positive inventory valuation effects. The **European polyethylene indicator margin** grew by 43% to EUR 524/t (Q3/20: EUR 367/t), while the **European polypropylene indicator margin** rose by 91% to EUR 748/t (Q3/20: EUR 392/t). Both were supported by strong demand in the European markets coupled with constraints on imports caused by ongoing deep-sea logistics limitations. Limited supply from the United States following the recent hurricane season also put constraints on additional imports into Europe. Compared to Q3/20, polyethylene sales volumes increased by 7%, while polypropylene sales volumes were down 6%. In particular, the energy segment drove demand, whereas volumes in the consumer products and mobility segment declined. The contribution from the nitrogen business to the result grew compared to Q3/20, mainly due to positive inventory effects and the reclassification as an asset held for sale. This was partially offset by reduced ammonia production and higher variable costs following record high natural gas prices.

The contribution of **Borealis JVs** amounted to EUR 137 mn in Q3/21 and benefited from an increase in polyolefin prices in Asia and the United States. Compared to Q3/20, polyethylene sales volumes from the JVs decreased by 6%, while polypropylene sales volumes rose by 1%. Logistics constraints caused by limited container availability in Asia negatively impacted Borouge sales volumes. The sales volumes from Baystar remained at a comparable level to Q3/20.

Net **special items** amounted to EUR (5) mn (Q3/20: EUR (9) mn) and were mainly related to commodity derivatives. The **Operating Result** of Chemicals & Materials soared to EUR 618 mn compared to EUR 91 mn in Q3/20.

Capital expenditure in Chemicals & Materials amounted to EUR 202 mn (Q3/20: EUR 17 mn). Following the closing of the acquisition of an additional 39% stake on October 29, 2020, capital expenditure in Q3/21 also includes Borealis. In Q3/21, besides ordinary running business investments, the organic capital expenditure was predominantly related to investments for the construction of the new propane dehydrogenation plant in Belgium by Borealis.

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