

# OMV Q2/22 Trading Update

July 8, 2022

OMV Aktiengesellschaft

This trading update provides provisional basic information on the economic environment as well as OMV's key performance indicators for the quarter ended June 30, 2022. The Q2/22 results will be published on July 28, 2022. The information contained in this trading update may be subject to change and may differ from the numbers of the quarterly report.

## Economic environment

		Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Average Brent price	in USD/bbl	68.97	73.51	79.76	102.23	113.93
Average Urals price	in USD/bbl	67.25	71.15	78.22	90.20	79.26
Average EUR-USD exchange rate		1.206	1.179	1.144	1.122	1.065
Average CEGH natural gas price	in EUR/MWh	24.83	47.10	95.10	100.95	101.84

Source: Reuters/Platts, Central European Gas Hub (CEGH)

## Chemicals & Materials

		Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Ethylene indicator margin Europe <sup>1</sup>	in EUR/t	480	489	498	429	663
Propylene indicator margin Europe <sup>2</sup>	in EUR/t	457	488	506	444	673
Polyethylene indicator margin Europe <sup>3</sup>	in EUR/t	803	524	458	438	442
Polypropylene indicator margin Europe <sup>4</sup>	in EUR/t	898	748	690	647	543
Utilization rate steam crackers Europe	in %	93	88	92	96	56
Polyolefin sales volumes	in mn t	1.42	1.50	1.49	1.47	1.45
thereof polyethylene sales volumes excl. JVs	in mn t	0.45	0.46	0.43	0.44	0.45
thereof polypropylene sales volumes excl. JVs	in mn t	0.53	0.51	0.53	0.52	0.48
thereof polyethylene sales volumes JVs <sup>5</sup>	in mn t	0.28	0.33	0.34	0.31	0.32
thereof polypropylene sales volumes JVs <sup>5</sup>	in mn t	0.16	0.20	0.19	0.20	0.21

<sup>1</sup> Ethylene CP WE (ICIS) - 1.18 \* Naphtha FOB Rotterdam

<sup>2</sup> Propylene CP WE (ICIS) - 1.18 \* Naphtha FOB Rotterdam

<sup>3</sup> HD BM FD EU Domestic EOM (ICIS low) - Ethylene CP WE (ICIS)

<sup>4</sup> PP Homo FD EU Domestic EOM (ICIS low) - Propylene CP WE (ICIS)

<sup>5</sup> Pro-rata volumes of at-equity consolidated companies

## Refining & Marketing

		Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Old OMV refining indicator margin Europe based on Brent and Urals <sup>1,2</sup>	in USD/bbl	2.21	4.43	6.25	9.75	29.25
New OMV refining indicator margin Europe based on Brent <sup>1,2</sup>	in USD/bbl	2.23	4.21	6.15	6.78	20.46
Utilization rate refineries Europe	in %	85	91	95	94	58
Fuels and other sales volumes Europe	in mn t	4.01	4.66	4.35	3.66	3.82

<sup>1</sup> Starting Q2/22, the refining indicator margin reflects the change in crude oil reference price from Urals to Brent in OMV Petrom. The figures in Italics are re-calculated only for comparison purposes.

<sup>2</sup> Actual refining margins realized by OMV may vary from the OMV refining indicator margin due to factors including different crude oil slate, product yield, and operating conditions.

## Exploration & Production

		Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Total hydrocarbon production	in kboe/d	490	470	491	457	345
thereof crude oil and NGL production	in kboe/d	203	198	192	194	175
thereof natural gas production	in kboe/d	287	272	298	262	170
Total hydrocarbon sales volumes	in kboe/d	459	465	467	451	314
thereof crude oil and NGL sales volumes	in kboe/d	194	213	189	210	164
thereof natural gas sales volumes <sup>1</sup>	in kboe/d	265	251	277	240	151
Average realized crude oil price <sup>2,3</sup>	in USD/bbl	59.9	69.6	77.0	90.5	106.9
Average realized natural gas price <sup>1,3,4</sup>	in EUR/MWh	12.3	15.7	27.0	37.9	56.5

Note: Crude oil, NGL (Natural Gas Liquids) and natural gas figures may not add up due to rounding differences. Starting with March 1, 2022, Russian operations are no longer included.

<sup>1</sup> Does not consider Gas Marketing Western Europe

<sup>2</sup> Starting Q2/22, the transfer price in OMV Petrom between the E&P segment and the R&M segment is based on Brent instead of Urals. Previous figures were not restated.

<sup>3</sup> Average realized prices include hedging effects

<sup>4</sup> The average realized natural gas price is converted to MWh using a standardized calorific value across the portfolio of 10.8 MWh for 1,000 cubic meters of natural gas.

## Schwechat Refinery incident and turnaround

On June 3, 2022, while performing a legally required water pressure test in the finalization phase of the planned refinery turnaround, damage occurred to the outer shell of one of the columns of the crude oil distillation unit. Due to optimization measures at a smaller crude distillation unit, the refinery is currently operating at around 20% capacity.

OMV has in place both business interruption and property damage insurance for the Schwechat refinery. Customary, market-standard deductibles (for property damage) and waiting periods (for business interruption) apply. The business interruption insurance has a waiting period of 60 days. The property damage deductible is around USD 40 mn.

We expect the total financial impact from the incident to be around EUR 200 mn. The impact in June is around EUR 90 mn.

The turnaround at the refinery started on April 19, 2022, and lasted until the beginning of June. The financial impact from the turnaround is estimated to be around EUR 90 mn.

The refinery is expected to be fully operational and fully utilized again in the second half of Q3/22.

## Change in OMV Petrom refining indicator margin

In the context of an extraordinarily high Urals-Brent differential, triggered by the geopolitical context, starting Q2/22 the transfer price in OMV Petrom between Exploration & Production and Refining & Marketing is now based on Brent instead of Urals, as Urals is no longer a relevant reference. The transfer price is at arm's length and takes into consideration the quality difference between Brent and the currently produced crude mix. Sensitivities to changes of Brent crude price and the refining indicator margin remain unchanged, as published on OMV website. The impact on Group clean CCS Operating Result is expected to be neutral as there is a segment profit shift between R&M and E&P in OMV Petrom.

## Effect of Russian gas delivery reduction

Due to the reduction of natural gas deliveries from Russia, we prematurely closed derivative hedging positions, impacting the Q2/22 clean Operating Result in the natural gas business West in the tune of around EUR 50 mn.

## Cash flow movements

Q2/22 cash flows will be raised by inflows stemming from the Borouge IPO, the sale of the German filling stations, and a conversion of parts of a shareholder loan from Borealis to Bayport into external financing. On the other hand, due to the filling of our natural gas storage facilities, there will be a considerable cash outflow.

## Others

Compared to Q1/22, retail margins decreased while commercial margins are expected to be broadly flat.

## Consensus

The collection of the analysts' consensus on the quarterly result estimates, managed by Vara Research, is scheduled to open for submission on July 8, 2022 and will close on July 21, 2022, at 7:30 am CEST. The consensus will be made public on July 21, 2022.

## Contact

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