



OMV STRATEGY **2025**

CAPITAL MARKETS DAY
London | March 13, 2018

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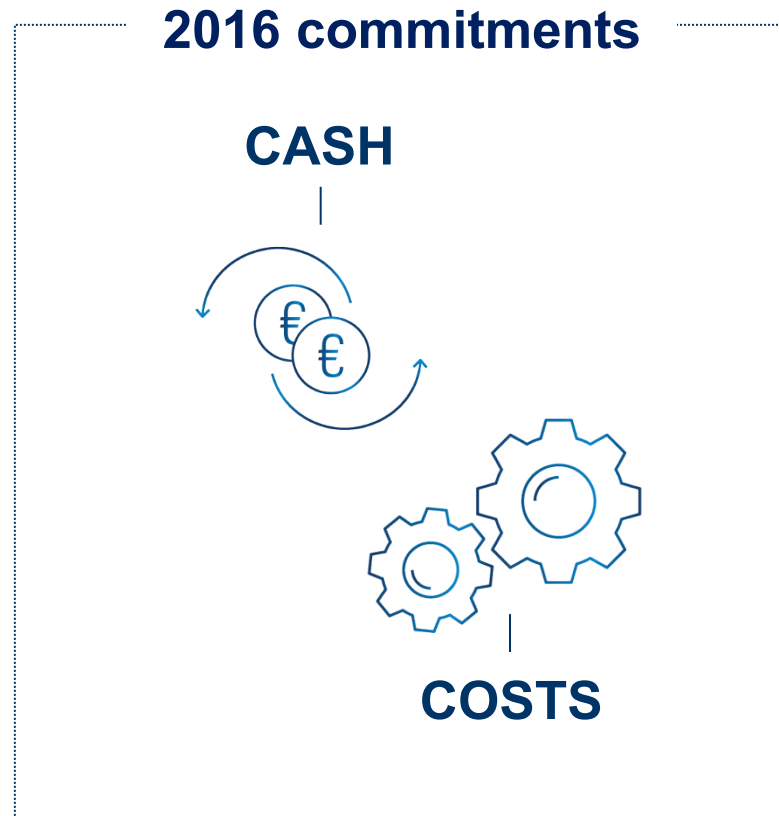
Capital Markets Day

Reinhard Florey
Chief Financial Officer

London, March 13, 2018

OMV Aktiengesellschaft

We deliver on our financial targets ...



- ✓ Reduced annual **CAPEX**¹ by 40% to EUR 1.7 bn since 2015
- ✓ **Saved EUR 330 mn**² and substantially exceeded **cost reduction targets**
- ✓ Brought **free cash flow break-even**³ down to USD 25/bbl, one of the lowest in the sector
- ✓ Generated **free cash flow after dividends**⁴ of EUR 1 bn in 2017
- ✓ **Deleveraged** OMV to net debt of **EUR 2 bn**⁵ and built up a **strong cash position**

¹ Capex including capitalized Exploration and Appraisal expenditures and excluding Yuzhno Russkoye acquisition

² Based on Operating Cost versus 2015 baseline according to OMV definition on a comparable basis

³ Calculation of the oil price free cash flow break-even is based on the free cash flow after dividends excl. „Proceeds from sale of non-current assets“, „Net impact from the sale of subsidiaries and businesses, net of cash disposed“, „Acquisitions of subsidiaries and businesses, net of cash acquired“ and adjustments such as inflows related to securities and loan repayments or outflows related to Nord Stream 2.

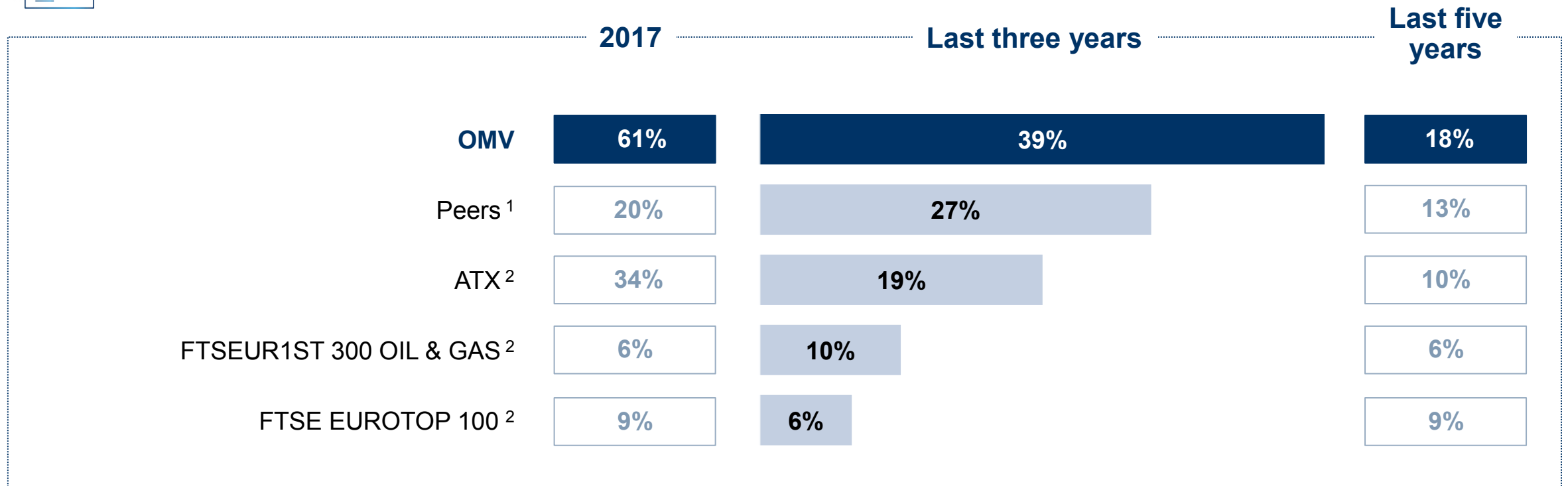
⁴ Including acquisitions and disposals and changes in non-controlling interests

⁵ As of end 2017

... and create shareholder value



Annualized Total shareholder return

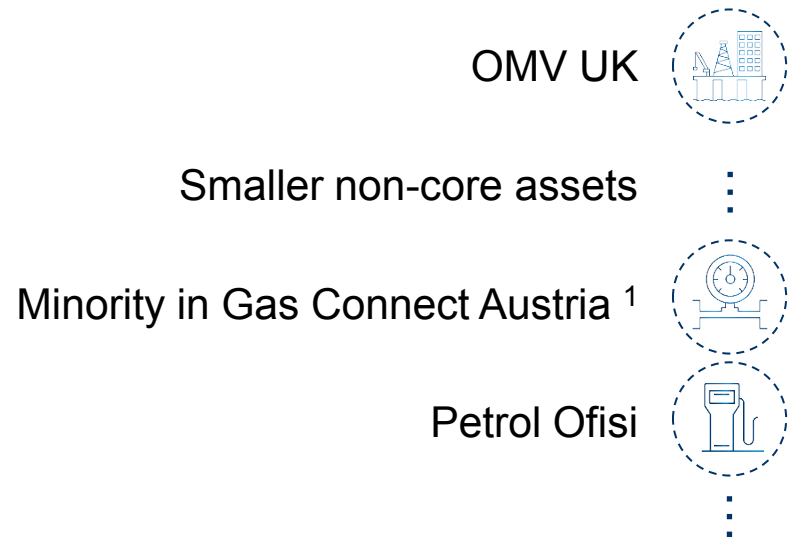


¹ BP, ENI, Galp, Lundin Petroleum, MOL, Neste Oil, PKN Orlen, Repsol, Shell, Statoil, Total, Tupras

² Source: NASDAQ

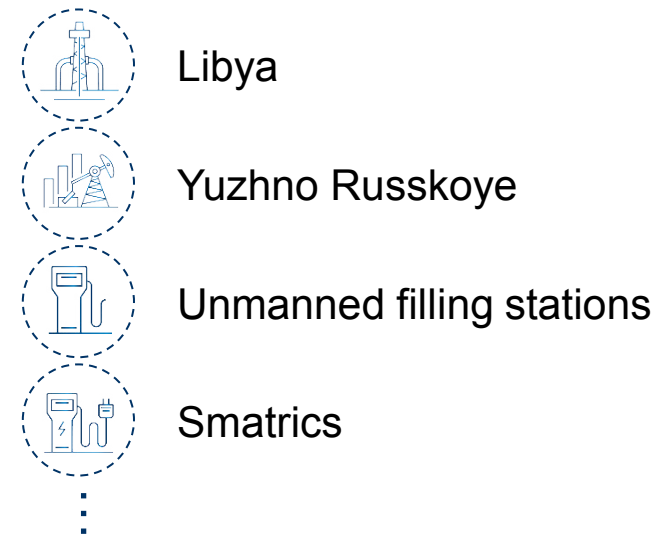
Active portfolio management

We successfully transformed our portfolio and disposed non-core assets ...



Disposals²
EUR bn
2.7

... at the same time we built the foundation for profitable growth



Acquisitions
EUR bn
1.7

Icon showing two Euro symbols (€) with circular arrows around them, indicating cash flow.

**Cash impact
last three
years**

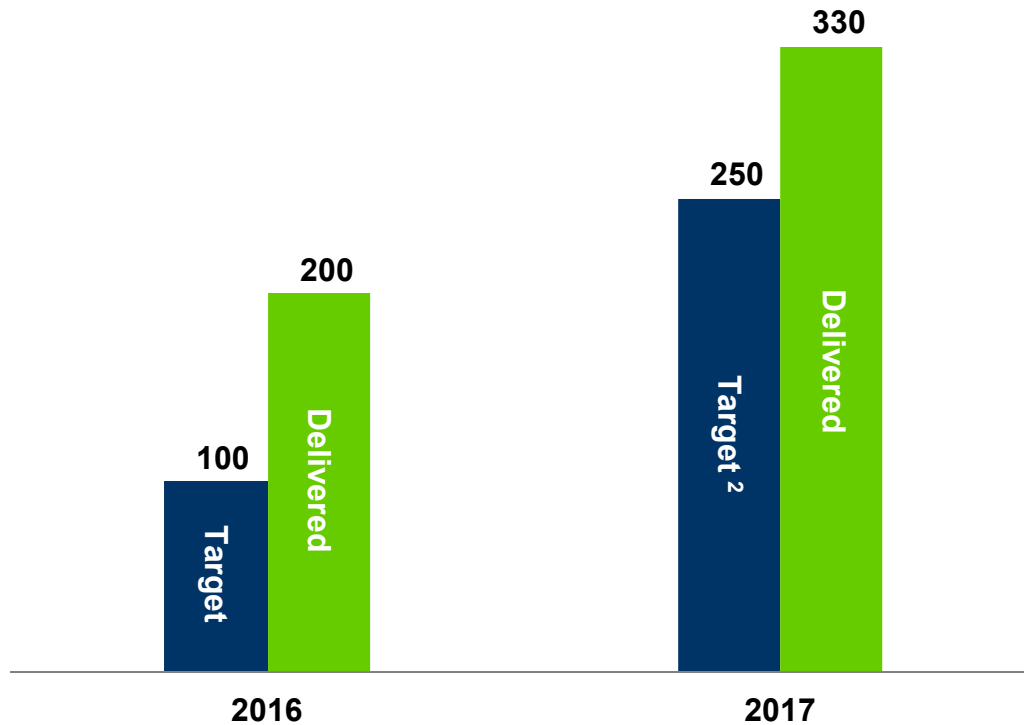
¹ Sale of a 49% minority share

² Excluding proceeds from sale of securities

Stringent cost discipline

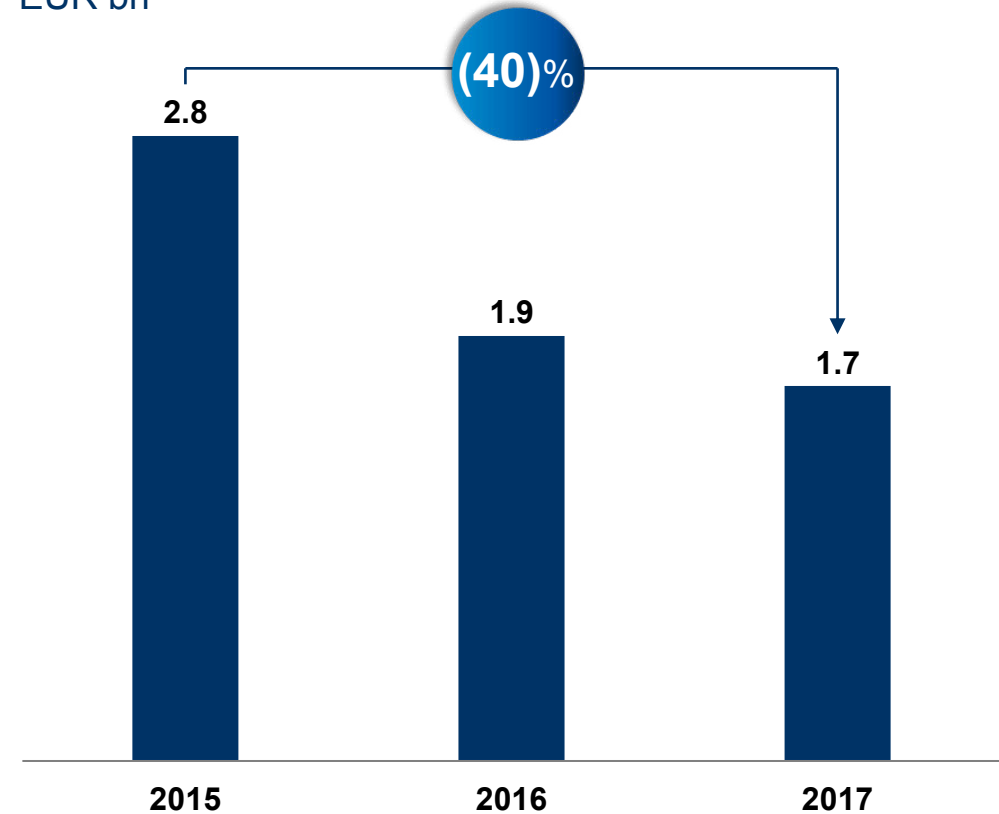
Cost savings program ¹

2015 normalized baseline, EUR mn



CAPEX ³

EUR bn



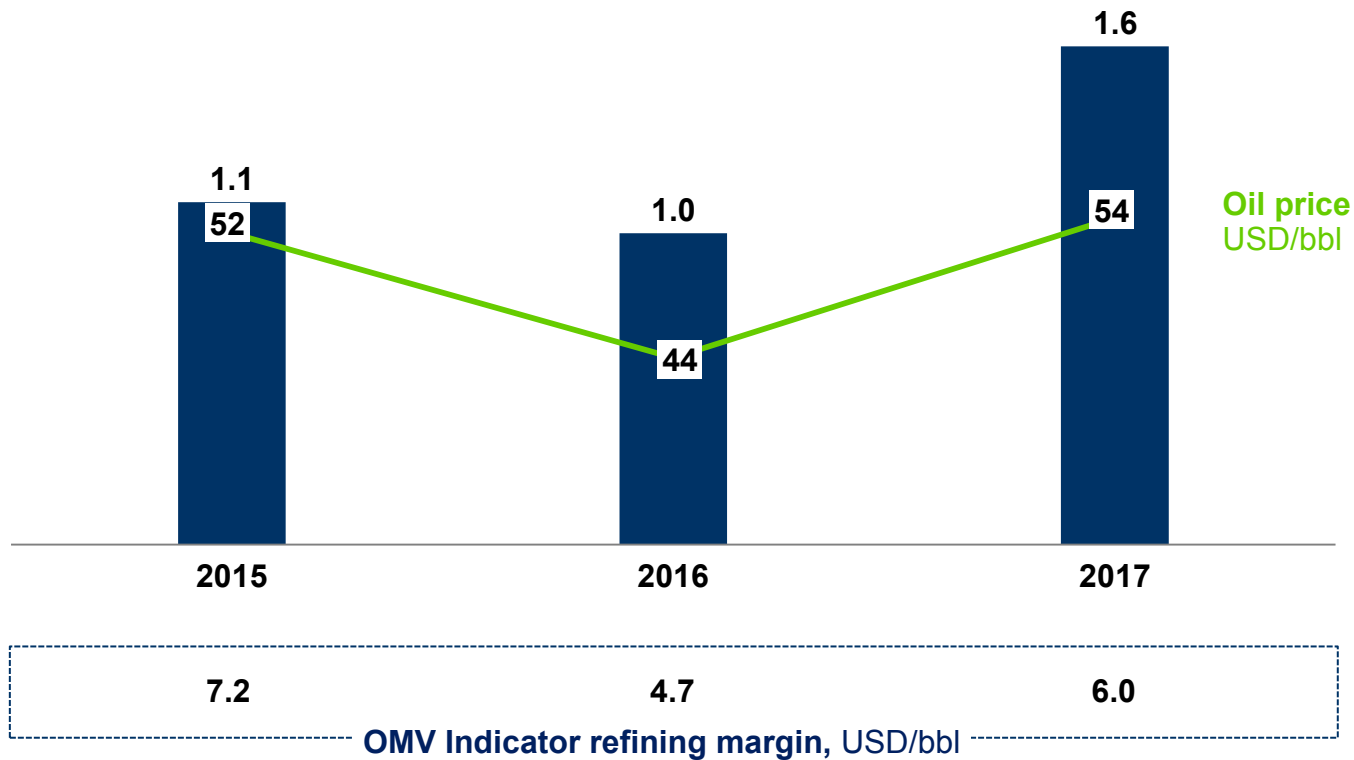
¹ Based on Operating Cost versus 2015 baseline according to OMV definition on a comparable basis

² The 2017 target has been increased following the over-achievement in 2016 from EUR 150 mn to EUR 250 mn

³ CAPEX including capitalized Exploration and Appraisal expenditures and excluding Yuzhno Russkoye acquisition

Substantially improved financial performance

Clean CCS net income attributable to stockholders EUR bn

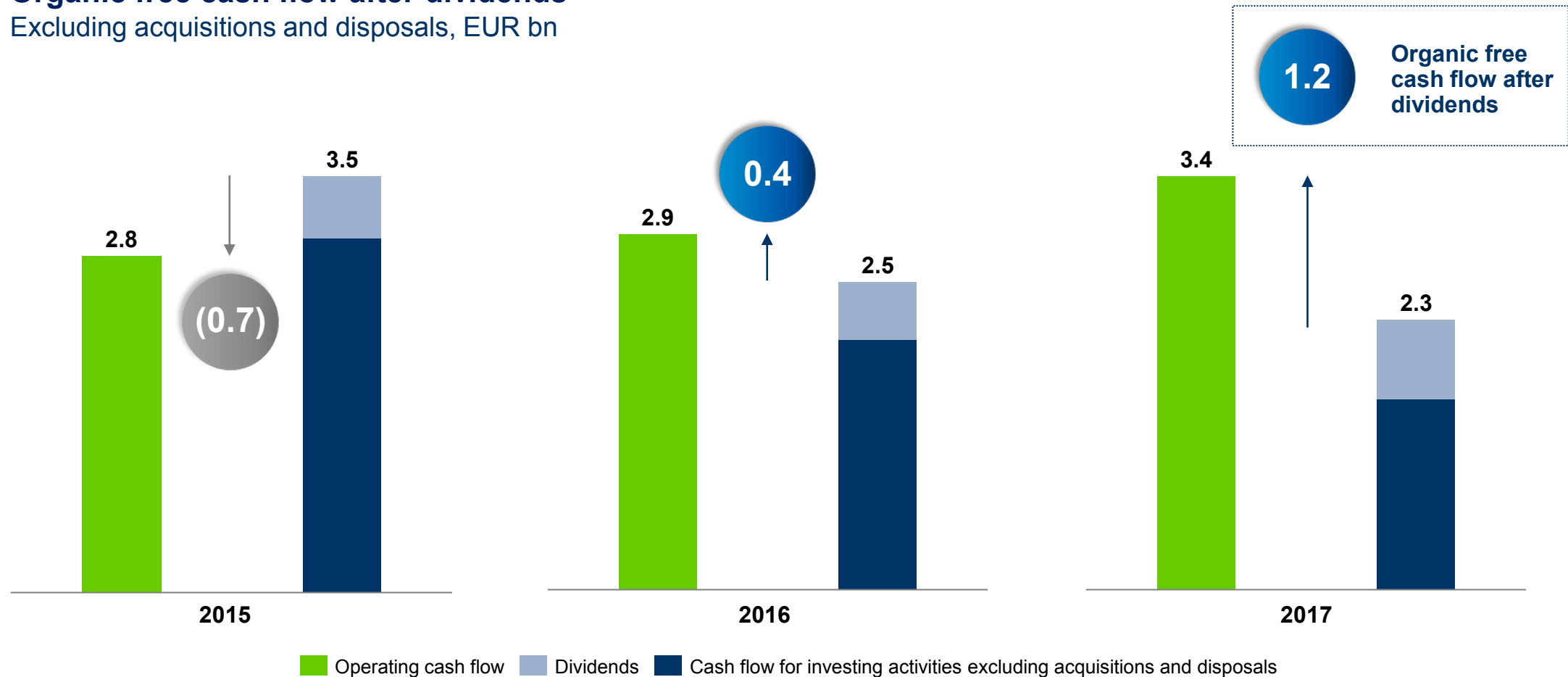


Clean CCS EPS 2017, EUR	2015 EUR
4.97	3.52
Clean CCS Economic Value Added 2017, EUR bn	2015 EUR bn
1.1	0.1

Strong organic cash generation provides optionality

Organic free cash flow after dividends

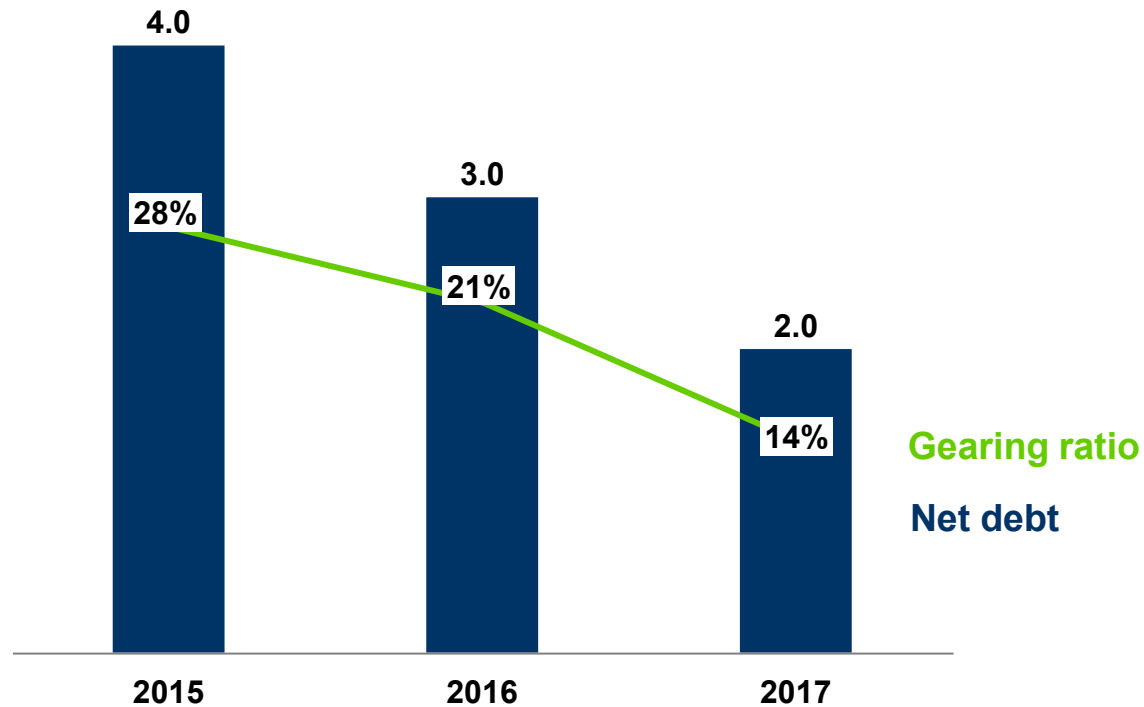
Excluding acquisitions and disposals, EUR bn



Strengthened balance sheet

Net debt and gearing ratio

EUR bn



Cash position
EUR bn ¹

4.0

Target long-term
gearing ratio

≤30%

Undrawn revolving
credit facilities
EUR bn ¹

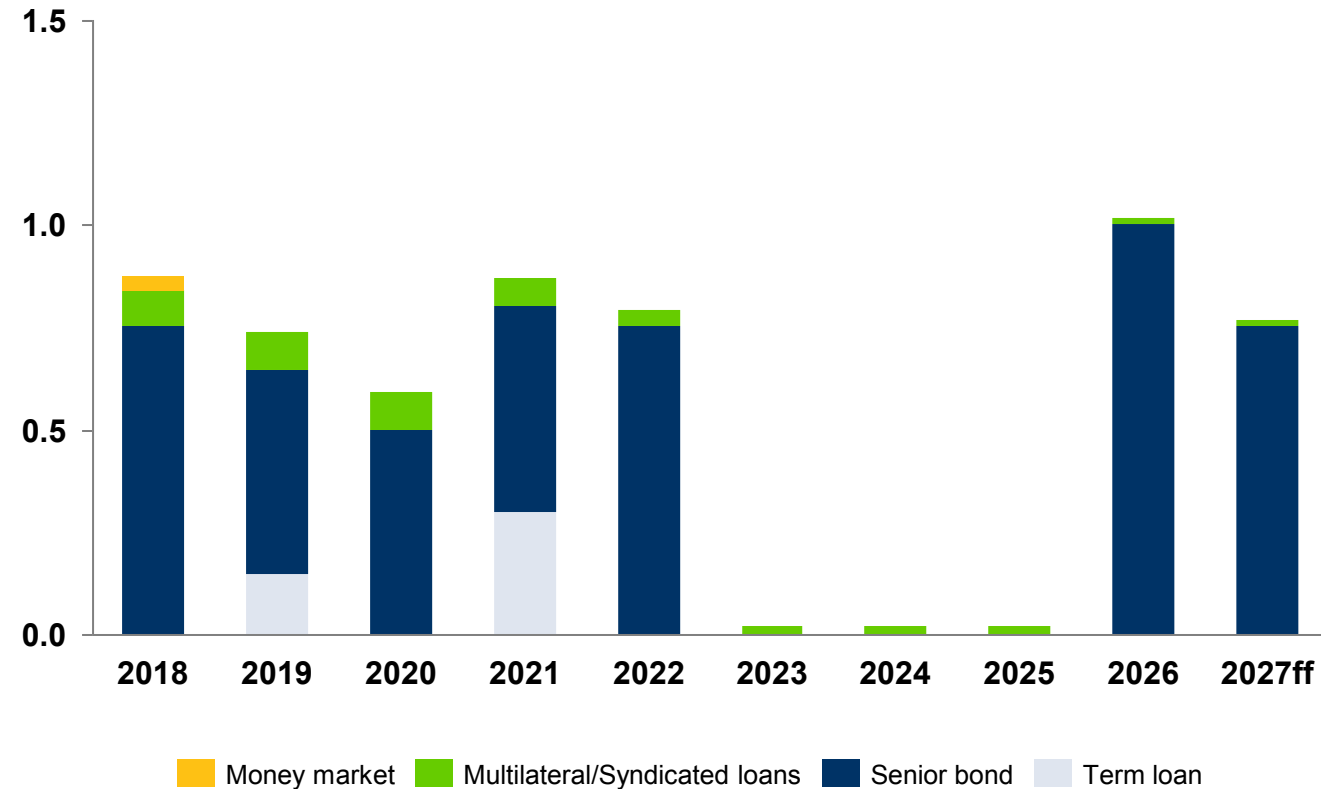
3.5

¹ As of end 2017

Balanced maturity profile

Maturity profile

EUR bn



Strong investment grade rating

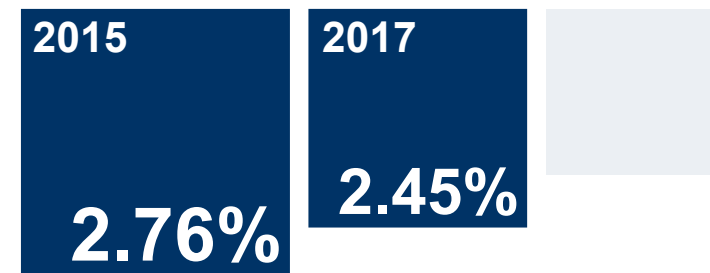


Baa1
Outlook stable
June 12, 2017



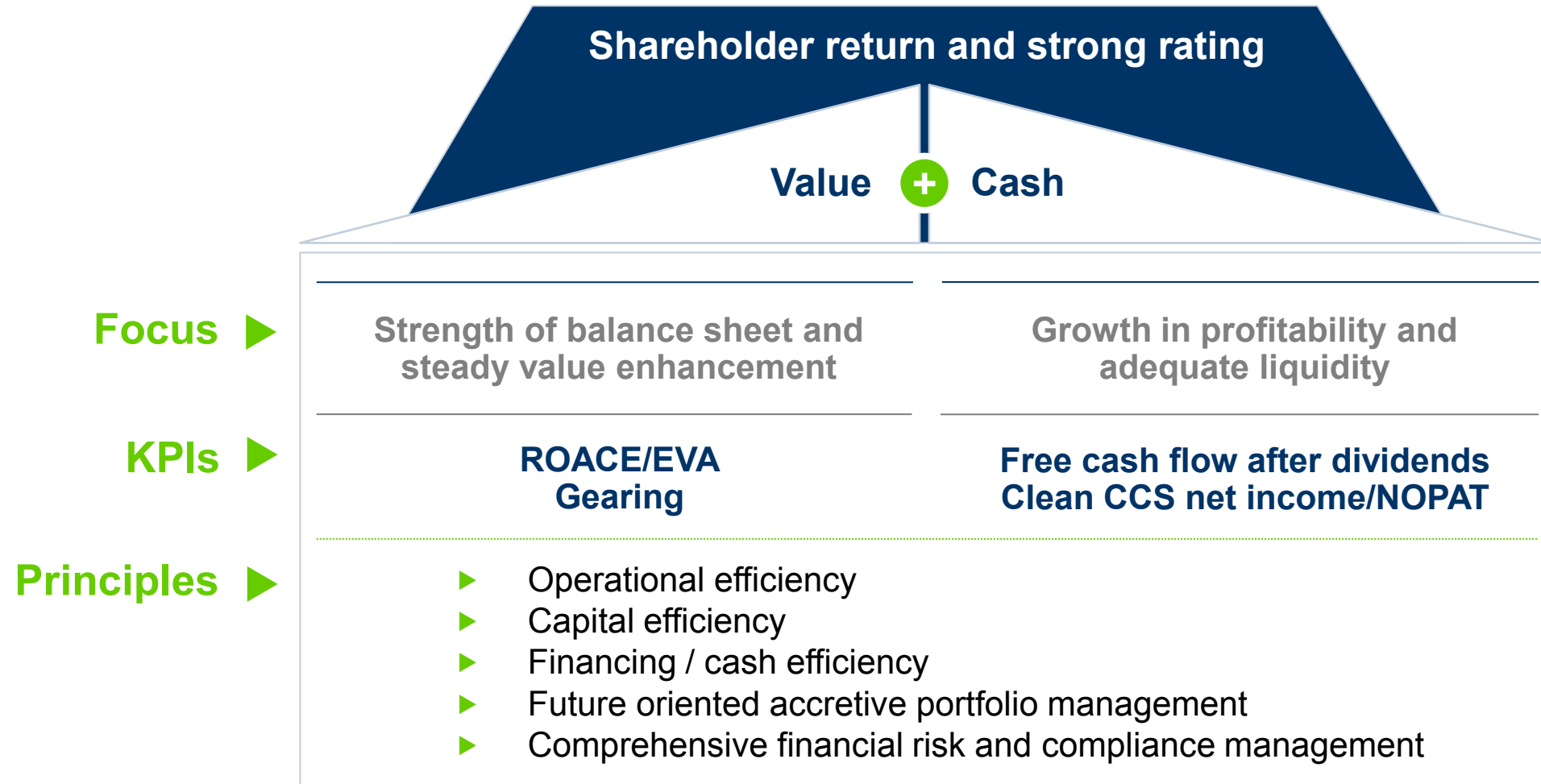
A-
Outlook stable
Feb 12, 2018

Financing costs ¹



¹ Weighted average interest rate of OMV Group's long-term interest-bearing debt at year-end

Financial steering framework



Cost discipline remains an imperative

OMV's cost discipline culture



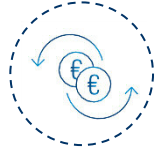
Operational efficiency in both Upstream and Downstream



Capture **economies of scale** and strict management of **overhead costs**



Process optimization and **harmonization**



Procurement savings and contractor renegotiations



Leverage **digitalization** and **optimize IT processes**

New efficiency target ¹

2018 - 2020

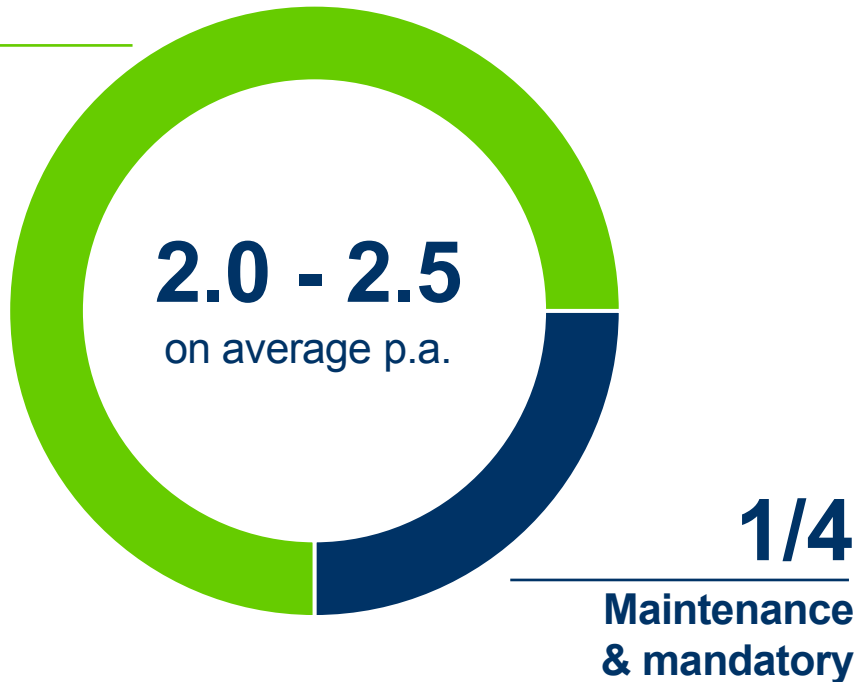
EUR mn
≥100

¹ Based on Operating Cost versus 2017 baseline according to OMV definition on a comparable basis

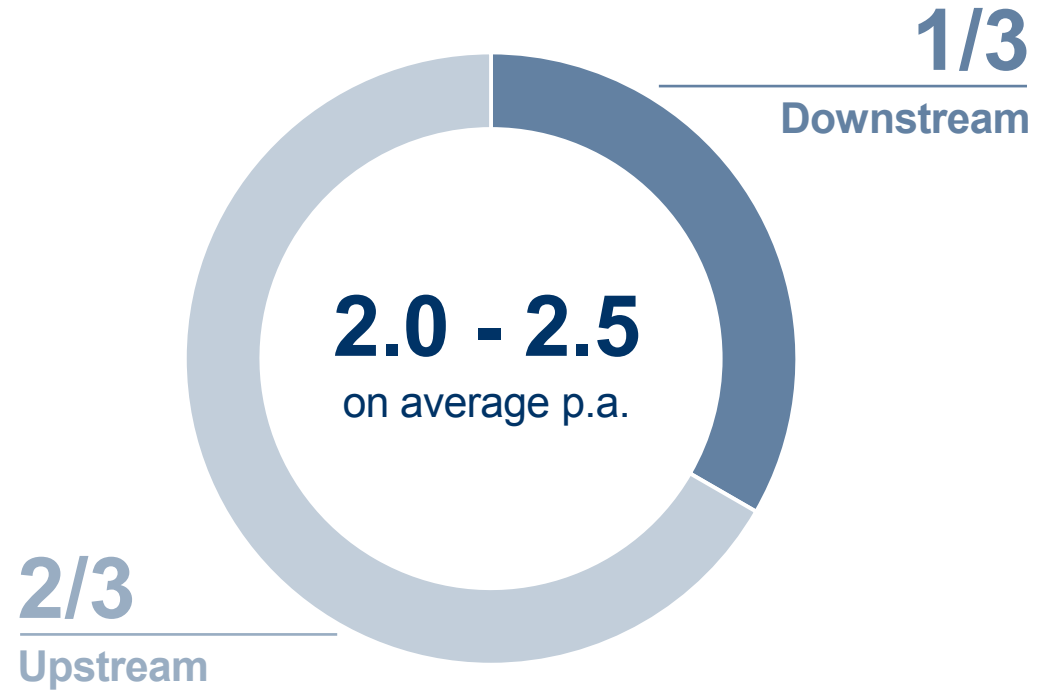
CAPEX – disciplined investing while growing

CAPEX ¹ 2018 - 2025
EUR bn

3/4
Growth

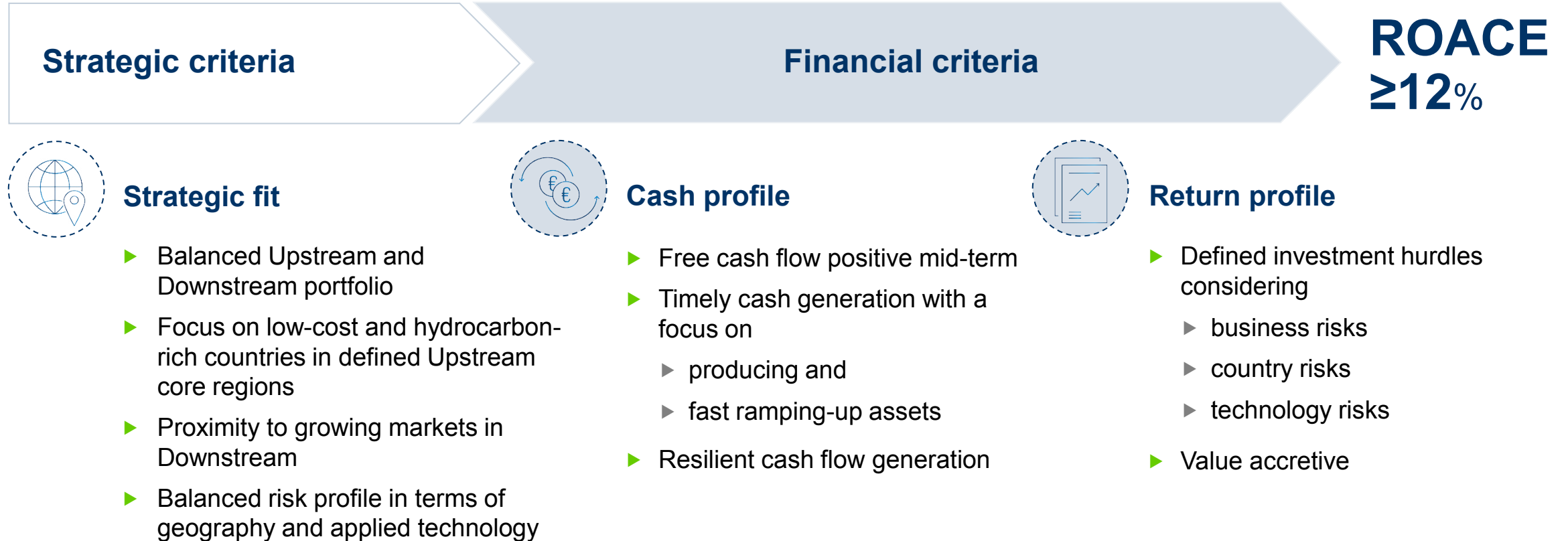


CAPEX ¹ 2018 - 2025
EUR bn



¹ CAPEX excluding purchase price acquisition CAPEX and contingent considerations

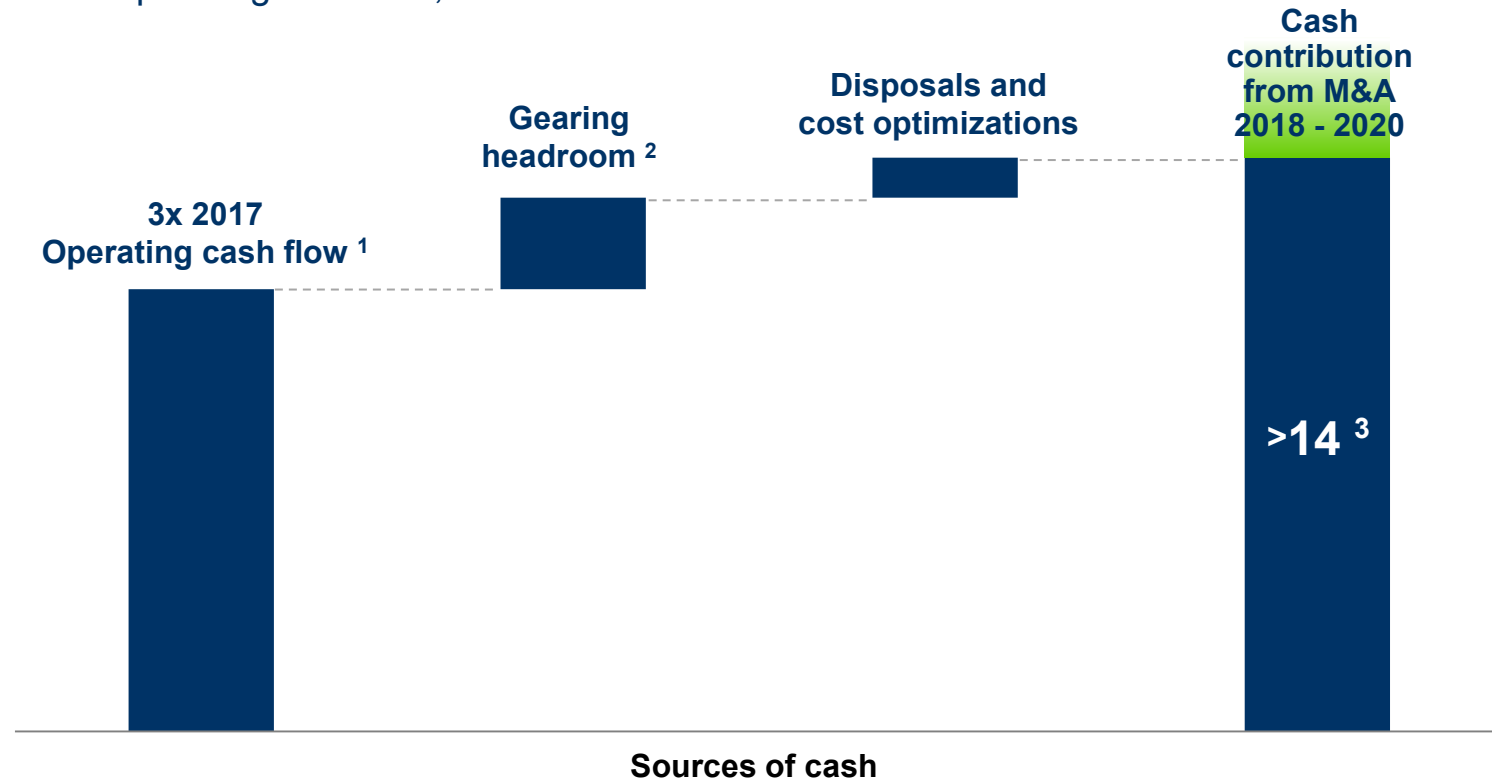
M&A criteria – focus on cash and value



Funding the growth – mid term perspective

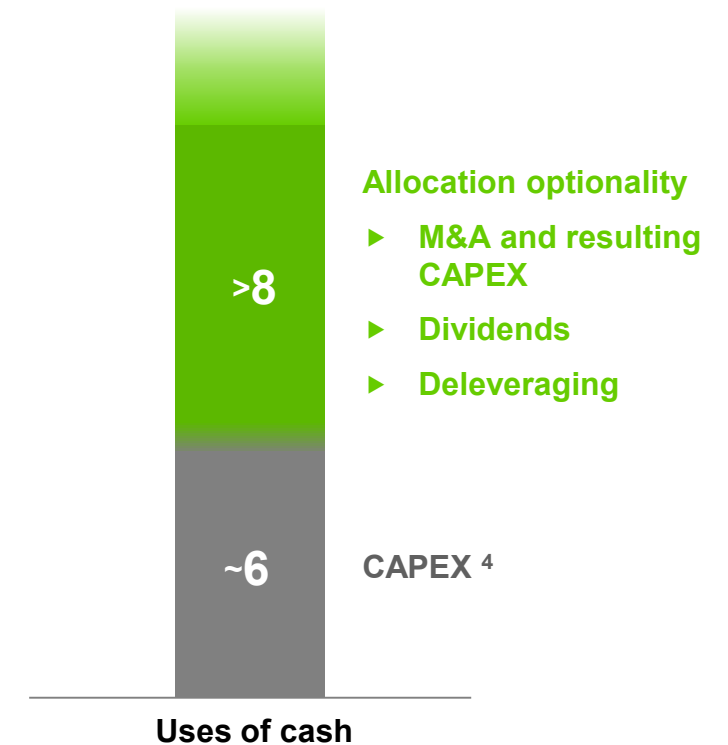
Sources of cash

3 years cumulative, indicative based on 2017 Operating cash flow, EUR bn



Uses of cash

2018 - 2020, EUR bn



¹ 2017 cash flow from operating activities adjusted for contribution from Yuzhno Russkoye

² Based on net debt and assuming a gearing ratio of 30% at the end of 2017

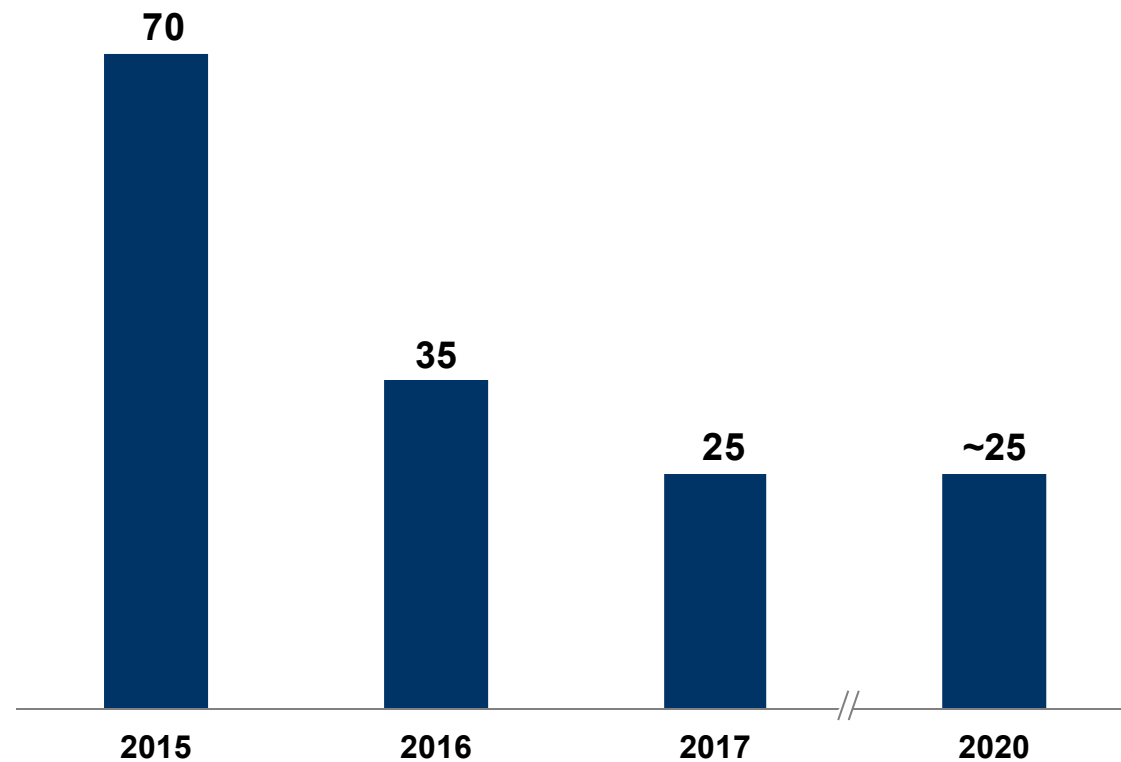
³ Three years sources based on 2017

⁴ CAPEX excluding purchase price acquisition CAPEX and contingent considerations

Maintain resilience

Oil price free cash flow break-even ¹

After dividends excluding acquisitions and disposals, USD/bbl



Generating cash, delivering value

Efficient **CAPEX** spending

Capturing value-accretive **growth opportunities**

Sustainable generation of organic **free cash flow**

Integrated business model and **balanced portfolio**

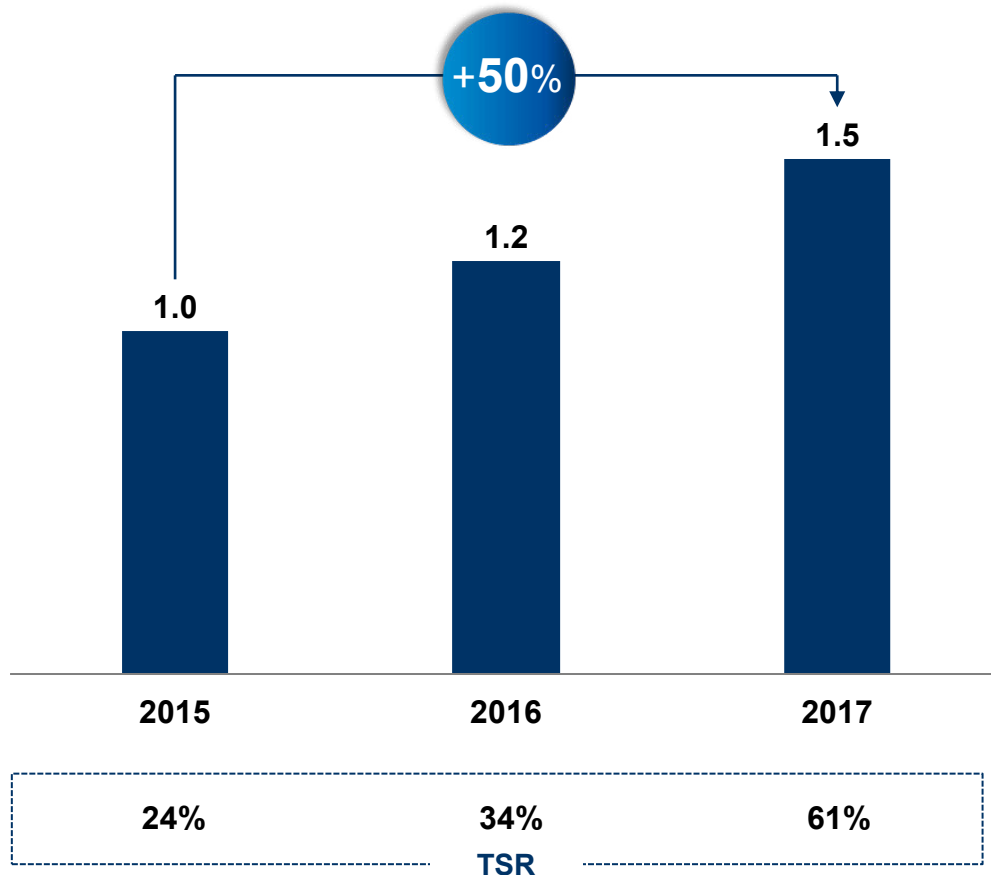
Further **streamlining** of **portfolio**

Leveraging **digitalization** and maintaining **cost efficiency**

¹ Calculation of the oil price free cash flow break-even is based on the free cash flow after dividends excl. „Proceeds from sale of non-current assets“, „Net impact from the sale of subsidiaries and businesses, net of cash disposed“, „Acquisitions of subsidiaries and businesses, net of cash acquired“ and adjustments such as inflows related to securities and loan repayments or outflows related to Nord Stream 2

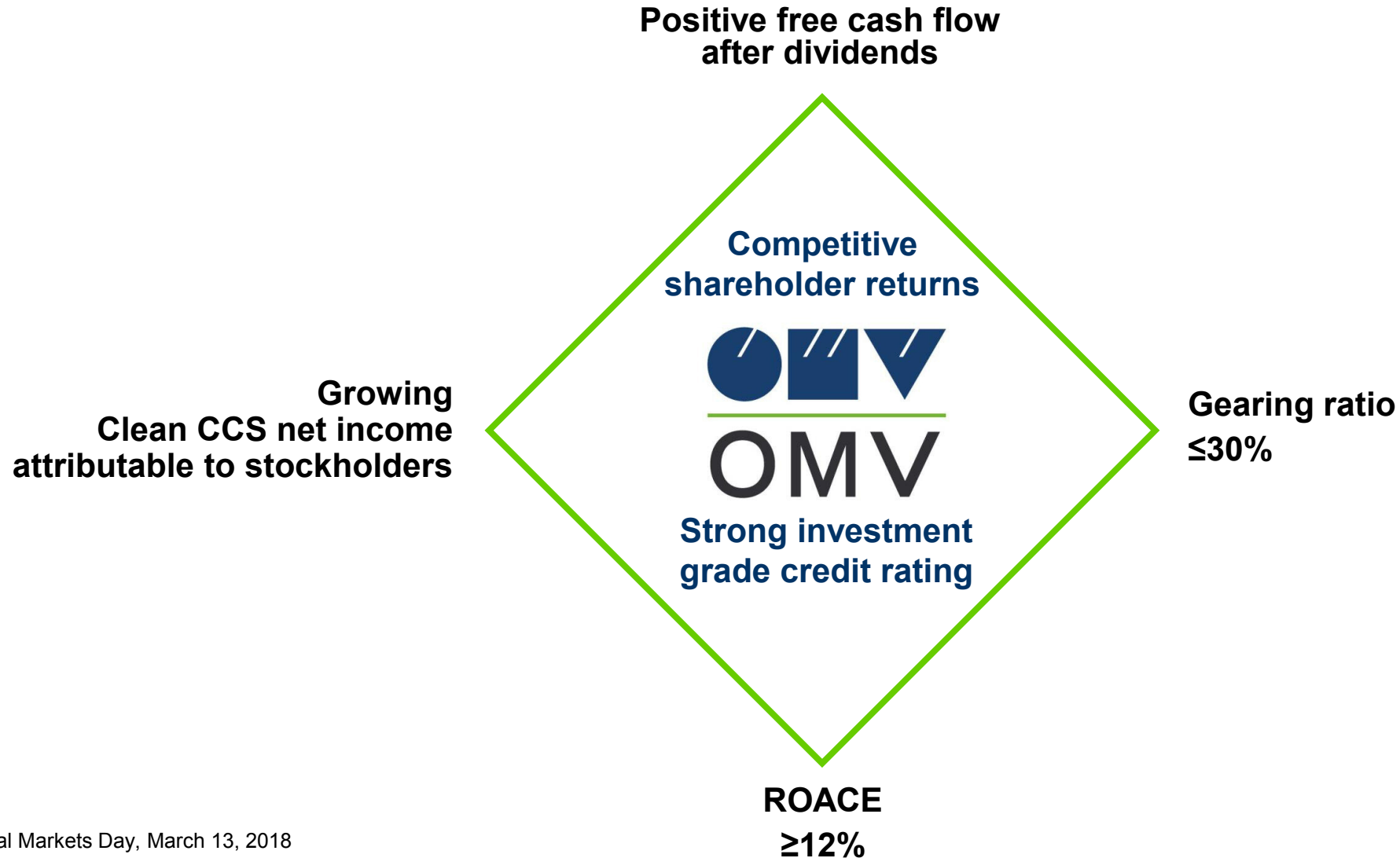
Attractive shareholder returns

Dividend per share
EUR



- ▶ **Record dividend of EUR 1.50** per share for 2017 proposed
- ▶ We are committed to delivering an **attractive and predictable shareholder return** through the business cycle
- ▶ **Progressive dividend policy:** OMV aims to increase the dividend or at least maintain it at the previous year's level in line with the Group's financial performance

Financial priorities and long-term targets in a nutshell



Finance strategy 2025 – Key takeaways

Enable growth

Drive performance

Reward shareholders