



OMV STRATEGY **2025**

CAPITAL MARKETS DAY
London | March 13, 2018

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OMV Capital Markets Day

Rainer Seele

Chief Executive Officer

Chairman of the Executive Board

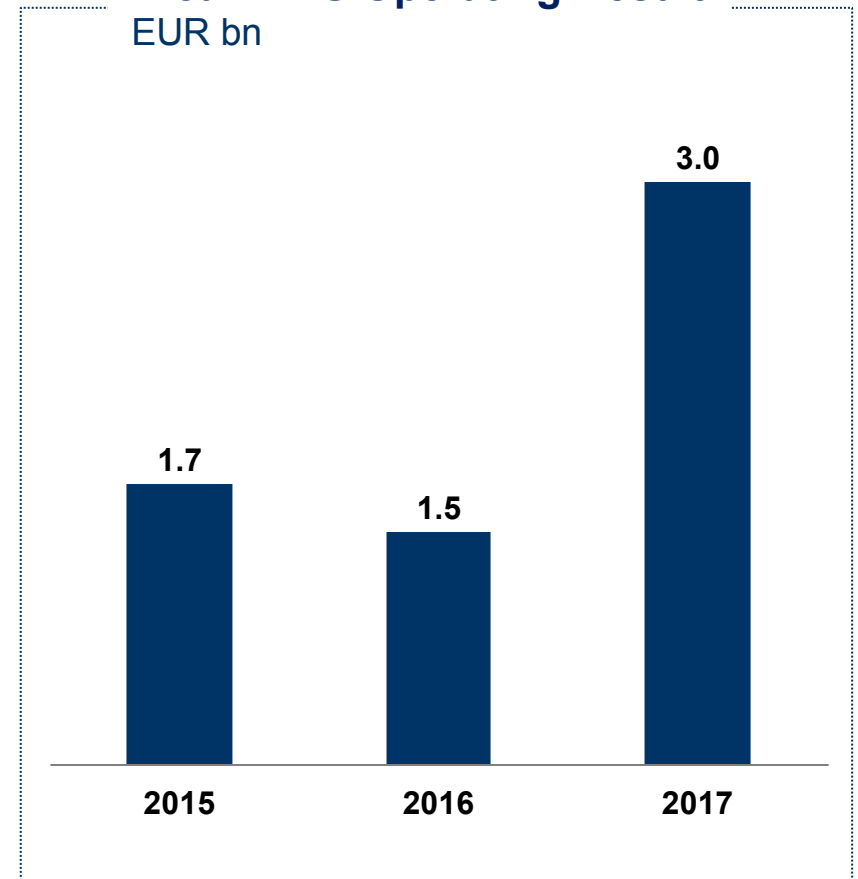
London – March 13, 2018

OMV Aktiengesellschaft

Created a more focused, higher performing OMV

- ✓ **Focused on cash and costs** – drastically reduced free cash flow break-even, outperformed cost reduction target
- ✓ Transformed **Upstream into a sustainable business** with >100% Reserve Replacement Rate
- ✓ **Restructured Downstream Gas** into a lean organization with improved profitability
- ✓ Further **strengthened competitiveness of Downstream Oil** as the Group cash engine

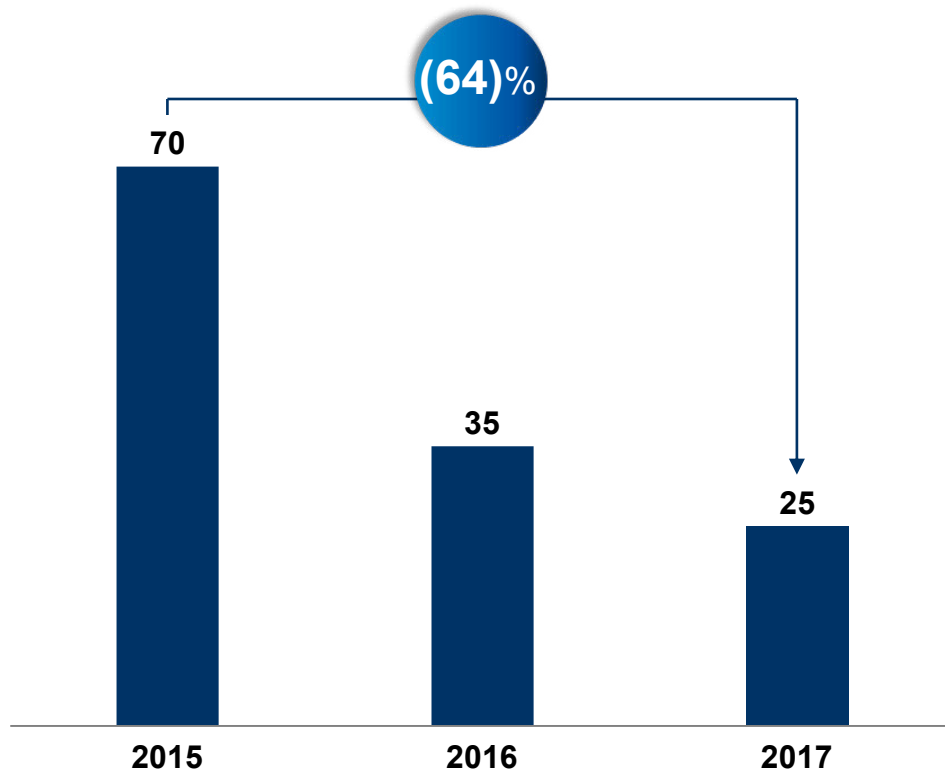
Clean CCS Operating Result
EUR bn



Improved profitability

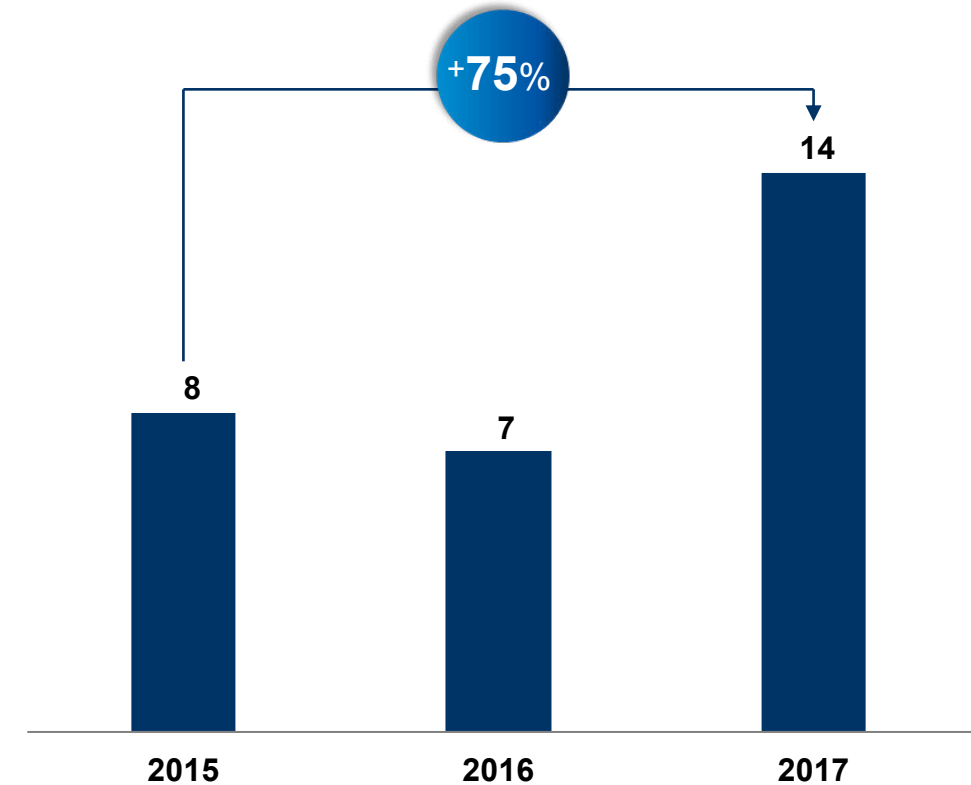
Oil price free cash flow break-even ¹

After dividends excluding acquisitions and disposals, USD/bbl



Clean CCS ROACE

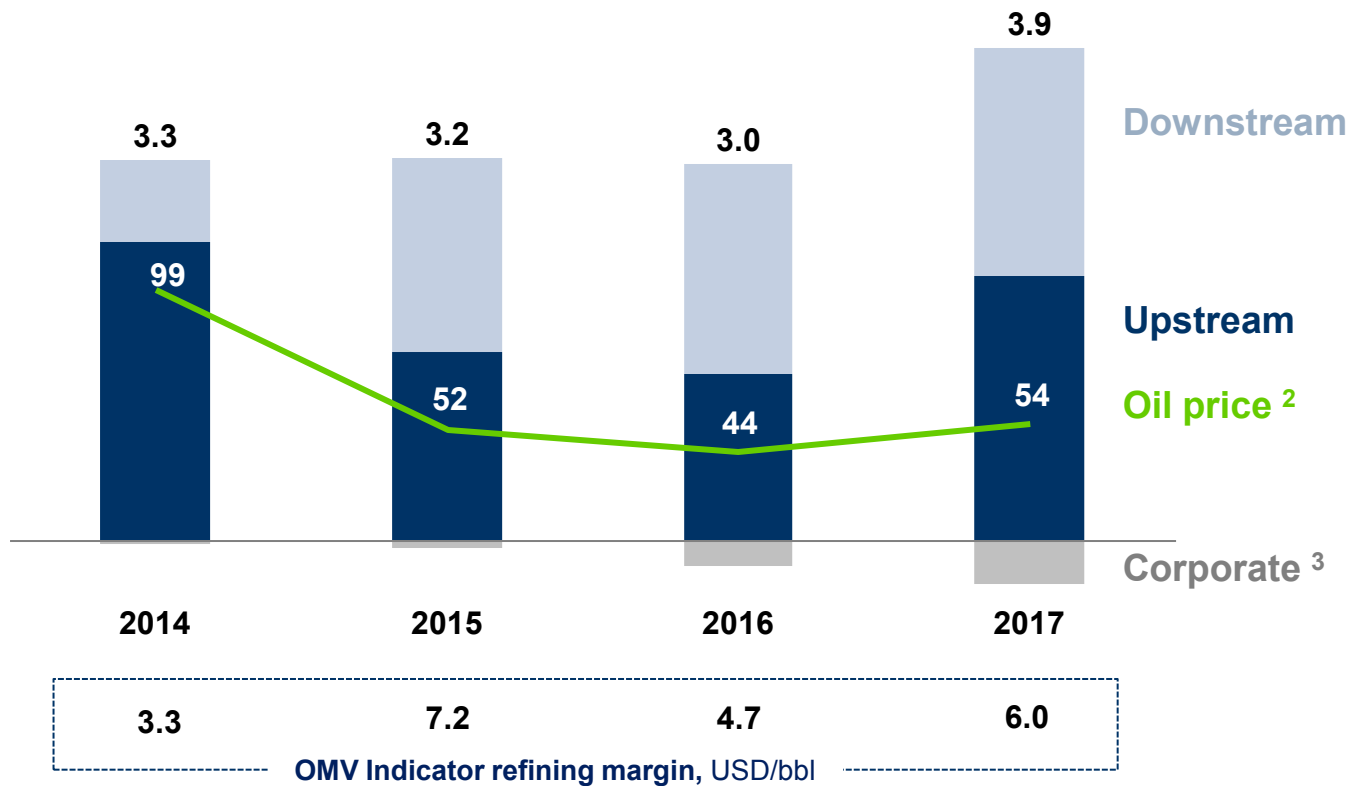
%



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

OMV's integrated and balanced portfolio pays off – strong cash flow and resilience

Cash generation and oil price development ¹
EUR bn



- ▶ Increased cash generation **despite sharp oil price decline** from USD ~100/bbl in 2014 to USD 54/bbl in 2017
- ▶ Reshaped and balanced portfolio of **Upstream and Downstream assets** provides **resilience** and ensures profitability
- ▶ Natural **hedge reduces risk exposure** for the business and its shareholders
- ▶ Significant organic cash generation for further growth

¹ Sources of funds: cash flow from operating activities excluding changes in net working capital

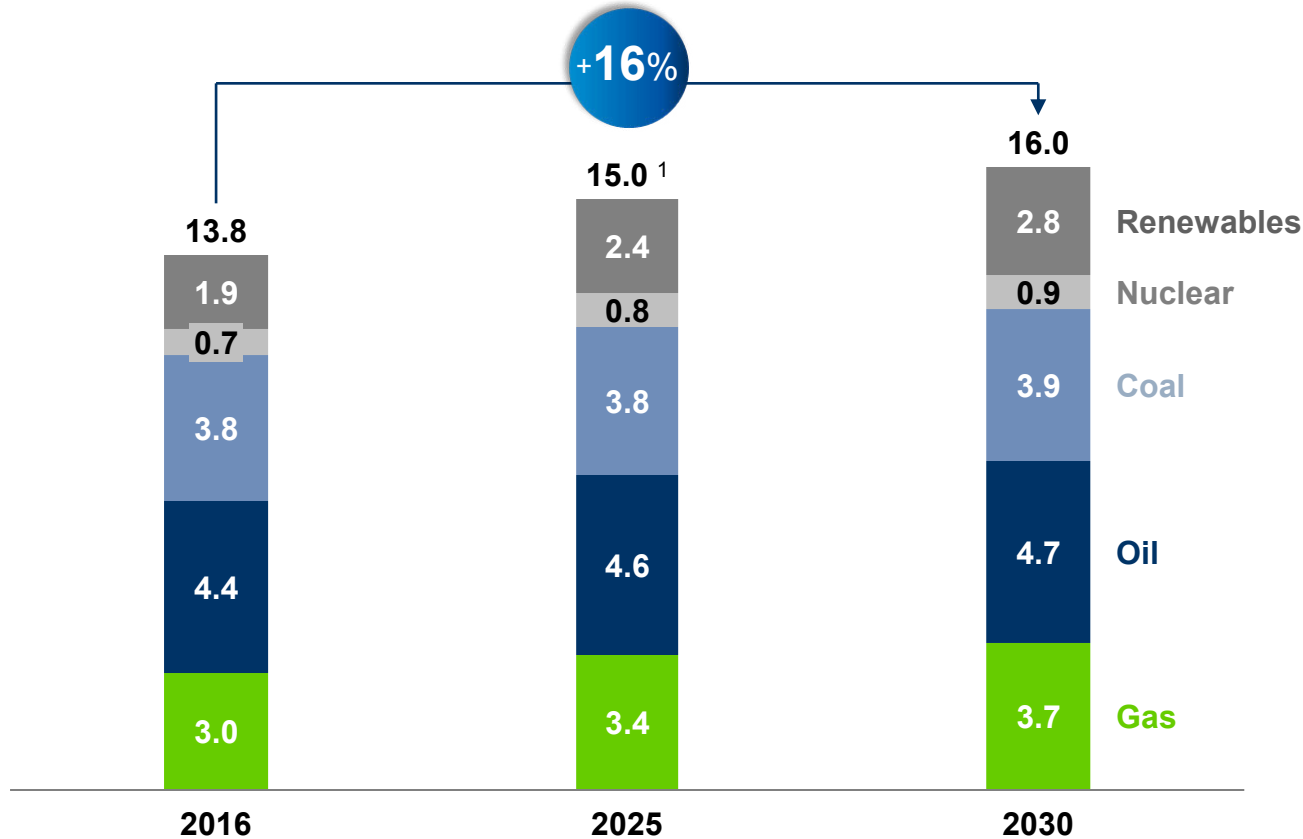
² in USD/bbl

³ Corporate and Others

Global oil and gas demand continues to grow

Global primary energy demand

Bn toe



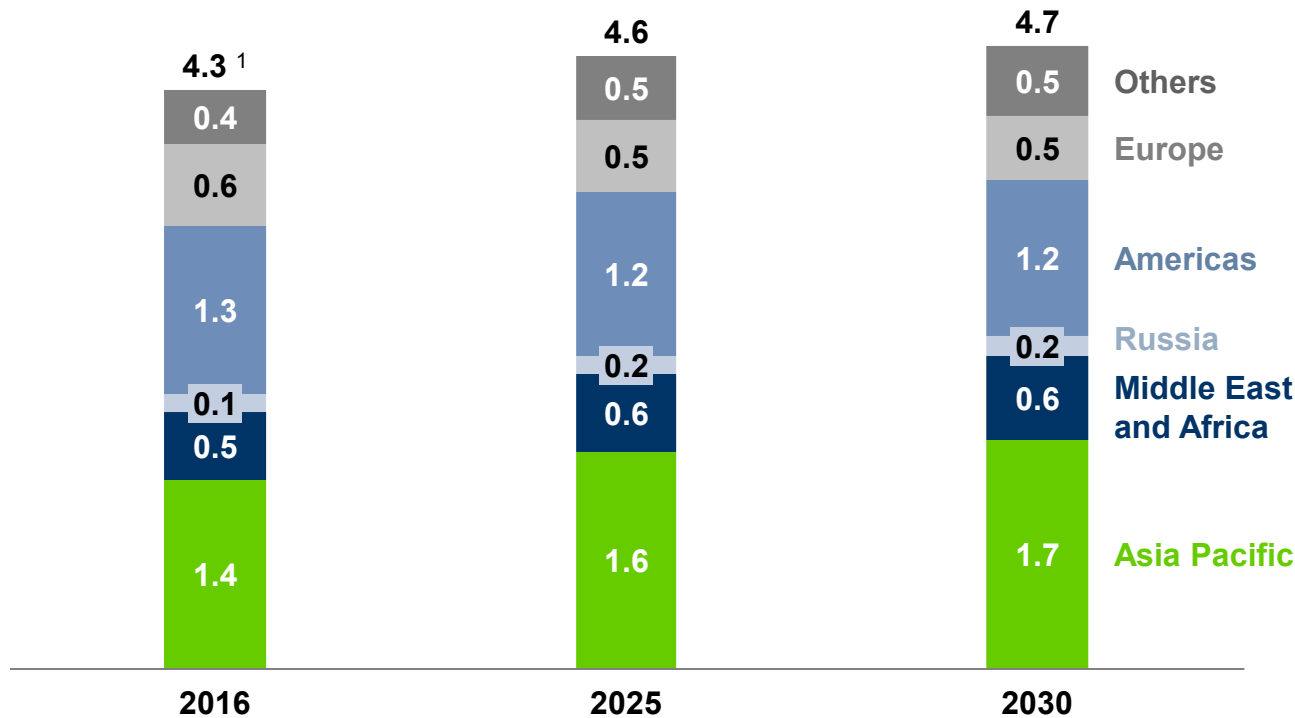
- ▶ **Global primary demand** expected to increase by **16% by 2030**
- ▶ **Oil and gas demand** continues to increase and will account for more than **50% of global energy demand**

Source: IEA New Policies Scenario, World Energy Outlook 2017
¹ Rounded figure

Global oil demand growth will support new investments

Global oil demand

Bn tons

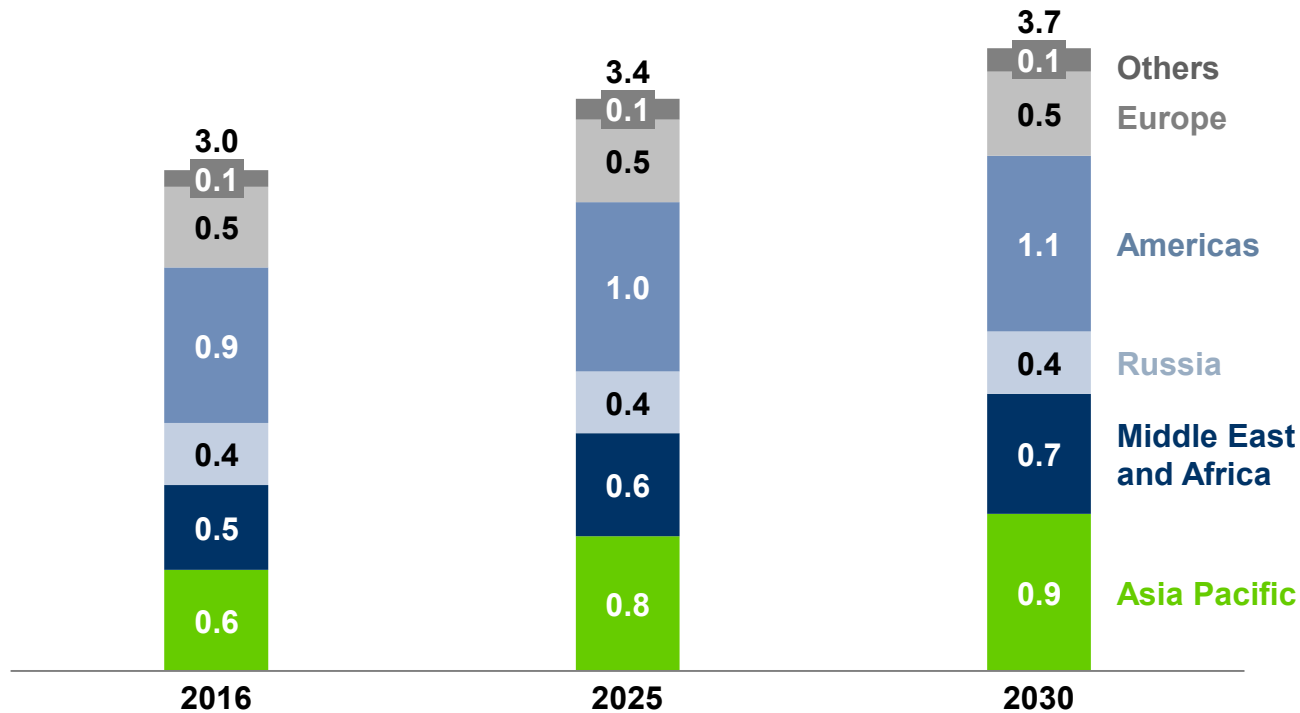


- ▶ Global **oil demand** will continue to **increase**
- ▶ **Asia Pacific, Middle East, Africa and Russia** demand to grow and account for >50% of the global consumption by 2030

Source: IEA New Policies Scenario 2017
¹ Rounded figure

Global gas demand will increase by >20% until 2030

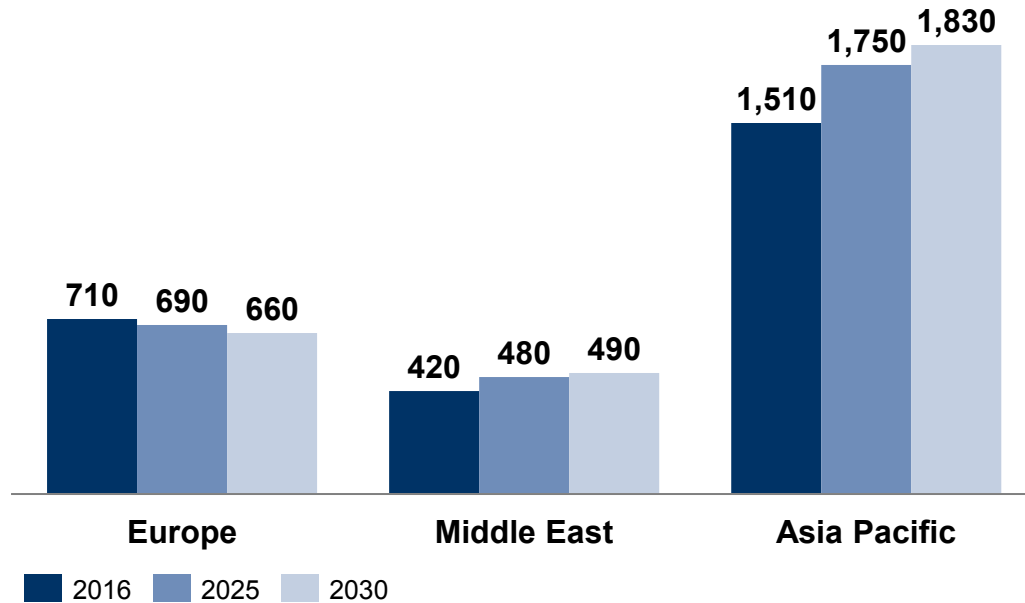
Global gas demand Bn toe



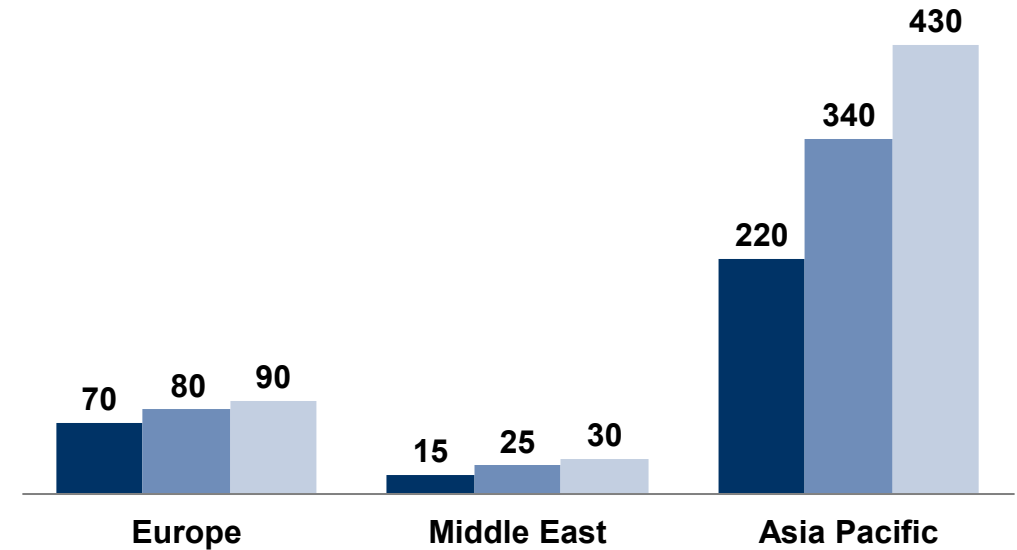
- ▶ **Asia Pacific, Middle East and Africa** drive the demand growth
- ▶ Existing and sanctioned **projects will not meet demand**

Asia Pacific – main driver for demand growth

Fuels demand
Mn tons



Petrochemical products demand
Mn tons



- ▶ **Global fuels demand** to increase by **9%** from 2016 to 2030 driven by Asia Pacific
- ▶ **Global petrochemical demand** expected to grow by **70%** from 2016 to 2030 in all regions

Source: JBC Energy, OMV analysis, rounded numbers

Market assumptions

	Medium term	Long term
Brent oil price USD/bbl	70	70 – 80
Central European Gas Hub price EUR/MWh	20	20 – 22
OMV indicator refining margin USD/bbl	5	≤ 5
FX EUR/USD rate	1.20	1.15 – 1.20

OMV 2025 – Higher performance and more value ahead

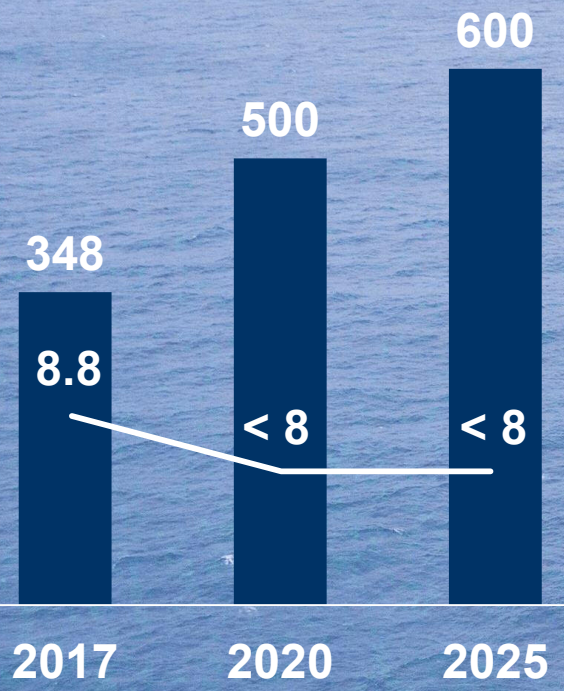


- ▶ Leverage on proven concept of **integration**
- ▶ Significantly **internationalize** Upstream and Downstream
- ▶ Build **strong gas market presence** in Europe
- ▶ Extend record of **operational excellence**

Drive operating result and cash generation

Higher-quality Upstream portfolio

--- Focused international player ---



■ Production volumes, kboe/d
— Production cost, USD/boe

> 100%
Reserve
Replacement
Rate ¹

4+1
core
regions



¹ 3 years average

Downstream Oil – Further strengthen European position and grow internationally

1st quartile¹

Fuels

Net cash margin

Total cash OPEX

Energy intensity index

Olefins

Total cash OPEX

Maintenance

Energy intensity index

- ▶ Shift to higher value products
 - ▶ Further increase captive sales volumes
 - ▶ Export successful European business model internationally towards growing markets
 - ▶ Increase petrochemical and refining capacity

¹ Solomon benchmarking; for Schwchat and Burghausen refineries

Downstream Gas – Build strong market presence in Europe

>80%

gas to be imported by 2030



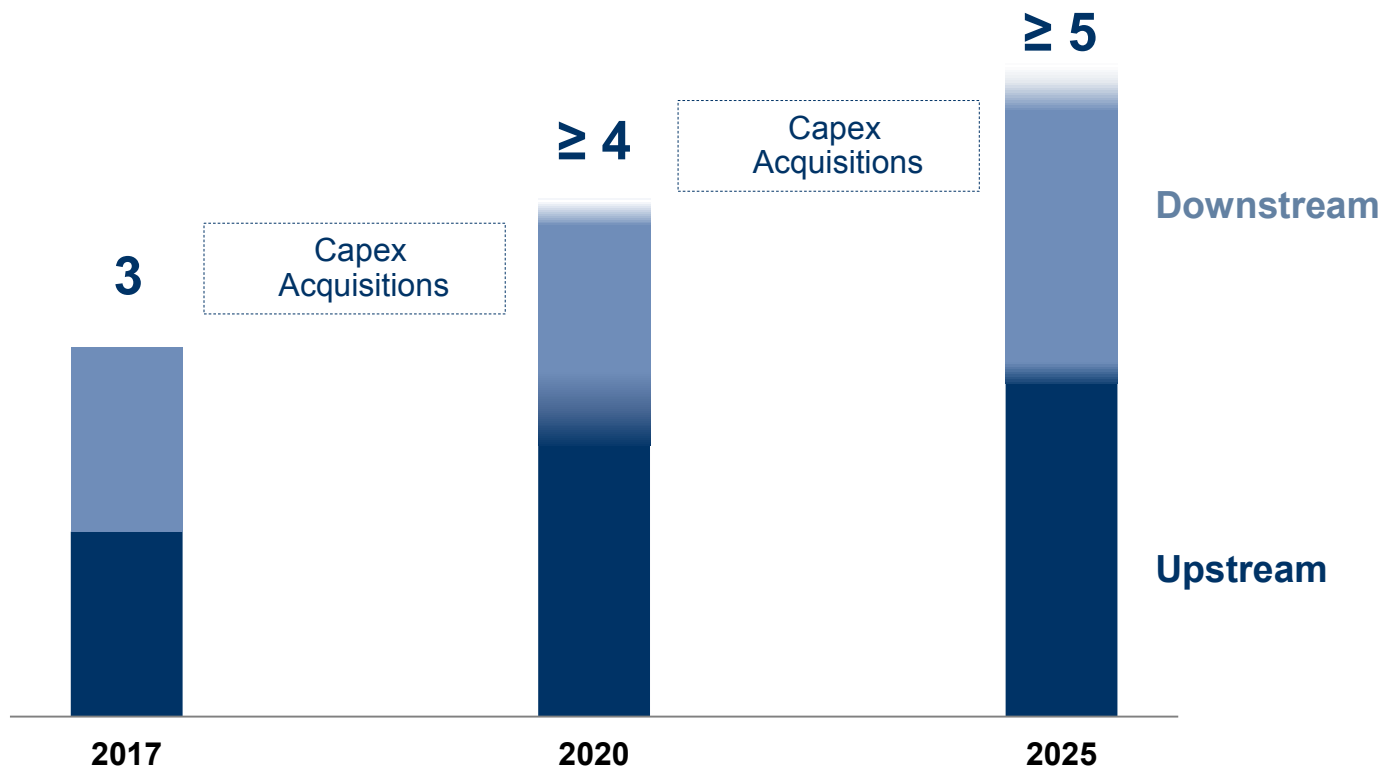
380 bcm imports required ¹

- ▶ Leading integrated supplier from North West to South East Europe
 - ▶ Monetize increasing equity supply
 - ▶ Double sales revenues and increase overall margins
 - ▶ Leverage Nord Stream 2

¹ Imports required in the European Union

Continue to grow value

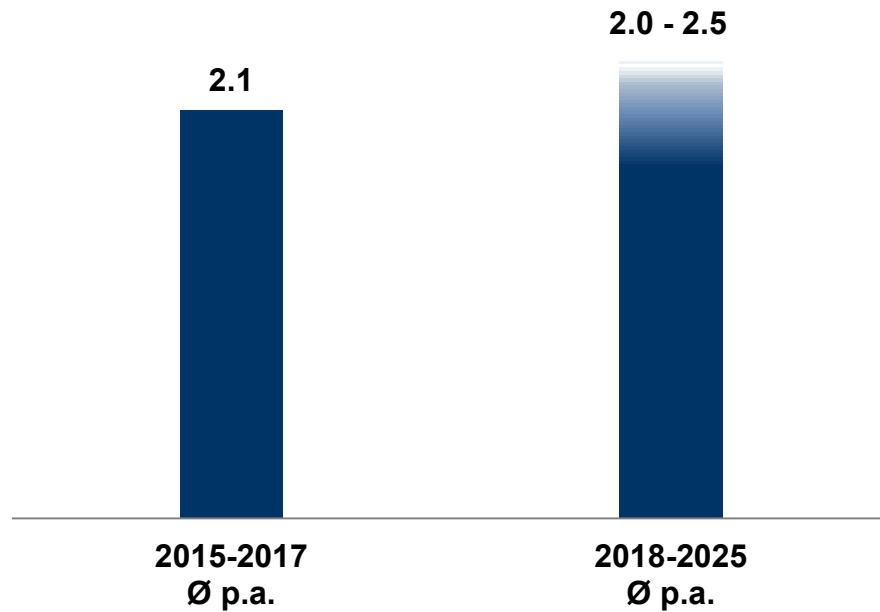
Clean CCS Operating Result EUR bn



- ▶ **Positive free cash flow** after dividends
- ▶ Long term **gearing ratio** target of $\leq 30\%$
- ▶ **Progressive dividend policy**

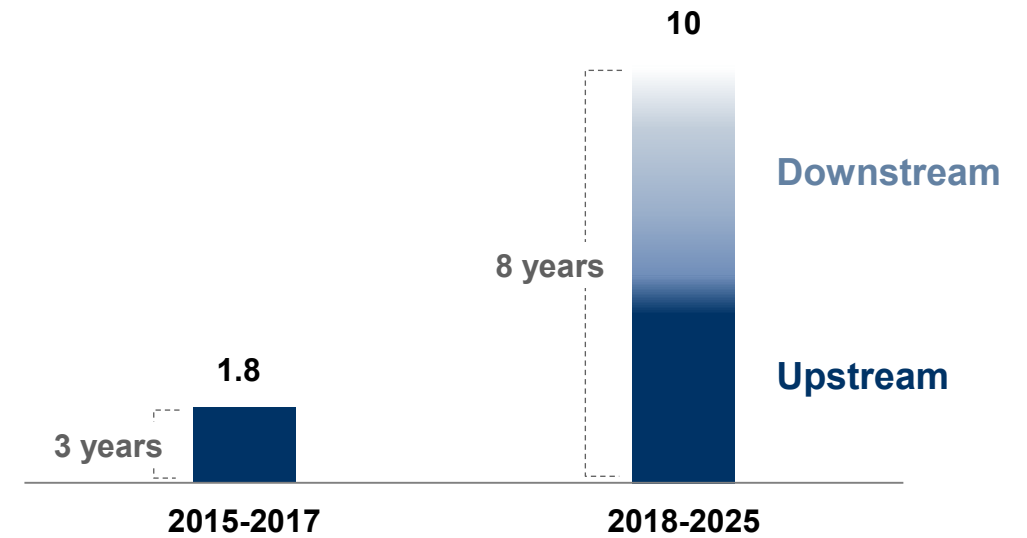
Focused investments

CAPEX EUR bn



- ▶ Efficient capital allocation
- ▶ Strict cost management

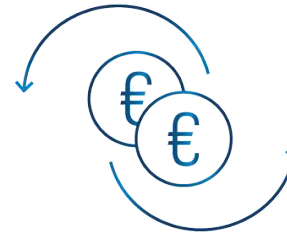
Acquisitions EUR bn



- ▶ Value adding acquisitions
- ▶ Keep optionality and flexibility
- ▶ Invest along the value chain

Capital allocation priorities

- 1** CAPEX
- 2** Acquisitions
- 3** Dividends
- 4** Debt reduction



ROACE TARGET

≥12%

Mid- and long- term

OMV's growth strategy will be implemented in a safe, responsible and carbon efficient manner

Safety first

Lost Time Injury Rate

(23)%

2017 vs 2014

Process safety events

(74)%

2017 vs 2014

**ZERO Harm
NO Losses**

Carbon efficiency

Carbon intensity

GHG emissions per unit

OMV Operations

(15)%

2016 vs 2010

External product sales ¹

stable

2016 vs 2010

(19)%

2025 ² vs 2010

Zero routine flaring

(4)%

2025 ² vs 2010

Focus on natural gas

Recognition



FTSE4Good



MSCI



2017 Constituent
MSCI ESG
Leaders Indexes

Highest ranking for
ESG
performance from MSCI ³
for the last 5 years

¹ External sales volumes, excluding trading volumes. ² Forecasted figures

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OMV – Higher performance and more value ahead



Well positioned for profitable growth

Growth along the entire value chain



Drive strong cash flow generation

Solid basis for growth and dividends



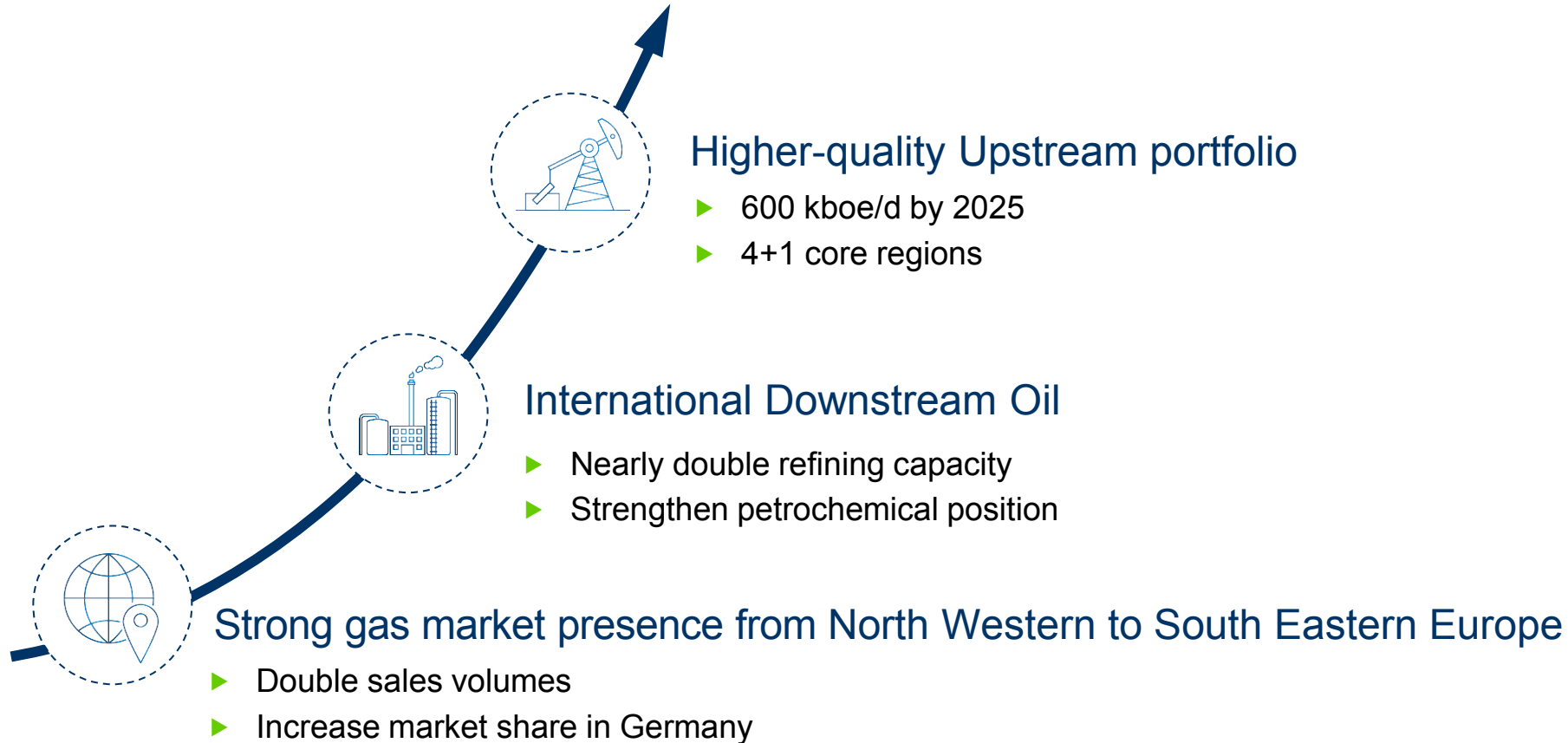
Leverage on integrated portfolio

Natural hedge ensuring resilience

Deliver attractive shareholder returns

Progressive dividend policy

OMV 2025 – Higher performance and more value ahead



Balanced integrated portfolio

Positive free cash flow after dividends