

OMV Q2 2018 Conference Call

Rainer Seele
Chairman of the Executive
Board and CEO

August 2, 2018



Disclaimer

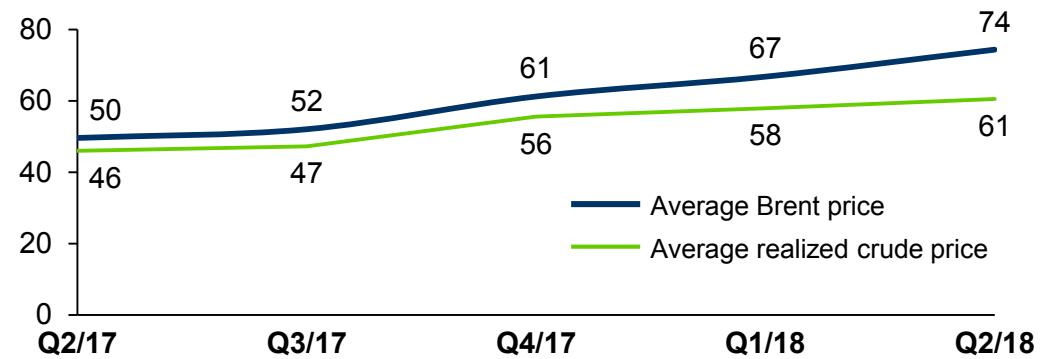
This report contains forward-looking statements. Forward-looking statements may be identified by the use of terms such as “outlook,” “expect,” “anticipate,” “target,” “estimate,” “goal,” “plan,” “intend,” “may,” “objective,” “will” and similar terms or by their context. These forward-looking statements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

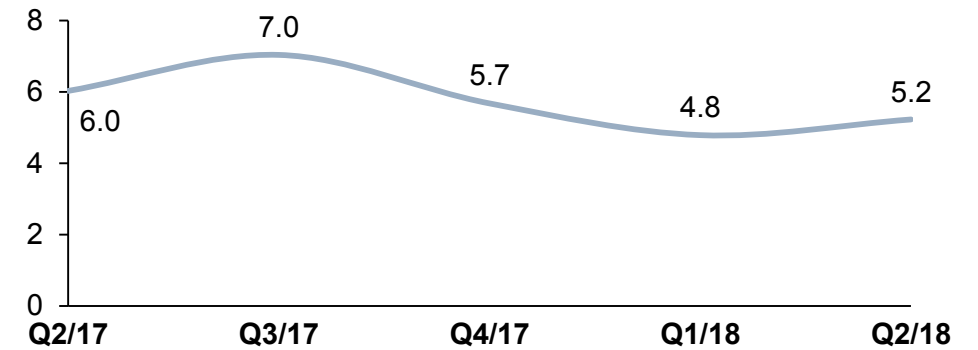
Oil prices

USD/bbl



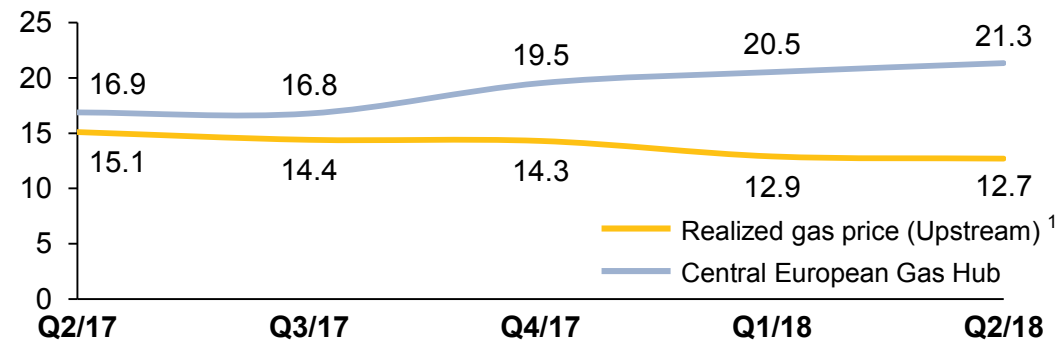
OMV indicator refining margin

USD/bbl



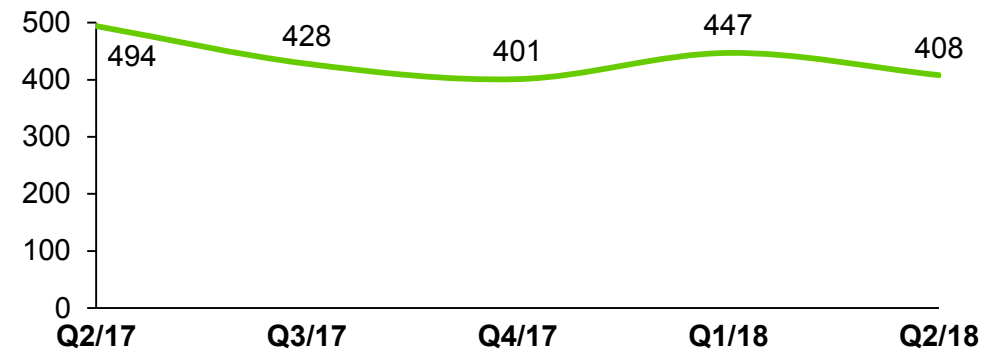
Gas prices

EUR/MWh



Ethylene/propylene net margin ²

EUR/t



Key messages



OPERATIONAL PERFORMANCE

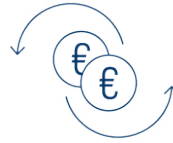
Clean CCS Operating Result at
EUR 726 mn

Production of **419 kboe/d**

Petrobrazili refinery **turnaround**

Record dividends paid

Organic free cash flow after
dividends of **EUR 0.7 bn**
in H1 2018



COST DISCIPLINE

Production cost at **USD 7.6/boe**

Ongoing **Capex discipline**



PORTFOLIO MANAGEMENT

Closed **Abu Dhabi** acquisition

Signed agreement to divest the
power plant in **Turkey**

Divested **Pakistan Upstream**

Extension of natural gas supply
to **Austria** signed with Gazprom

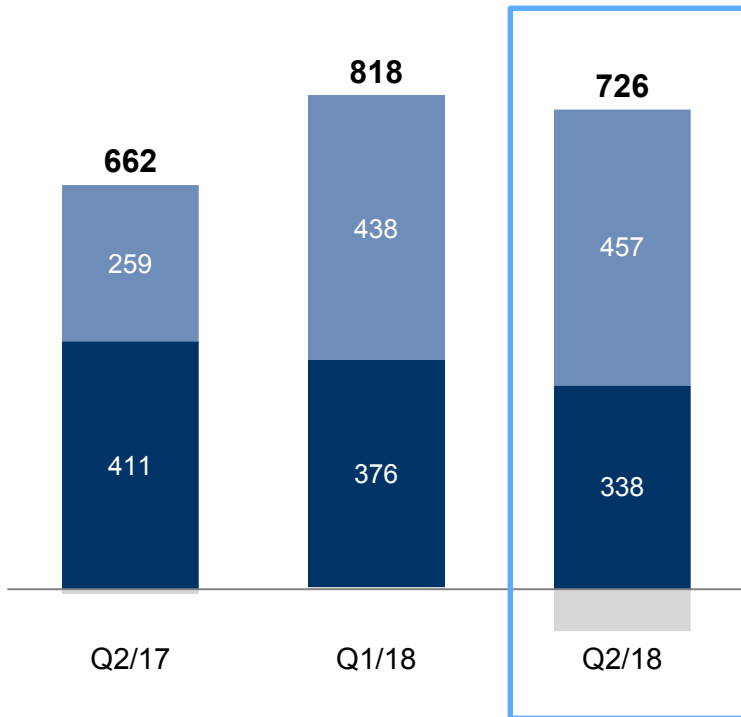
Signed divestment of stake in
North Sea gas infrastructure

Clean CCS Operating Result improved versus Q2 2017

Clean CCS Operating Result

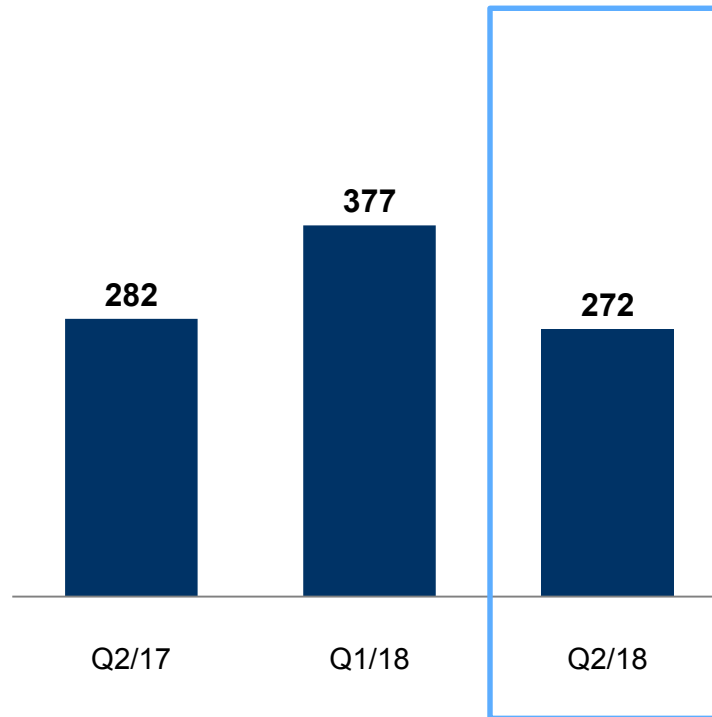
EUR mn

■ Upstream ■ Corporate & Others & Consolidation
■ Downstream



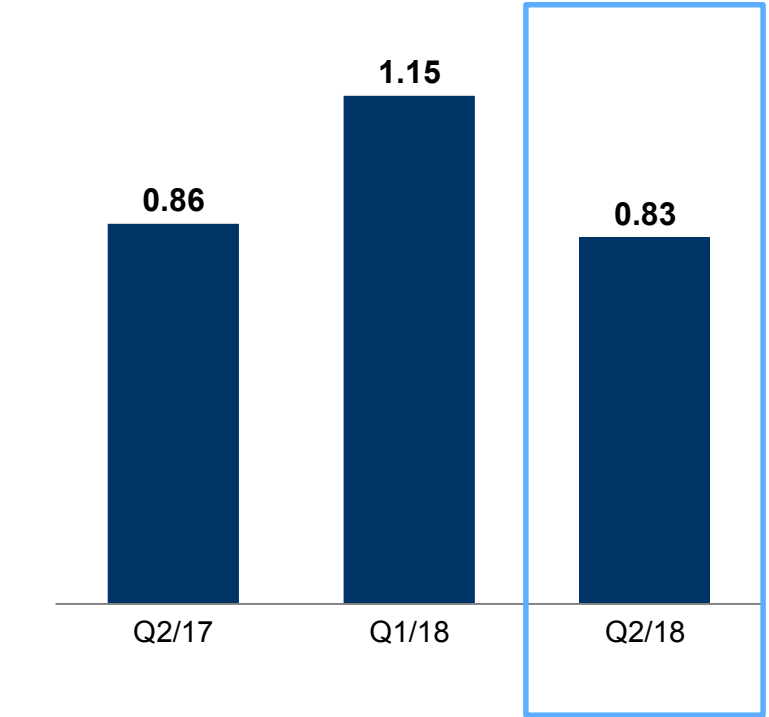
Clean CCS net income attributable to stockholders

EUR mn



Clean CCS Earnings Per Share

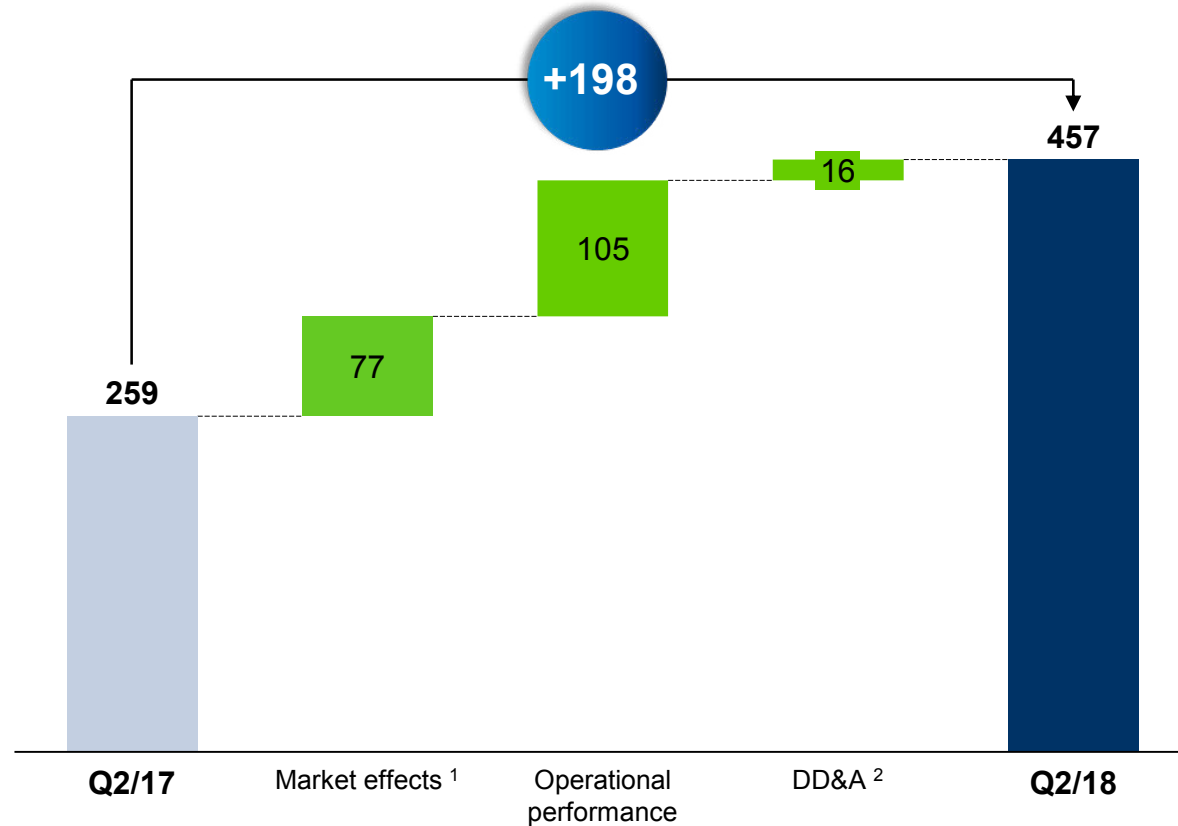
EUR



Upstream – Strong earnings increase due to higher sales volumes and prices

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

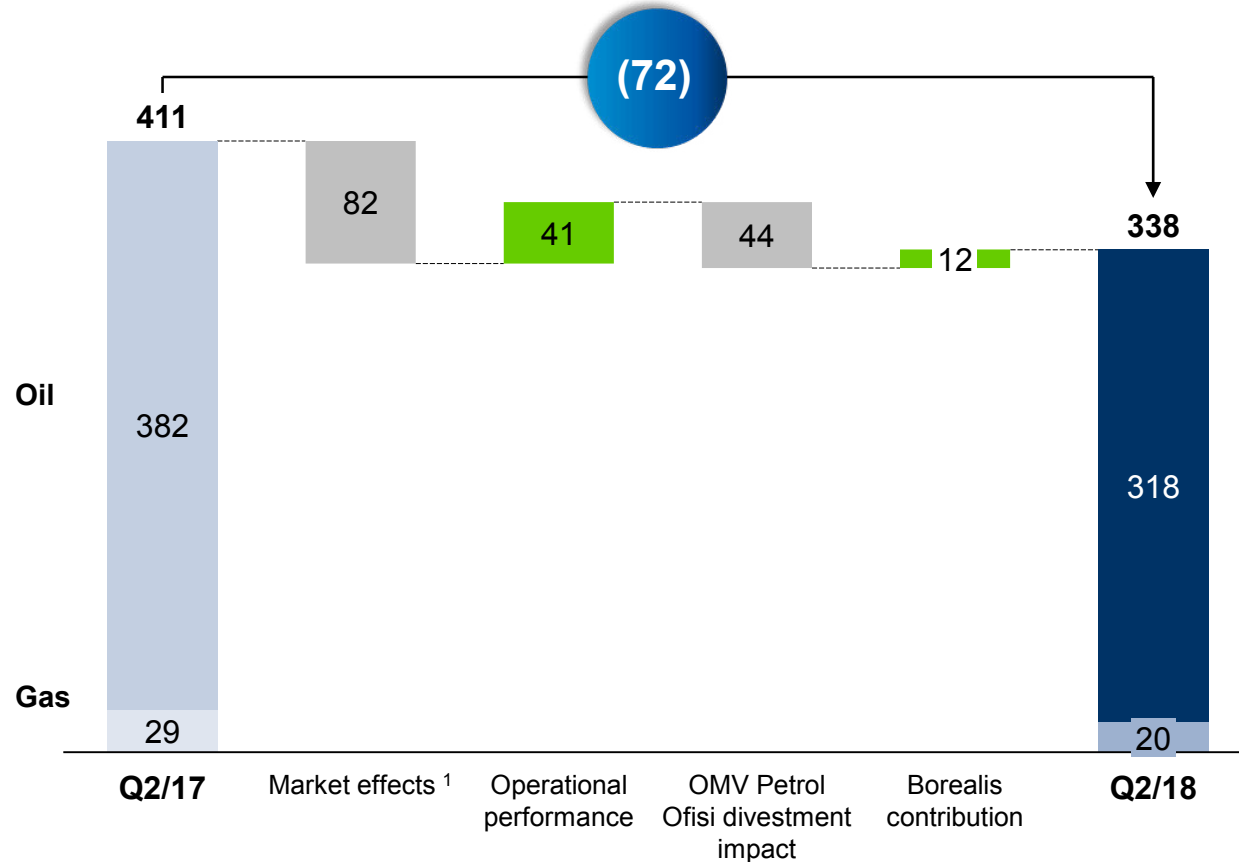
Q2 2018 vs. Q2 2017

- ▶ Realized oil price increased by 32%
- ▶ Realized gas price decreased by 16%
- ▶ Realized hedging loss in Q2/18 of EUR (124) mn (vs. EUR 17 mn in Q2/17)
- ▶ Negative FX impact mainly due to weaker EUR/USD
- ▶ Production of 419 kboe/d (up by +81 kboe/d):
 - ▶ Russia (+98 kboe/d)
 - ▶ Romania (-9 kboe/d)
 - ▶ New Zealand (-6 kboe/d)
- ▶ Sales volumes increased by 7 mn boe mainly due higher production
- ▶ Production costs reduced to USD 7.6/boe (-13%)
- ▶ Lower depreciation mainly due to positive reserves revisions in Norway and Romania, partially offset by Russia

Downstream – Lower result due to weaker margin environment and OMV Petrol Ofisi divestment

Clean CCS Operating Result

EUR mn



¹ Market effects defined as refining indicator margin, petrochemical margins and spark spreads

Q2 2018 vs. Q2 2017

Oil

- ▶ Lower refining margin at USD 5.2/bbl (-13%)
- ▶ Lower ethylene/propylene net margins (-17%); lower butadiene margins
- ▶ Negative impact of Petrobrasi refinery turnaround in Q2 2018 offset by Schwechat refinery turnaround in Q2 2017
- ▶ Total refined product sales (w/o Petrol Ofisi) maintained flat
- ▶ Retail sales slightly higher with lower margins
- ▶ Missing earnings of EUR 44 mn from Petrol Ofisi divested in June 2017
- ▶ Higher Borealis contribution supported by an income from a license agreement and healthy integrated polyolefin margins

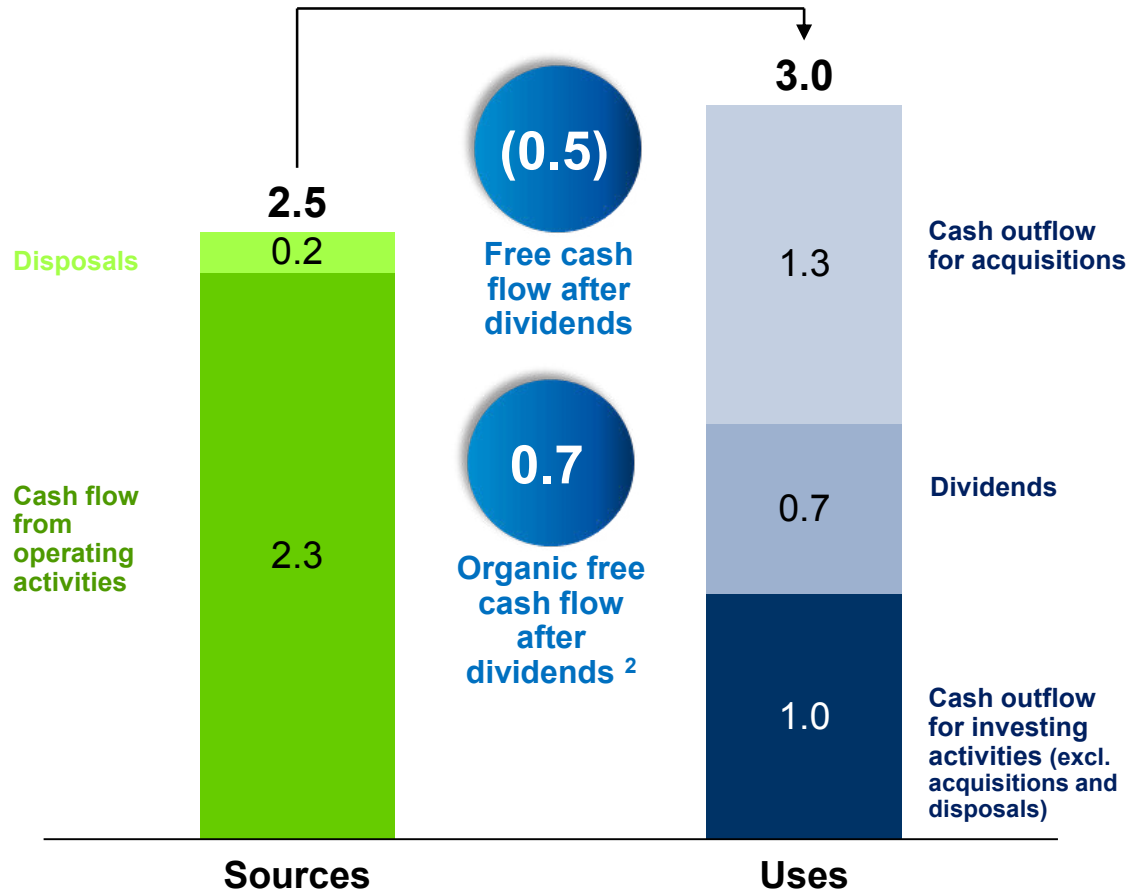
Gas

- ▶ Lower sales volumes in Romania and Turkey, partly offset by higher sales in Germany
- ▶ Lower contribution from Gas Connect Austria

Organic free cash flow after dividends of EUR 0.7 bn

Sources and uses ¹ in H1 2018

EUR bn



- ▶ Strong cash flow from operating activities of EUR 2.3 bn (H1/17: EUR 1.9 bn)
 - ▶ Borealis dividend of EUR 252 mn (H1/17: EUR 270 mn)
- ▶ Cash inflow from disposals of EUR 166 mn mainly from Pakistan divestment (H1/17: EUR 1.7 bn)
- ▶ Cash outflow for investing activities (excl. acquisitions and disposals) of EUR 1 bn (H1/17: EUR 1 bn), including:
 - ▶ Payment of EUR 141 mn to Nord Stream 2 AG, thereof EUR 60 mn in Q2 2018
- ▶ Cash outflow for acquisitions of EUR 1.3 bn mainly for Abu Dhabi acquisition
- ▶ Cash outflow for dividends of EUR 0.7 bn (H1/17: EUR 0.6 bn)
- ▶ Organic free cash flow after dividends of EUR 0.7 bn (H1/17: EUR 0.6 bn)
- ▶ Free cash flow after dividends of EUR (0.5) bn (H1/17: EUR 2.1 bn)

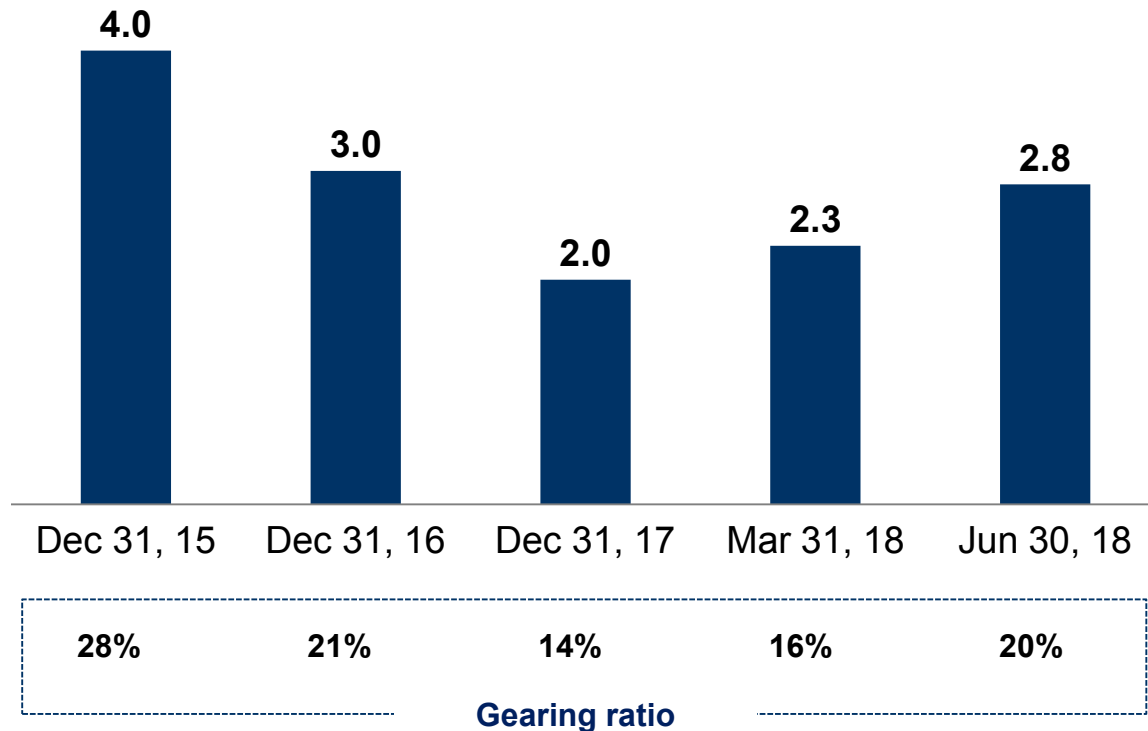
¹ Excluding financing activities

² Organic Free Cash Flow after dividends is Cash Flow from operating activities less Organic Cash Flow from investing activities and dividends paid. Organic Cash Flow from investing activities is Cash Flow from investing activities excluding disposals and material inorganic cash flow components (e.g. acquisitions)

Strong cash position and low gearing ratio

Net debt development

EUR bn



- ▶ Cash position of EUR 2.9 bn
- ▶ OMV called and redeemed the EUR 750 mn hybrid bond issued in 2011 at its nominal value plus interest on April 26, 2018
- ▶ A new hybrid bond of EUR 500 mn with a substantially lower interest rate was issued in June 2018
- ▶ According to IFRS the proceeds of the hybrid bond are fully treated as equity, hence not included in net debt
- ▶ Long-term gearing ratio target $\leq 30\%$

Outlook 2018

	2017	Outlook 2018
Brent oil price (USD/bbl)	54	70 (Previous 68)
CEGH gas price (EUR/MWh)	18	>18 (Previous 18)
Total hydrocarbon production (kboe/d)	348	>420
OMV indicator refining margin (USD/bbl)	6	<6
Ethylene/propylene net margin (EUR/t)	427	425
Utilization rate refineries (%)	90	>90
Organic CAPEX (EUR bn)	1.6	1.9
E&A expenditures (EUR mn)	230	300



OMV

BACKUP

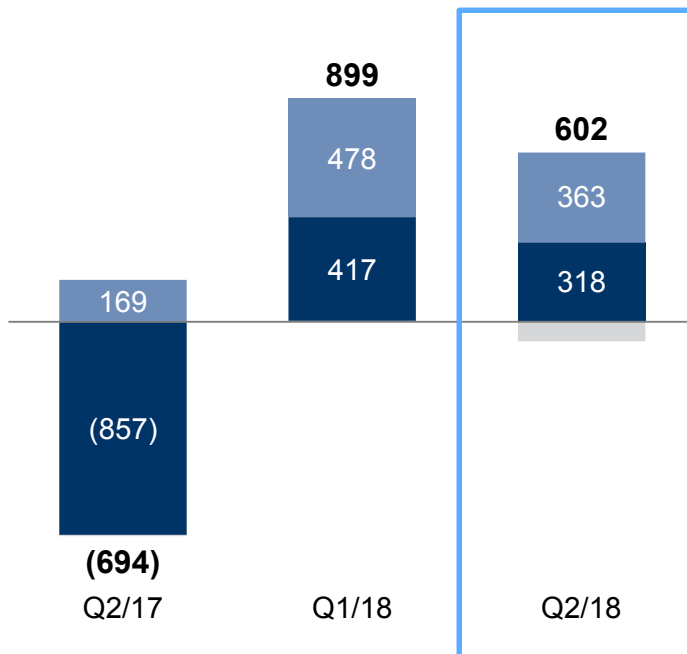
OMV Aktiengesellschaft

Group Operating Result increased substantially due to lower special items than in Q2 2017

Operating Result

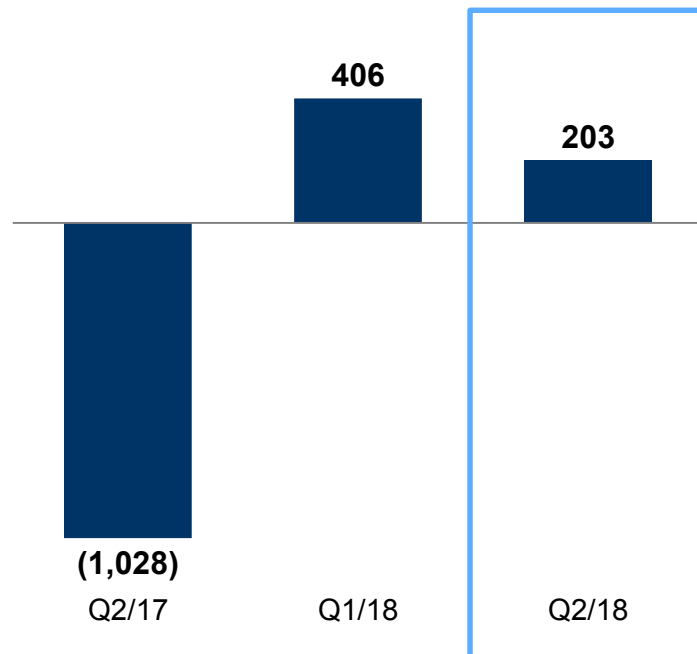
EUR mn

■ Upstream ■ Corporate & Others & Consolidation
■ Downstream



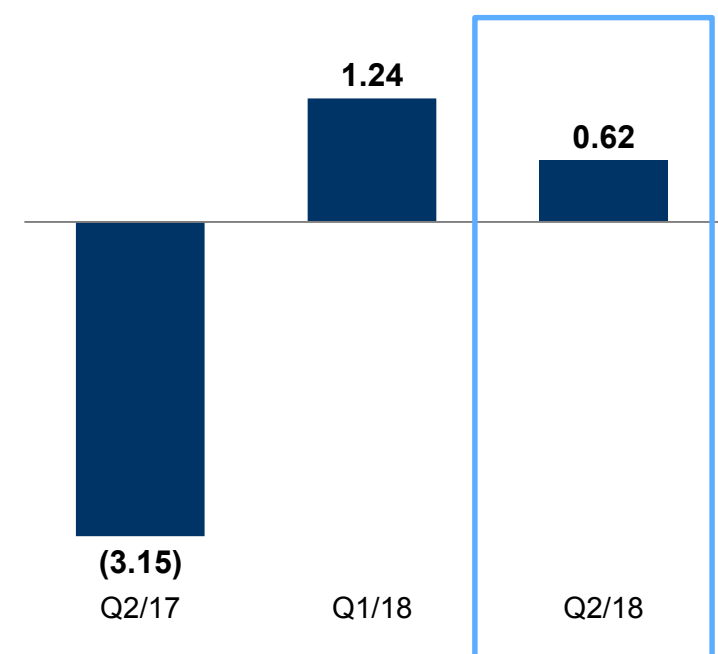
Net income attributable to stockholders

EUR mn



Earnings Per Share

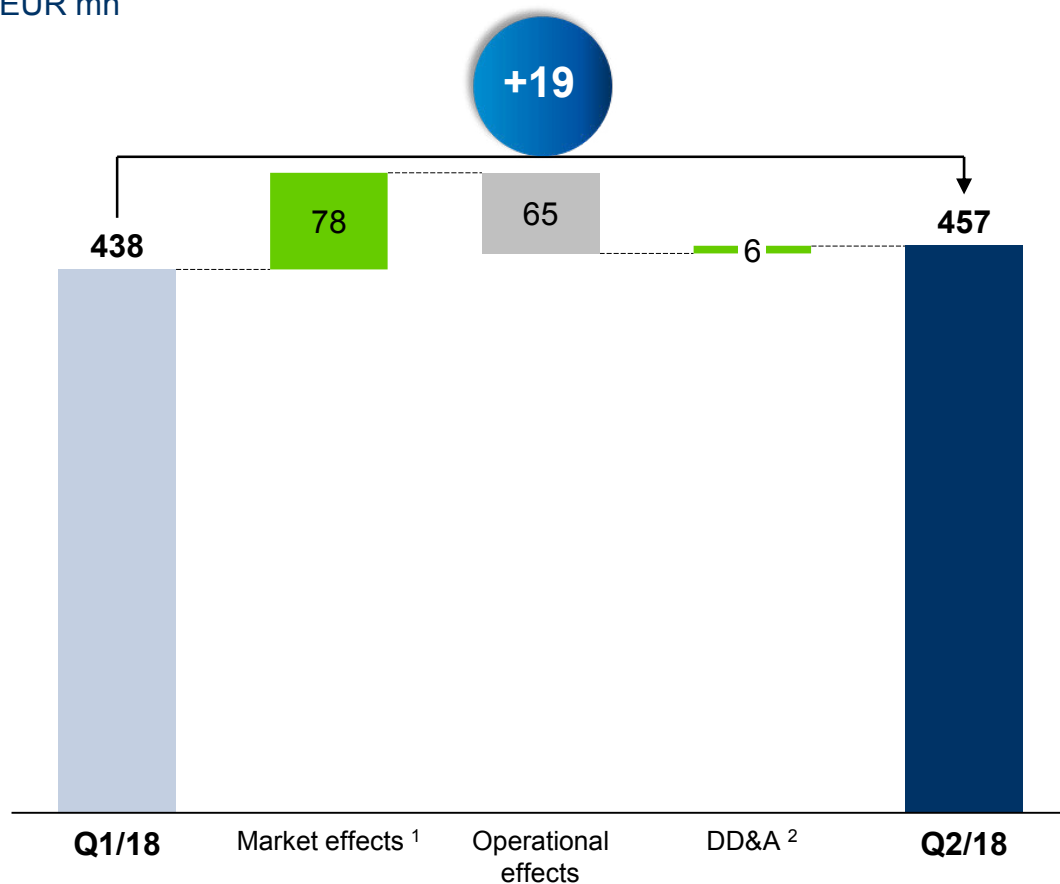
EUR



Upstream – Higher prices almost offset by lower sales volumes

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

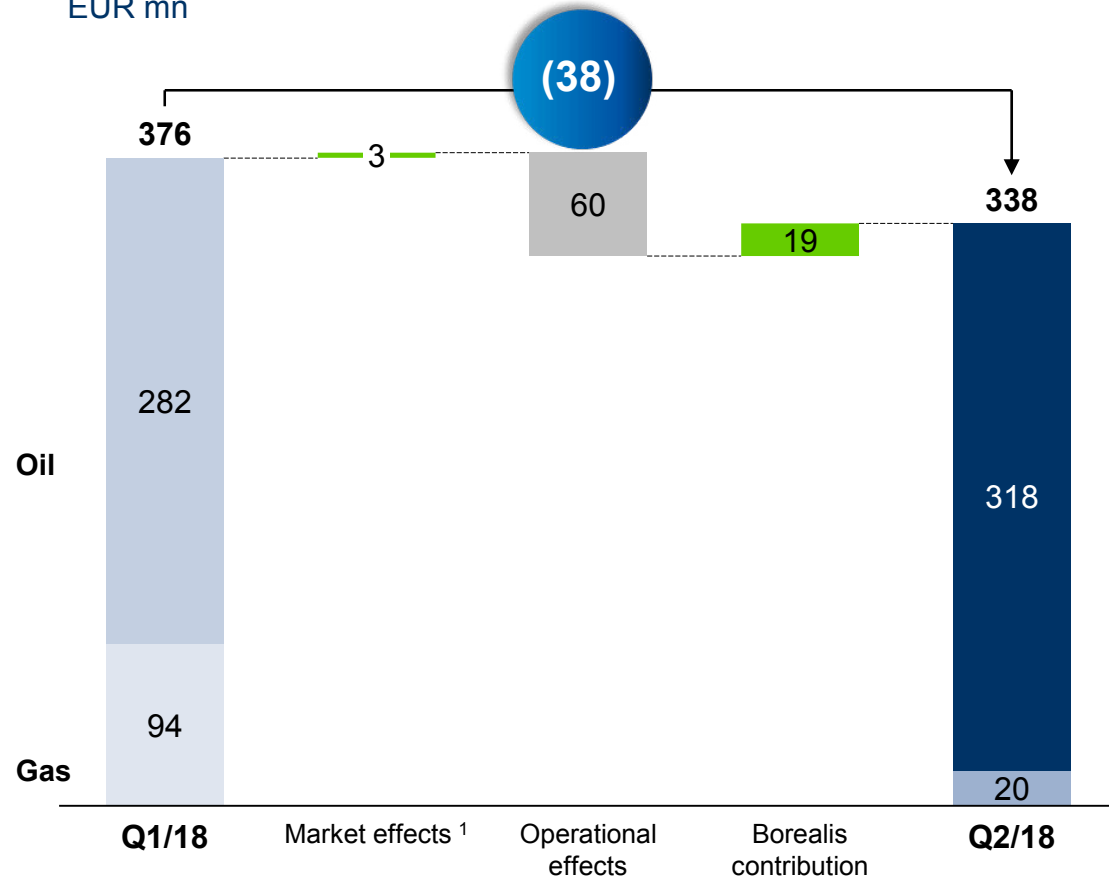
Q2 2018 vs. Q1 2018

- ▶ Realized oil price increased by 4%
- ▶ Realized gas price decreased by 2%
- ▶ Realized hedging loss in Q2/18 of EUR (124) mn (vs. EUR (68) mn in Q1/18)
- ▶ Positive FX impact mainly due to stronger EUR/USD
- ▶ Production of 419 kboe/d (-18 kboe/d) coming from:
 - ▶ Russia (-9 kboe/d)
 - ▶ New Zealand (-4 kboe/d)
 - ▶ Romania (-3 kboe/d)
 - ▶ Yemen (+2 kboe/d)
- ▶ Lower sales in Q2 mainly in Norway, Russia, New Zealand and Libya
- ▶ Production cost slightly increased by 2% to USD 7.6/boe mainly due to maintenance activities
- ▶ Lower DD&A mainly following lower production and reserves revisions in Q2/18

Downstream – Financial performance impacted by seasonality of gas business and Petrobrazí refinery turnaround

Clean CCS Operating Result

EUR mn



Q2 2018 vs. Q1 2018

Oil

- ▶ Higher refining margin (+9%)
- ▶ Lower ethylene/propylene net margins (-9%)
- ▶ Lower refinery utilization rate (77%) due to planned Petrobrazí refinery turnaround
- ▶ Higher total refined product sales
- ▶ Seasonally higher retail sales, but slightly lower margins
- ▶ Higher commercial volumes

Gas

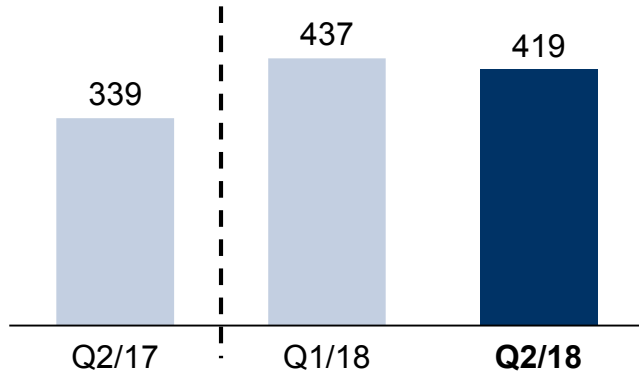
- ▶ Seasonally lower storage result and sales volumes
- ▶ Exceptionally strong contribution in Q1 2018
- ▶ Slightly lower power result due to lower net electrical output driven by maintenance in Brazi and Samsun power plants
- ▶ Lower Gas Connect Austria contribution

¹ Market effects defined as refining indicator margin, petrochemical margins and spark spreads

Operational KPIs

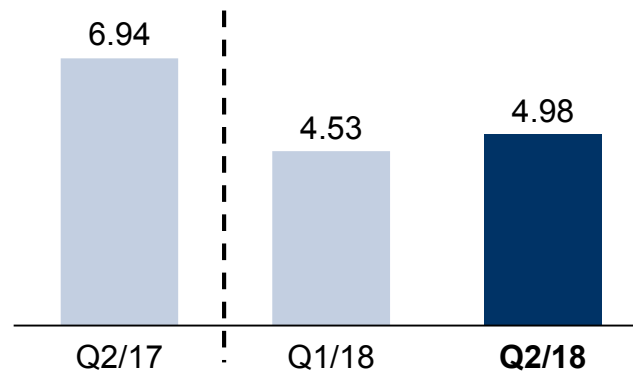
Hydrocarbon production

kboe/d



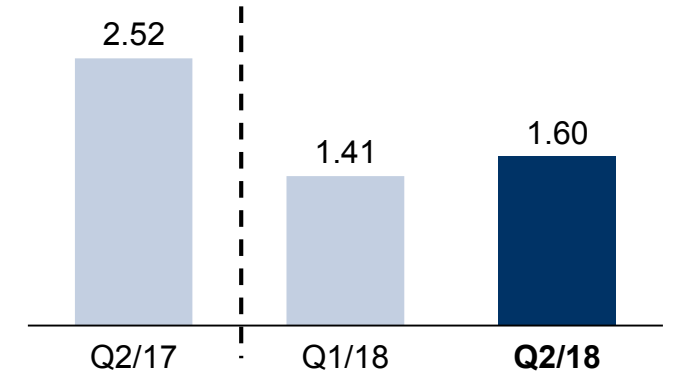
Refined product sales ¹

mn t



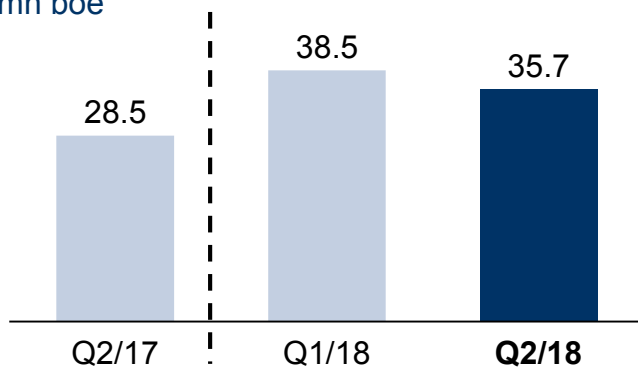
Retail sales ¹

mn t



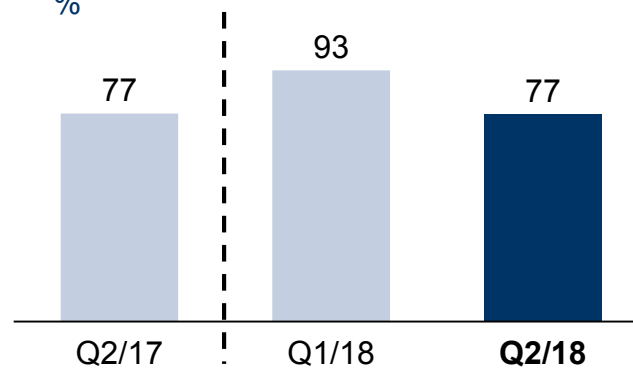
Hydrocarbon sales

mn boe



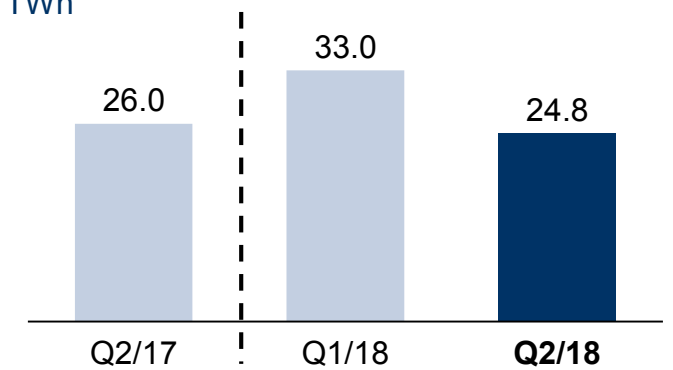
Refinery utilization rate

%



Natural gas sales

TWh

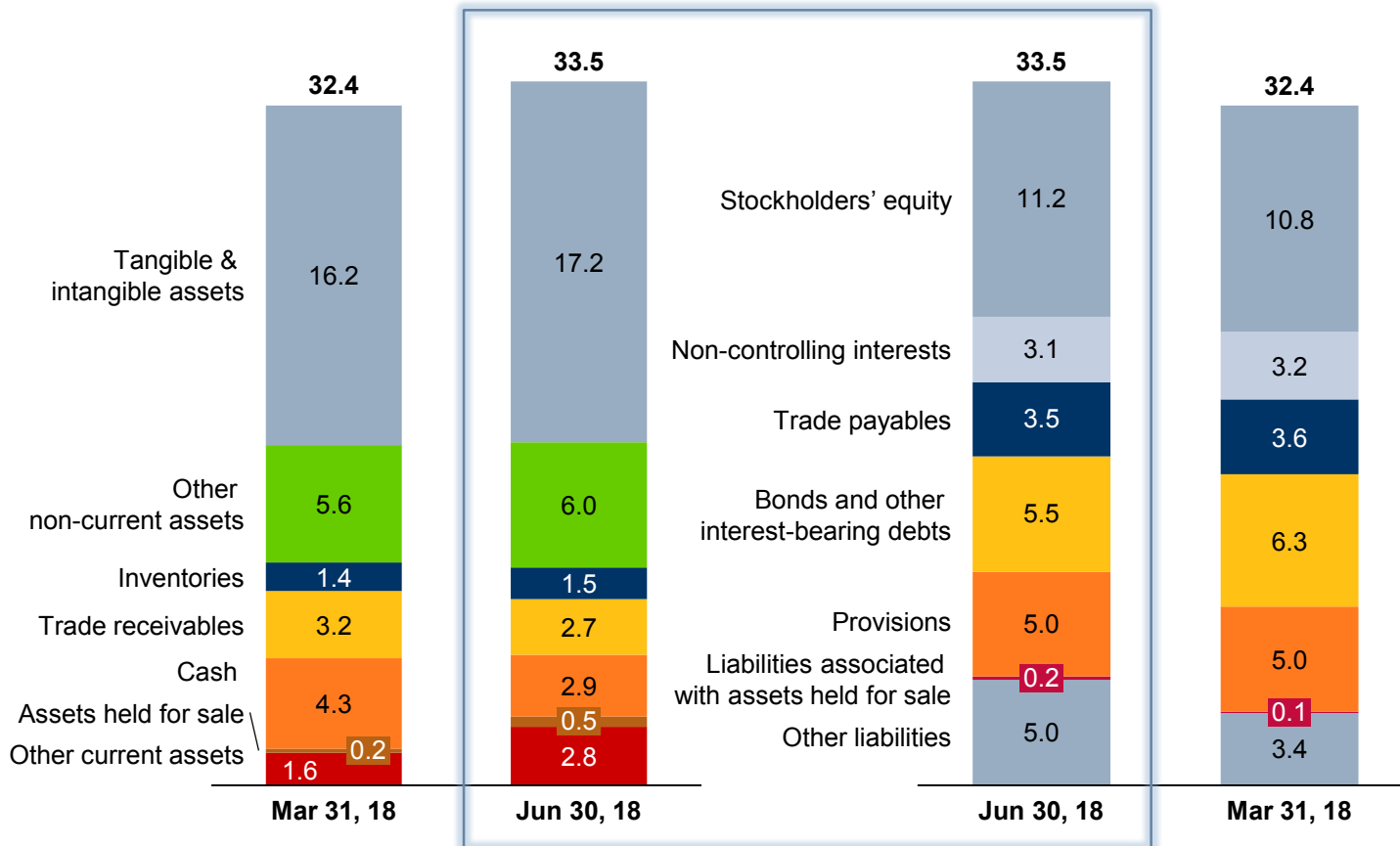


¹ As of Q3 2017, sales figures exclude OMV Petrol Ofisi, which was divested on June 13, 2017

Strong balance sheet

Balance Sheet Jun 30, 2018 vs. Mar 31, 2018

EUR bn



Highlights

Assets

- ▶ Tangible and intangible assets increased to EUR 17.2 bn following the acquisition of the 20% stake in the two Abu Dhabi oil fields
- ▶ Trade receivables decreased to EUR 2.7 bn due to seasonal effects in Downstream Gas
- ▶ Cash position decreased to EUR 2.9 bn mainly reflecting the acquisition in Abu Dhabi and dividend payments
- ▶ Other assets increased to EUR 2.8 bn significantly impacted by a higher derivatives position

Equity and liabilities

- ▶ Bonds and other interest bearing debts decreased to EUR 5.5 bn due to the repayment of the 2011 hybrid bond
- ▶ Other liabilities increased to EUR 5.0 bn significantly impacted by a higher derivatives position

Sensitivities of OMV Group in 2018

Annual impact ¹ in EUR mn	Clean CCS Operating Result ²	Operating cash flow
Brent oil price (USD +1/bbl)	+45	+30
OMV realized gas price (EUR +1/MWh)	+125	+95
CEGH/NCG gas price ³ (EUR +1/MWh)	+40	+35
OMV indicator refining margin (USD +1/bbl)	+105	+80
Ethylene/propylene net margin (EUR +10/t)	+15	+10
EUR-USD (USD appreciates by USD 0.01)	+20	+15

¹ Excluding hedging

² Excluding at-equity accounted investments

³ CEGH/NCG sensitivity derived from sales in Austria, Norway and Russia (to the extent that sales prices are not linked to domestic Russian gas price)

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