



OMV Q3 2025 Conference Call – Q&A Transcript

OMV published its results for Q3 2025 on October 29, 2025. The investor and analyst conference call was broadcasted as a live audio-webcast at 11:30 am CET. Below is the transcript of the question-and-answer session, by topic, edited for clarity.

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OMV Group

Strategy

Question by **Sadnan Ali – HSBC:**

If we look back to the CMD in 2022, I think that was the first time you made the big push into chemicals and started reordering the segments and putting Chemicals first and Upstream third. Now the CMD this year was the first time where Energy was brought back to the forefront, and now Chemicals pushed back. So can you just talk about the thinking here and how you expect the market to think about OMV's identity bigger picture?

Answer by **Alfred Stern:**

I want to point out that we are pursuing a strategy to have an integrated business of three different segments. We are looking to create a company with integrated Energy, Fuels, and Chemicals segments. And we do see chemicals as a growth opportunity for OMV, and indeed, as you said, in 2022, we had Chemicals in the focus. And with this Borouge Group International deal, merging Borealis, Borouge and then adding Nova Chemicals to this, we believe we have made a major step forward in our chemical strategy.

Now, this Borouge Group International will require significant integration work. We have also said we want to extract synergies of at least USD 500 mn in this combination there, but there's also significant growth opportunities. So we said from a pro forma average EBITDA delivery of USD 4.5 bn in the last years [Avg. 2020-2024], we want to push that to above USD 7 bn with the growth projects that we have. Biggest one is Borouge 4, but also adding the synergies to it. So this will be a major growth step in a world-leading polyolefin company that has an excellent feedstock position with more than 70% in advantaged feedstock, has an excellent share of innovative premium materials due to the innovation and technology capability of Borealis. So that's what we want to drive and that will allow us to pay an interesting dividend to OMV with a floor of USD 1 bn for OMV's share of this. So this is what we will continue to push, and that will be the main growth vehicle at this point and the main focus for the Chemicals strategy.

Then we have also seen that, in our view, the demand for gas in particular will be stronger than it was anticipated previously, and we see this as an additional growth opportunity. We always had gas as a growth opportunity, but we see even more opportunity in this. Neptun Deep is obviously at the center of this, but we believe more growth can be added to this, and this is why we increased the production target in energy to 400,000 boe/d from the 350,000 boe/d. I think that's how you should look at that. At the same time, we want to maintain our integrated strategy across the three different segments. We believe that gives us financial performance and cash flow delivery capability to pay dividends and make investments, but we also think there is operational integration benefits, in particular, also in this transition phase. So we will continue to invest into the transformation such as sustainable fuels and in Petrom, in particular also renewable power, and in the longer run, geothermal heating and circular economy chemical recycling activities.



I hope that answers your question or gives you a better feeling about this OMV identity. From our point of view, we continue in the direction of an integrated sustainable energy, fuels, and chemical company with our purpose being reinventing everyday essentials. So we will stick to our energy products, mobility products, and chemical products.

Net debt

Question by **Alejandro Vigil – Santander:**

It's about the net debt of the company expectations for the end of the year. I know working capital is very volatile, but you can give us some indication about that. And also about the cash payment you're expecting to equalize your position in BGI. This cash payment, we should expect this to happen in Q1/26, right?

Answer by **Reinhard Florey:**

Yes, absolutely right. To start with your last comment, the cash payment in the magnitude of up to EUR 1.6 bn will happen only with closing of the transaction. We are expecting that to happen in Q1/26, and therefore we are expecting that cash out also only in Q1.

Regarding the net debt, it has been mentioned that the net debt level has increased simply from the payout of our hybrid bond in Q3, that was EUR 750 mn. We also had a slightly negative free cash flow after dividends because there were some payouts from Borealis dividends as well as some hybrid bond dividends that were still there in Q3. So therefore, in total, net debt was increasing by about EUR 1 bn. However, we are seeing that the effect of the net working capital, which was quite negative in Q3, will be somewhat equalized in Q4. We are expecting that quite some of that will also flow back. The reason for the higher net working capital in effect have been, on the one hand side, somehow elevated inventory levels both in the Fuels part as well as in the Chemicals part due to a good production, but less sales activities at the end of the quarter. And then we have now more gas in storage, which is quite normal for this period of the year, and that, of course, also keeps some of the capital bound.

And the third is a little bit of a special effect, which definitely will come back in Q4 in Borealis, and that's around half of that total effect of net working capital. We had lower securitization and factoring opportunities due to the change in our ERP system, the upgrading of the ERP system. Not all of those could be yet transferred into the new net working capital programs that we have. And this will happen certainly in Q4.

Energy

Libya

Question by **Alejandro Vigil – Santander:**

About Libya, we have seen this volume increase year-on-year and quarter-on-quarter. If you can give us some color about the prospects for this country in your production profile.

Answer by **Alfred Stern:**

Maybe three things. First, we had higher liftings from Libya that was partly a result that was pulled in from Q2/25, but also, it's difficult to time exactly quarter by quarter the liftings. So that was one effect. The second effect was the higher production, which is actually driven by a very good operational performance in Libya and the activity there that we have in Nafoora to actually increase the production. The third effect is that in Q3/24, we still had reduced production due to the unrest in Libya.

Upstream M&A

Question by **Guilherme Levy – Morgan Stanley:**

In terms of Upstream M&A, can you share any thoughts regarding the appetite from sellers at this point? And how quickly could we see the company active on that front? It's part of your 2030 targets, but any updates as to how quickly that might be addressed would be great.



Answer by **Alfred Stern**:

What we said, Gui is that we are targeting now by 2030, about 400,000 boe/d. And that would require some M&A because our organic activities and the projects that we have, they would result in some 320,000 to 330,000 boe/d. The first focus needs to be on successfully implementing and executing Neptun Deep and the other organic growth projects that we have. There, I can report that we are on track in particular also with Neptun Deep for the 2027 start-up.

On the inorganic activities, we are filling a pipeline of different ideas and thoughts. But our focus will be not on the volume per se, but on making an accretive deal here. And with this, the timing will be depending on when we can make such a deal. At this point, we are not far enough in any of the opportunities that I could report anything specific.

Exploration

Question by **Mark Wilson – Jefferies**:

Could you just give us an update on the exploration that you're drilling, I believe, in the Black Sea in the Neptun area. Just remind us where that is and when that gets started.

Answer by **Alfred Stern**:

So the project that we keep citing, Neptun Deep, there, of course, we are in the full execution of the project. We are on track with our planned production for 2027. I think you are referring to the Black Sea exploration project that we have started talking about and that was in Bulgarian waters where we have also started looking in this neighboring Black Sea geology to drill an exploration well, and that we will start still this year. And what we have also done a few month ago, we brought NewMed into this project for this exploration activity.

Question by **Mark Wilson – Jefferies**:

And if you could just remind us of what the target is, if that's going to happen this year or at least start this year, please.

Answer by **Alfred Stern**:

So the exploration drilling will start this year, but we will have to continue exploration activities also in 2026.

Gas Marketing & Power

Question by **Adnan Dhanani – RBC**:

On the gas market, could we just get your views on pricing going into winter and how you see balances evolving? Particularly as you mentioned, European storage levels currently are below where they have been at this point in recent years, and just how that might impact your Gas Marketing results.

Answer by **Alfred Stern**:

We have actually seen gas prices trending a bit lower over the year. Initially, we were anticipating a THE hub price in Germany of about EUR 40/MWh. We now think it's going to be slightly below that EUR 40/MWh. The average in Q3/25 was about EUR 33/MWh, and Q2/25 was about EUR 36/MWh. So potentially when the demand picks up in the winter months, that could provide for some upward movement. But let's see how that develops exactly.

Fuels

Refining margins

Question by **Joshua Stone – UBS**:

On the very strong result for fuels this quarter, which pretty much looks like it beat the refining benchmark despite retail and commercial being a bit weaker sequentially. So just, I guess, expand on what's driving that very strong refining performance. And are you seeing some benefits you think that are specific to OMV? I'm thinking about



some of the refinery outages we've read about in some of your neighboring countries. Wondering if that's been helping some of the performance or is likely to help the performance this coming quarter.

Answer by **Alfred Stern**:

Yes, as you have said, we more than doubled our Fuels result in Q3/25. That was mainly driven by two different things, higher refining indicator margins and secondly also a good capacity utilization in our refineries.

The refining indicator margin development was in my view a result of multiple things happening. One is a supply-demand balance kind of thing. We saw strong gasoline demand in the driving season, also in Q3, we saw healthy demand on the jet fuel side. And we also did see, let's say, demand-supply imbalance on the diesel side that was driving the diesel margins as well, which we could utilize in our refineries by making sure we are running then to also optimize the refinery margins. Q4/25 started very strong. So the first days here in October, we are above the USD 12/bbl that I mentioned, and I would anticipate that we continue to see a similar supply-demand picture for Q4/25, which is then also why we increase our outlook to over USD 9/bbl [for 2025].

Let me also just mention here briefly the ADNOC refinery because also in Q3/25 we saw an improvement of the margins. Utilization there remains high. But the indicator margins helped to improve that. And also there a strong start to Q4/25.

Question by **Guilherme Levy – Morgan Stanley**:

You commented on refining margins so far this quarter. I was wondering if you can say a few words about early next year, how quickly do you expect margins to convert to the USD 6-7/bbl level that you used in your plan?

Answer by **Alfred Stern**:

On the refining indicator margins, at this moment, we have increased the outlook for this year to above USD 9/bbl. As I said, now in Q4, currently we are even above USD 12/bbl in the refining indicator margin. Just from experience, this would look like a very high indicator margin and some normalization will happen on the way forward.

At the same time, we have seen over the last years, in particular since the Russian attack in Ukraine, we have seen a very volatile environment in the refining indicator margins. And we have also seen some supply-demand imbalances. So this will not go away immediately in my view. However, we would anticipate that for next year, it will normalize more and not stay at the Q4 level.

Question by **Sadnan Ali, HSBC**:

In refining, you touched upon it earlier, but can you just give us a bit more color on, to the extent in which you are able to optimize your refineries to take advantage of the yields given the current market environment?

Answer by **Alfred Stern**:

On the refining side, of course, what we have also part in our strategy is to adjust the, let's say, the input feedstock and the output product on our refineries. One piece is that more of the refinery output will go into the chemical integration and the second piece is that more of the input raw materials will come from the sustainability side. So in the meantime, in the refinery in Schwechat, for example, we have a 160,000 t co-processing facility that inputs bio oils rather than crude oil. We have a 10 MW hydrogen facility in operation that provides green hydrogen rather than grey hydrogen. And the piece that we continuously always monitor is also the crude slate that we deploy and the operating conditions to optimize and shifting more to the chemical integration and making sure that we also get our split between the other products diesel, gasoline, jet in the right way. We were able to get access to more airports and can also increase our jet sales from this. In addition last year we made some acquisitions of some fuel stations and also commercial retail networks that have also contributed positively to the sales in our retail network.

ADNOC Refining

Question by **Ramachandra Kamath – Barclays**:

On the refining side, this time, ADNOC Refining made a sizable contribution after possibly four to five quarters of



weak set of numbers earlier. So could you perhaps clarify what has changed, how it could be able to capture margin in Q3 while performance was substantially weak in Q2 while the refining benchmark was still healthy?

Answer by **Alfred Stern**:

In refining, what has really changed is, first, in the OMV refineries, we were able to run at a high utilization rate. Secondly, the market environment has changed in terms of refining indicator margins. And I think it's really the new sanctions that have come about and then some operational issues in the industry, I would say, that are driving some of the supply squeezes. Dangote refinery is just one, but of course, also new kind of limitations on Russian crudes and things like this driving refining indicator margins up. And that has been the case in all the refineries where we have a participation. So not just in Europe, but also in the ADNOC refinery.

Chemicals

Outlook

Question by **Joshua Stone – UBS**:

I don't know if I've observed this correctly, but it seems like your tone has become a bit more cautious on the European market, giving the role of imports. I'm noting you're guiding towards lower runs despite being one of the lowest cost producers. So maybe just talk us through that. And you mentioned these discounts you're seeing on the chemical market. So maybe just expand on how significant those discounts are and your expectation around those.

Answer by **Alfred Stern**:

On the chemicals sector, indeed we were very successful in driving the growth in the business in the first half of the year, partly driven by the said SAP implementation. But as I said, we are still looking for the full year now at 4.1 mn t of sales, which compared to last year would be still about a 5% growth. So I would consider that rather healthy given the market circumstances. However, we are more cautious for Q4/25 because we anticipate inventory management, cash management in the supply chain, also with our customers, and that we wanted to reflect in what I said here and in the outlook.

Last but not least, on the discounts, this is a usual thing. The reported contract prices for olefins, polyolefins, usually have discounts associated in the specific sales contracts and with customers. And in particular, in situations where the markets are longer, the discounts can widen a bit. I anticipate that this will be the case due to the given situation in Q4.

Question by **Ramachandra Kamath – Barclays**:

On the chemicals side, it looks like the contribution from Borealis excluding joint venture increased by EUR 64 mn, as you alluded in the remarks earlier, supported by stop of depreciation. Not adjusting for depreciation, it looks like the unit performance was weaker than last year at the same margin level. Possibly could you throw some light what is happening in the sector? And is it right assessment to say that the chemical margins are still facing challenges here?

Answer by **Alfred Stern**:

I would confirm your view of a more sideways move in the market side in Europe with the chemical margins still under pressure with high imports and lower economic activity. In Borealis specifically, we see a difference between the productivity commoditized segment and the specialty segment. While we have seen some margin reductions in the commoditized areas, in the specialty margins, we have actually seen continued demand combined with good margin stability and price stability. And maybe for the specific Borealis result, Reinhard wants to add something

Answer by **Reinhard Florey**:

Yes. Ram, your question was a little bit about how this compares also to last year, given that margins were not significantly different. So first of all, of course, if you deduct the depreciation effect, which makes the Borealis result actually look quite good this year, you have a situation that you are in comparison lower. And the reason mainly is that the market conditions are lower. So even if margins being at around the same level, the pressure on discounts is



higher in this year. And Borealis has been quite successful to defend the market shares and to make sure that sales volumes are up. But of course, that does not mean that they were able to hold exactly the same net margin to the company in this difficult environment.

So we are expecting still that there will be some recovery in the next years in the customer industries. But at the moment, this is a challenging market, and therefore we are quite happy that Borealis with its ability, as Alfred mentioned, to also concentrate on specialty grades, has still a good chance to provide profitability at the end.

Borouge Group International

Question by **Alejandro Vigil – Santander:**

About the Borouge-Borealis combination. You mentioned that everything is on track. If you can elaborate a bit about how you see all the potential regulatory issues and the fundamentals of the deal today.

Answer by **Alfred Stern:**

I want to report to you that we are actually making quite some good progress with regulatory approvals. We have received several of the required approvals, and at the moment, we are anticipating that we should be able to close that transaction by Q1/26. So far, we have not encountered any kind of delays or issues in any of the approvals, but of course, in the end, right, we need all of the approvals. But we expect that Q1, we should be ready to close the transaction.

Question by **Adnan Dhanani – RBC:**

On the BGI deal, could we just get an update on where things stand as it relates to the recruitment effort for BGI's leadership, given we're getting close to the targeted Q1 closure?

Answer by **Alfred Stern:**

The selection of the leadership is of course one of the key activities that we do for getting ready for the closing of the transaction. We are proceeding according to plan. We have a selection process where we are looking at both the internal candidates from the three different companies, but we also are looking and comparing to potential external candidates. And what we have agreed with ADNOC is that we would make a merit-based selection. So from this pipeline, we will ultimately then select what we think are the best candidates. We are confident that we will be ready by the closing to have those appointments.

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