OMV Q2 2026 Conference Call – Q&A Transcript

OMV published its results for Q2 2026 on July 31, 2026. The investor and analyst conference call was broadcasted as a live audio–webcast at 11:0 am CEST. Below is the transcript of the question-and-answer session, by topic, edited for clarity.

OMV Group

Dividend policy

Question by **Sasikanth Chilukuru – Jefferies:**
If the dividends from BGI were not changed for this year, the temporary deduction stays in place. I was just wondering if you could tweak your dividend policy for 2026, going above 30% in operating cash flow, excluding BGI dividends, to compensate for this temporary downward adjustment in BGI dividends and also reflect the elevated macro environment?

Answer by **Reinhard Florey:**
Now, I think we have demonstrated in 2026 for the last year that we are willing to position the dividend payments clearly in the upper range of our 20% to 30% range of our operating cash flow. And while I do not think that changing our dividend policy to something above this 30% makes sense, our effort is to increase the operating cash flow, which is the basis of the dividend payments. And if we are successful in that, there will be a more than adequate reward to the shareholders from our view.

Net debt

Question by **Alejandro Vigil – Santander:**
About the [OMV] net debt, your expectations for the end of the year. I saw that you issued a hybrid bond in the second quarter, also the working capital. You can elaborate a bit on the second-half of the year to bridge the net debt for the end of the year.

Answer by **Reinhard Florey:**
On the net debt level, first of all, let me comment on the hybrid bond. The hybrid bond that was successfully placed in Q2 with EUR 750 mn is actually a replacement for a hybrid bond that we pay back and that we have announced to do in Q3. So, we are not actually increasing the outstanding financing in that respect. So therefore, if I look at the current expenses that we had, very strong negative impacts on cash flows from the EUR 1.5 bn equalization payment for Borouge International in Q1 and EUR 1.7 bn of dividends for OMV and minorities of OMV Petrom in Q2. All that will not happen in Q3 and Q4. So therefore, I would expect some positive development in that respect, and that will also influence our net debt going forward.

Question by **Alejandro Vigil – Santander:**
Just to clarify, follow on the question of the hybrids, so the total hybrids you're expecting to end the year, it's the current level you have in the first half?

Answer by **Reinhard Florey:**
The level is about EUR 2 bn in total. And now we have a little bit of an elevated situation in Q2 that will correct in Q3 and will end the year with that exposure of around EUR 2 bn.

Windfall taxes

Question by **Eva Xenios – BNP Paribas:**
Given that Portugal has just approved a windfall tax on oil firms, should we expect Austria to do the same?

Answer by **Reinhard Florey:**
It is true that there are considerations in some countries around reintroduction of windfall taxes. We have not seen that this is a really widespread attempt. We are seeing that some of the regulatory topics regarding fuel margins have been considered. We have seen part of that in Austria but as Alfred mentioned, not as a direct impact to reduce margins. However, we are expecting that in Romania, maybe in other Central Eastern European countries, we see similar measures. But this is not directly a windfall tax in that sense what we have experienced in the past. And therefore, I would be, I would say positive towards a continued positive environment for our business without major restrictions through windfall tax impact.

Working capital

Question by **Guilherme Levy – Morgan Stanley:**
Could you help me quantify how much of the working capital build in the first half has been driven by price versus volumes? And how should I think about that reversing over the coming quarters?

Answer by **Reinhard Florey:**
And let me look a little bit at the working capital developments and expectations. Maybe just to recap the numbers. In Q1, we had a buildup of networking capital quite massively in the magnitude of EUR 848 mn. In Q2, we had a still relatively small release of EUR 158 mn. Now, mainly that, of course, is driven by a significantly higher pricing environment that we see. But we also see some impacts from that situation as Alfred has described it on the gas storage side. So therefore, my expectation is that actually we would see with our guidance that we have given on pricing levels that probably not all of the net result of around EUR 700 mn working capital buildup can be released until end of this year. It depends very much on how Q4 ultimately will turn out and that is too early to anticipate. But my hypothesis at the moment from our liquidity point of view is we will see some of that working capital flowing back with some positive cash flows. But I do not foresee the entirety of the currently positive balance or built-up balance to normalize until the end of the year.

Biggest challenges for next CEO

Question by **Guilherme Levy – Morgan Stanley:**
I would like to ask you [Alfred] what you think are going to be the biggest challenges to the next CEO, what the next CEO is going to face over the coming years, any particular issue that you would like to have addressed if you had stayed in the company for longer as CEO.

Answer by **Alfred Stern:**
I think what we have started off here at OMV, we wanted to develop the company to become an integrated energy, fuels and chemicals company. And because we believe in that integrated business model, it has served us well. And over the quarters that I was here, I could see that we were able to deliver very good cash flows through this model, which allowed us to pay attractive dividends and at the same time make investments into the progress of the company. We have made some major steps in that direction. Borouge International, of course, is a big one, and it's

great that Q2 was an extremely good start for Borouge International in a special environment. And also, we reported on Neptun Deep. And as we reported earlier, Neptun Deep, when it goes on stream, it will deliver about EUR 500 mn additional operating result. And in that, it's a key project to keep moving forward. So Reinhard reported on our leverage ratio of 19%, which makes a very solid balance sheet that allows us to continue to invest into the growth and into the transformation of the company. And I think around those things, we will see most of the challenges and not to neglect, in my opinion, the high volatility that we see all around us. This requires agility. We have put a lot of work into OMV to be able to respond to this. But this will continue to be a challenge. Just the speed and volatility of changes that we see is incredible. And last but not least, I want to mention our efficiency program, where we said at a minimum, we want to deliver EUR 500 mn additional cash flow by 2027 [compared to 2023]. As you know, we have strengthened that program with a fixed cost program that should also deliver EUR 400 mn lower fixed costs by 2027 [compared to 2024]. We are well on the way. We have projectized all this and continuing to deliver on this will be key to make OMV a stronger and better company.

Energy

Crude differentials

Question by **Oleg Galbur – ODDO BHF:**
You highlighted strong indicator refining margins at around USD 20/bbl in Q2, but also referred to elevated crude differentials as a headwind. So, could you help us understand how the discount of the crude slate processed by OMV evolved relatively to Brent during the quarter? And also, how should we think about the gap between the indicator margin and the effective margin captured by the refining in Q2 versus previous quarters?

Answer by **Reinhard Florey:**
First of all, you're right that in the beginning of all these difficult situations around the fuel markets, not only from the Middle East, but also from the situation with destroyed assets and destroyed refineries in the Ukraine and Russia region the general margins went up significantly. However, the Middle East situation has led to temporary crude differential increases because it was unclear to what degree other countries in the region with comparable qualities can make up for the volumes that did not come through the Strait of Hormuz. At the moment, what we see is that these crude differentials have come down. And we are not seeing such a burden there. So, I would assume that also the gap between indicator margin and realized margin normalizes again. And this is the situation as we see Q3 going forward. However, you can see that there are surprises or negative surprises not to be excluded and therefore it is hard to give a firm prediction on that.

Neptun Deep

Question by **Henry Tarr – Berenberg:**
Just on Neptun Deep, I guess we're half the way through 2026 now. In terms of timing, I know you probably don't want to limit yourself to a specific quarter or month, but should we be thinking that Neptun Deep contributes meaningfully in 2027 or from a modeling perspective, should we think about it sort of really ramping up in 2028?

Answer by **Alfred Stern:**
So as I described, we are making good progress. We are on plan. We are meeting major milestones: the Neptun Alpha [platform], the subsea pipeline, the six wells out of ten. So we keep moving ahead according to plan. What we did say is 2027, we will start up. Please do give us a little bit more time to firm down the startup date completely. We do not want to over promise on this despite the fact that we are making good progress.

UAE liftings

Question by **Adnan Dhanani – RBC:**
On the upstream UAE volumes, when can you reasonably expect the liftings to resume there?

Answer by **Reinhard Florey:**
We have not given up the hope for our first lifting in Q3. So of course, at the moment we are seeing quite a difficult situation for any kind of cargoes, but there is also a possibility for us hopefully to lift outside the Strait of Hormuz. So, whether this will be possible or not, we will be able to then announce. But it is not that we have given up on that perspective also for Q3.

Fuels

Refining outlook

Question by **Ramachandra Kamath – Barclays:**
The refining margin has been robust so far this year. Do you see any downside risk to this refining outlook? Also could you provide some color on basically the relative contribution from refining and the marketing just for the modeling purpose and possibly the impact of regulatory measures introduced in Romania and Austria in Q2?

Answer by **Alfred Stern:**
On the refining margins, to be honest, Ram, I will be very careful. In the last couple of years this was the one indicator where we were the most off all the time. It is a very special environment, and I would say some major contributing factors of course, the Middle East crisis, not just with the Strait of Hormuz, but now also with the blockage by the Houthis in the Red Sea is creating supply chain disruptions. But on top of that a lot of the Russian infrastructure is damaged, also showing limited availability and with this supply chain streams changing. At the same time, we see in our retail area good demand, and also on the commercial business-to-business side more or less a flat [development] with a very slight reduction versus last year. So, we see good demand. And on the other side, we see globally, major supply chain disruptions with significant capacity not being accessible. This is why we take the refining indicator margin for the full-year average up to USD 20/bbl. And we believe as we have no turnaround that we will of course maximize the production from our assets. Maybe the one thing that I should mention, what we can see of course also globally is that inventory levels are reducing and partly compensating now for the lack of supply. The longer this takes, the more difficult this will, of course, become.

Regulatory measures are hard to predict because the fuel prices now across many countries in Europe, in particular, are significantly elevated again. And here, this is providing for some inflationary push. And one should expect that there could be some further regulatory measures. In Romania, they have announced something that they haven't published yet. So, this is not completely clear, but I think it's similar to what we had in Q2. And also, in Austria here, they are extending the measures, however, without any margin restriction. So basically, we see that this should continue to provide a good environment to operate in.

Question by **Josh Stone – UBS:**
I just wanted to follow up in terms of your confidence and ability to capture these very strong [refining] margins. What are you seeing today? Just to confirm, there aren't any hedges or anything like that that could disturb things on the refining side.

Answer by **Reinhard Florey:**
And maybe Josh on the topic of hedges. We are not expecting any major negative or other effects from hedging going forward. Remember that the negative hedging impact that we showed in Q2 was actually triggered by a cargo from our oil trading that was designed to come from Middle East. And suddenly, this cargo couldn't leave the port. And therefore, we had one leg open. And prices were rising. And therefore, we encountered a loss. That is currently not the case. We do not have any cargoes that we have inside the Strait of Hormuz. We don't have any open hedges on that. So therefore, I'm not expecting any of the negative effects to continue.

Impact of low water levels

Question by **Josh Stone – UBS:**
There have been a number of reports in recent weeks around very low water levels on certain choke points on the Rhine and also the Danube. So just curious, how is that impacting your business and are you already starting to see some premiums to refining or even on chemicals as a result of these very low water levels?

Answer by **Alfred Stern:**
Indeed, as you said, if you look at the July margins, right, we are well above the USD 20/bbl that we are now giving as an outlook for the full year. I think all that is a mix effect of all these supply chain issues. I mentioned some of them before, you added some others on logistics, transportation. Low water levels are an issue. There's also some rail issues in Germany. So, all this is limiting the supply chains, and I think this is what is causing the fuel prices and in particular the middle distillate prices to be where they are. Maybe one other comment on kerosene because I think we are in a special situation here with OMV. As you know, we have both pipelines into Schwechat airport here in Vienna and to the Munich airport in Germany, also close to the airport in Bucharest and we manage in particular here in Austria and in Germany to supply fully the kerosene demand and ensure that we can supply that and also use the demand price environment that we see.

Chemicals

Chemicals outlook

Question by **Ramachandra Kamath – Barclays:**
Firstly, could you provide some color on chemicals price momentum into second-half, particularly given recent pullback in monomer prices? [The guided] indicator margin suggests EUR 150/t on an average. But if we imply based after considering the first half prices, 2Q has been significantly higher, right? So is it suggesting that second-half would be lower than the annual guide that you have? And given the higher prices of these olefins, would you see that reflection of that in higher fee stock cost on polyolefin production in the second-half.

Answer by **Alfred Stern:**
What we have actually seen here in July is that, yes, compared to Q2, the margins have come down a little bit, but we are still on a very strong level, well above the guidance that we have provided. So ethylene margins are above the EUR 600/t, propylene margins are above the EUR 500/t that we are guiding for the full year. Quite honestly, I think it will depend a little bit how we see things evolving, as Reinhard explained there is a lot of volatility. We expect that we can run our assets in the second-half of the year fully and that we can benefit of the market environment and use this global position in Borouge International, but also the European position of our OMV-based chemical crackers.

Question by **Matt Lofting – JP Morgan:**
I just wanted to follow up on the comments you made earlier on your chemicals outlook for the rest of the year. I think you mentioned earlier that July margins are perhaps a bit lower than Q2, but above the baseline implied by your updated full year guidance. Clearly, conditions are quite uncertain, but is your base case that margins are likely to further ease from July levels or do you see your guidance as deliberately cautious? Just trying to understand sort of where you see the risk award around that gap, at least as it stands today.

Answer by **Alfred Stern:**
I would concur with you, difficult to make exact predictions in our super volatile world that we live in at the moment. But we did see demand. We are expecting that we can run our crackers on a high utilization for the rest of the year. We still see a lot of the supply chain issues persist. So, July started significantly above the guidance for the full year. Maybe we see a little bit normalization and I think we should anticipate a little bit of bumpiness as we see supply and demand balancing out. But at this moment, I would still see that Q3 started still on a good and strong note.

Borouge International

Dividends

Question by **Alejandro Vigil – Santander:**
My first question is about the dividend from BGI. When are you expecting to collect this dividend? And if considering the market performance, the company results are probably above expectations, is there any option of BGI to pay dividends in line with the initial idea of USD 1 bn per year.

Answer by **Reinhard Florey:**
First of all, regarding the delivery of the dividend that was announced, we are actually expecting that this dividend will come in Q3 and then also for the first time contribute with a very strong cash flow from Borouge International in our accounts.

Regarding the second part of that question, whether we see any kind of upside to that, I think it's a little bit too early to comment on that because you're right, Q2 was a very strong quarter. We still have lots of uncertainties around there. We have lots of networking capital challenges, still with high prices, high inventories. And we have been also exposed to some additional capex. It's too early to comment on that, and therefore, I leave that for a later consideration. But at the moment, we are looking forward for still a very strong dividend contribution for Q3.

Balance sheet

Question by **Sasikanth Chilukuru – Jefferies:**
The first one was related to Borouge International, more so with the current balance sheet strength of BGI. We just wanted to understand your latest views here. You previously highlighted the requirement to maintain BGI's investment grade rating. Now both S&P and Fitch have issued strong investment grade ratings and 2Q has been a strong quarter as well. Do you think OMV as a 50% shareholder would be required to do anything more here to support the investment grade rating for BGI?

Answer by **Reinhard Florey:**
First of all, as you mentioned, Borouge International has come out of this transaction with a strong balance sheet. And this is reflected by very strong investment-grade credit ratings that they have received. And we are seeing that in spite of, of course, burdens from the Middle East crisis on the Borouge side, we are seeing very strong performances on Nova and Borealis parts now giving an overall clear upside in the situation of Borouge International. Of course, in networking capital, we also see significant impacts. But this is, for me, still a little bit like a savings account, which will come back at some stage when we will see a normalization of the situation. But this group has now demonstrated huge resilience and the benefits of this really worldwide footprint that they have in the markets. So therefore, I'm not expecting that OMV will be required to do more if you point to any kind of capital injections or something like that. I trust that this development will lead to what was the original plan, that there will be a listing of Borouge International, there will be a capital increase coming with that even further strengthening the balance sheet, but I also believe that this year is a positive year also regarding the cash generation and the profitability of this company.

Fair value assessment

Question by **Christopher Kuplent – BofA:**
Just wanted to double check more detail around the Borouge [International] disclosure you've made today. I think that's very helpful, short of a prospectus that I'm sure we're looking forward to for next year. But I wonder whether you can shed a little bit more light on what's hidden in your special items and revaluations. I noticed in your disclosure, the USD 10 bn or so of book value that you've given your stake has remained unchanged from Q1. How are you going to treat the fair value assessment of Borouge International?

Answer by **Reinhard Florey:**
So regarding what's in the special items, there's actually two elements. One is adjustment of inventory valuations

according to what was the difference between a Q1 valuation and the Q2 valuation. This is a one-time effect. This will not have any kind of further special character, but this is an effect that has been taken into account here. And the second is simply transaction restructuring costs out of that situation, also one-time effects that we do not expect to recur. So, the adjustments for the future, we are seeing as minor or insignificant, and this is a Q2 one-time effect in the magnitude of closer to USD 150 mn or something like that on an EBITDA basis compared to the USD 1.8 bn, also a small amount in that respect. And when it comes to the book values in OMV, there is no need, no intention to take book values down in any way. Of course, we have taken a so-called preliminary PPA for this transaction that will be finalized after or within a 12-month period, but we are not seeing that the fair value assumptions currently are under any kind of pressure or discussion. And we have just seen that also in our case, some of the inventory adjustments were running through the P&L without any cash effect. And that is also part of our special effects that we had in the OMV group. But again, the one-time effect, no effects for the further quarters.

Borouge current status

Question by **Adnan Dhanani – RBC:**
Just wanted to ask around your UAE assets. For Borouge chemicals volumes, are you able to provide any color on the current status of exports? Obviously, you noted that production has been fully restored. Just want to know how much of that is being exported now, especially given the renewed tensions in the Strait. I think Borouge also in the release today flagged that while the assets are fully repaired, the production in the second-half might be constrained due to the feedstock availability. So just want to get your thoughts there.

Answer by **Alfred Stern:**
As I reported, all the damages are repaired and they have restored the full capacity, the constraint there is coming more from a feedstock availability at the moment so that we are looking at about 60% of utilization for the logistics and evacuation of the material. Alternative routes were established. They are higher in cost, however, that kind of level of evacuation can be achieved through those alternative routes. And that would be kind of the expectation where we are now at the moment.

Nova Chemicals

Question by **Eva Xenios – BNP Paribas:**
On Nova Chemicals, could you update us on the AST2 growth project and the efficiency program, given that these are both, I think you've said, supposed to be key drivers for Bourouge International's EBITDA growth this year?

Answer by **Alfred Stern:**
As you point out, AST2 is one of the growth projects that we have there in this environment now with limited supplies globally. This is one of the areas where Borouge International can benefit from. To my understanding, they are on track with the project. However, for the details, I will refer to Borouge International, but all I know is they are on track with the project.

DISCLAIMER

This document contains forward looking statements. Forward looking statements usually may be identified by the use of terms such as “outlook”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “target”, “objective”, “estimate”, “goal”, “may”, “will” and similar terms, or by their context. These forward-looking statements are based on beliefs, estimates 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. Neither OMV nor any other person assumes responsibility for the accuracy and completeness of any of the forward-looking statements contained in this document. OMV disclaims any obligation and does not intend to update these forward-looking statements to reflect actual results, revised assumptions and expectations and future developments and events. This document does not contain any recommendation or invitation to buy or sell securities in OMV.