OMV delivers second highest earnings result amidst challenging environment in business year 2023

Wien, February 1, 2024

- FY2023: EUR 39 bn sales revenues and second highest Clean CCS Operating Result of EUR 6 bn
- Overall falling commodity prices from peak in 2022
- Progressive dividend policy: Proposal of total dividend EUR 5.05 per share for FY2023, thereof regular dividend of EUR 2.95 per share and special dividend of EUR 2.10 per share
- Balance sheet remains strong: Net debt at end of December 2023 of EUR 2.1 bn with low leverage ratio of 8%
- OMV continues to advance transformation of company along its Strategy 2030
- OMV to divest 50 percent shareholding in Malaysia's SapuraOMV to TotalEnergies for overall cash consideration of USD 903 mn
- Organic Capex for FY2024 to increase to around EUR 3.8 bn

OMV, the integrated energy, fuels & feedstock and chemicals & materials company headquartered in Vienna, Austria, achieved a Clean CCS Operating Result of approximately EUR 6 bn in the business year of 2023, representing the second highest operating result in its history. Results declined overall compared to the levels achieved in the extraordinary year of 2022 as commodity prices fell from their unsustainable highs. Furthermore, the year 2023 was characterized by the escalation of geopolitical unrest, weaker consumer demand due to inflationary pressures, and challenges arising from climate change and energy transition.

Building on its position of financial strength, OMV achieved key strategic milestones in the past business year, including continued diversification of non-Russian gas sources, underlining the company's role as a reliable supplier to its customers at home and abroad; significant progress in the Neptun Deep gas project in Romania; the formation of a geothermal joint venture to decarbonize district heating in Vienna; and plans to build Europe's largest innovative sorting plant in Germany to produce feedstock for chemical recycling. Furthermore, OMV secured new off-take agreements with major European airlines for its sustainable aviation fuel (SAF) and rolled out high-power chargers for electric vehicles in its European retail network.

OMV CEO, Alfred Stern, "2023 has been another successful year for OMV in the face of significant headwinds. We have delivered a strong set of earnings, a steady cash flow to support our sustainable growth projects and can propose to shareholders a regular and special dividend, with the latter for the second time in a row. The past year marked the first full year of OMV living its new corporate structure to drive sustainability and innovation in the fields of geothermal energy, sustainable aviation fuel or chemical recycling. And in 2024, the OMV team is fully committed to achieving its ambitious goals and delivering more strategic milestones. There is no turning back on our transformation to becoming a leading sustainable fuels, chemicals and materials company and achieving net-zero emissions by 2050 at the latest."

Yesterday, OMV announced the signing of an agreement to divest its 50 percent shareholding in Malaysia's SapuraOMV Upstream Sdn. Bhd. to TotalEnergies Holdings SAS for an overall cash consideration of USD 903 mn. This transaction streamlines OMV's Energy portfolio and is in line with the OMV Strategy 2030 of reducing oil and gas production over time. Furthermore, this divestment will help OMV crystalize value and re-deploy capital for new strategic projects.

Investment projects

For the year 2024, OMV is expecting organic investments (CAPEX) of around EUR 3.8 bn.

In Chemicals & Materials, organic CAPEX is estimated to be around EUR 1 bn. Major projects are the propane dehydrogenation (PDH) plant in Kallo, Belgium, improvement projects for polyolefin specialties in Schwechat, Austria, as well as investments in circular economy solutions such as the plastic waste sorting plant in Walldürn, Germany, and the ReOil® plant with16,000 metric tons per year. The start-up of the ReOil® plant is expected to ramp up in the second half of this year.

In Fuels & Feedstock, organic CAPEX is estimated to be around EUR 800 mn. This includes investments in finalizing the co-processing and hydrogen plants in Schwechat, e-mobility projects and new SAF projects. The new co-processing plant at the refinery Schwechat will have the capacity to process up to 160,000 metric tons per year of vegetable oil, waste products or advanced feedstocks, together with fossil-based materials and turn them into sustainable fuels. The co-processing and hydrogen plants are planned to ramp up in the first half of 2024.

In Energy, organic CAPEX will be EUR 1.9 bn, with a large part allocated to develop the Neptun Deep gas field in Romania. In addition, OMV will invest in the development of gas fields in Norway and Austria, the Jerun gas field in Malaysia, as well as the Ghasha gas project in the UAE. Moreover, the company plans increased investments in various low carbon projects, mainly geothermal energy, and renewables.

As part of its Strategy 2030, OMV has committed to spend 40 per cent on average of its annual organic CAPEX on low carbon projects in the period 2022-2030.

Key Performance Indicators January–December 2023[1]

Group

- Sales of EUR 39,463 mn, down 37%
- Clean CCS Operating Result of EUR 6,024 mn, down 46%
- Clean CCS Net income attributable to stockholders at EUR 2,593 mn, down 41%
- Clean CCS Earnings per share of EUR 7.93, down 41%
- Cash flow from operating activities of EUR 5,709 mn, down 26%
- Regular dividend per share of EUR 2.95 proposed vs. EUR 2.80

- Special dividend per share of EUR 2.10 proposed vs. EUR 2.25

Chemicals & Materials

- Ethylene indicator margin Europe EUR 507/t, down 9%
- Propylene indicator margin Europe EUR 389/t, down 27%
- Polyethylene indicator margin Europe EUR 322/t, down 17%
- Polypropylene indicator margin Europe EUR 355/t, down 27%
- Clean Operating Result EUR 94 mn, down 94%

Fuels & Feedstock

- OMV refining indicator margin Europe USD 11.70/bbl, down 21%
- Fuels and other sales volumes Europe 16.29 mn t, up 5%
- Clean CCS Operating Result EUR 1,651 mn, down 9%

Energy

- Average Brent price USD/bbl 82.64, down 18%
- Average THE gas price EUR/MWh 40.98, down 66%
- Production 364 kboe/d, down 7%
- Production cost USD 9.67/boe, up 18%
- Clean Operating Result EUR 4,357 mn, down 46%

Outlook 2024

- Average Brent price around USD/bbl 80
- Average realized natural gas price around EUR/MWh 25, with THE price between EUR/MWh 30-35
- Organic Capex around EUR 3.8 bn vs. EUR 3.7 bn in 2023

[1] The figures stated relate to 2023; unless otherwise stated, the annual figures from the previous year are used as a comparison.

Chemicals & Materials

The clean Operating Result decreased substantially in 2023 to EUR 94 mn (2022: EUR 1,457 mn). This was mainly a result of the deterioration of the chemical sector caused by a global economic slowdown and a highly inflationary environment. This led to substantially lower olefin and polyolefin indicator margins, negative inventory valuation effects, and a lower contribution from Borealis JVs. In addition, the sale of the nitrogen business to AGROFERT, a.s. was completed in early July 2023, leading to a EUR 367 mn lower result contribution compared to 2022.

Fuels & Feedstock

The clean CCS Operating Result decreased to EUR 1,651 mn (2022: EUR 1,810 mn) mainly as a result of lower refining indicator margins in Europe and the Middle East, and higher fixed costs caused by turnaround and maintenance activities. This was partly offset by positive supply effects, a significantly higher commercial and retail result, and lower utility costs.

Energy

The clean Operating Result declined to EUR 4,357 mn in 2023 (2022: EUR 8,001 mn), primarily due to negative market effects of EUR 3,070 mn as a consequence of substantially lower oil and gas prices. Sales volumes weakened to a slightly greater extent than production due to adverse lifting schedules in Libya, Norway, and Tunisia. Moreover, negative operational effects caused by the missing contribution from Russia following the change in the consolidation method affected the results. The result of Gas Marketing & Power doubled to EUR 609 mn thanks to a strong contribution of Gas Marketing Western Europe, where stronger results from storage and trading and less supply losses were only partly offset by a provision for impending losses associated with secured pipeline capacity and a lower LNG contribution. The contribution of Gas & Power Eastern Europe decreased due to lower natural gas margins, partially offset by a better power result driven by the reversal of a provision and higher sales volumes outside of Romania.

Group Report: [Publications | Quarterly publications & annual reports | OMV.com]

Background information:

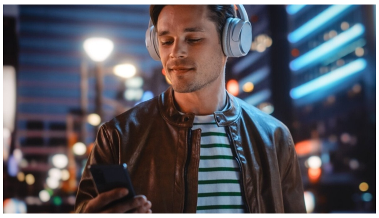
OMV Aktiengesellschaft
At OMV, we are re-inventing essentials for sustainable living. OMV is transitioning to become a leading sustainable fuels, chemicals and materials company with a focus on circular economy solutions, while operating today across three integrated business segments of Energy, Fuels & Feedstock, and Chemicals & Materials. By gradually switching over to low-carbon businesses, OMV is striving to achieve net zero by latest 2050. The company achieved revenues of EUR 39 billion in 2023 with a diverse and talented workforce of around 20,600 employees worldwide. OMV shares are traded on the Vienna Stock Exchange (OMV) and as American Depository Receipts (OMVKY) in the U.S. Further information at www.omv.com

For more information, please contact:

OMV International Media Relations
Daniel Smith
Tel. +43 664 8567515
media.relations@omv.com

All News

MORE



OMV Podcast

MORE

Press Kit

MORE