



wintershall dea

INTERVIEW

Handelsblatt

WINTERSHALL DEA CEO MARIO MEHREN

## „WE ARE IN A KIND OF CONTROLLED EMERGENCY STATE“

**Mr Mehren, the corona crisis is keeping the world on tenterhooks, public life in Germany is practically at a standstill, and Wintershall Dea has also moved its Annual Press Conference online. How do you feel about the situation?**

**Mehren:** Germany is closing schools, shops and even borders; four weeks ago this seemed unthinkable. The former German Chancellor Helmut Schmidt once said that “true character is revealed in a crisis.” We must now show strength of character, resilience and solidarity. And take responsibility, for our company and for each other.

**Is all this really necessary on this scale?**

**Mehren:** I consider the measures taken to be sensible and important – in order to strengthen our healthcare system and contain the risk for vulnerable groups of people. We need to flatten the infection curve and gain precious time.

**Your company is active in many countries, you travel a lot. How does the pandemic affect your work personally? Have you completely ceased your business trips?**

**Mehren:** We are currently – as we all notice in our everyday lives – in a state of emergency. As Wintershall Dea we are also in a state of emergency, but still able to act. We’re effectively in a “controlled state of emergency”. We let most staff work from home. And all of them are dispensing with business trips. Both nationally and internationally. For me, too, this is particularly noticeable when it comes to my business trips. Apart from that, I’m making more phone calls than ever before, or I’m using online tools.

**Are you working from home yourself?**

**Mehren:** Yes, I’m mostly working from home now. After all, my wife and children are also at home.

**How do you communicate with your business partners?**

**Mehren:** I’m a big fan of talking in person! This is of course very restricted due to the current situation. However, in an internationally active company, video conferences are always part of everyday life. We’re therefore well versed in that and also very well equipped. Apart from that, I personally have always liked to handle everything digitally. Paper was never my thing. The tablet is my favourite tool. Incidentally, we’ve been holding monthly digital staff meetings with the CEO for communication purposes for a year now. These are streamed worldwide, and anyone can ask questions. That helps a lot. We will now increase the frequency if necessary.

**To what extent is the work in the company affected by the corona crisis? What protective measures has Wintershall Dea taken?**

**Mehren:** We’re currently doing everything we can to stem the spread of the virus and ensure health and safety. At the same time, we need to keep our operations and our businesses running so that we can continue to produce and deliver the energy the world needs. We have implemented the necessary safety measures at all our sites and put emergency plans into place to maintain operations. Our Corona Crisis Team has been meeting daily for quite

some time. Almost all of our staff are working from home at our sites in Kassel and Hamburg, Abu Dhabi, St. Petersburg, Norway and the Netherlands as well as in Brazil and Argentina. In other countries offices are still occupied.

**Is the production suffering in any way from corona?**

**Mehren:** At the moment we're managing to keep our production largely stable. Our advantage is that we produce a lot in extremely remote regions such as Siberia and Tierra del Fuego, or are relatively isolated with offshore platforms on the high seas. Some of them are controlled completely digitally from land at the click of a mouse.

**To what extent is the corona crisis threatening your business? When the economy is at a standstill, oil and gas are not consumed either.**

**Mehren:** We, too, are affected by these developments, but Wintershall Dea is well positioned – even in this crisis. We have an extremely robust portfolio, we produce in 13 countries and at production costs that are almost half the average of our competitors. Our diversified, well-balanced portfolio, which makes us highly crisis-proof, is proving its worth here.

And yes, our merger last year – between Wintershall and DEA – came at just the right moment!

**But the oil price has plummeted dramatically. Will it slump any further? What level do you think is realistic by the end of the year?**

**Mehren:** This depends on many very different factors that are difficult to predict. But it seems evident that the oil and gas prices will be significantly lower than in 2019.

**This is due on the one hand to the corona crisis, and on the other hand to Opec's disputes with Russia. Do you expect the competitors to reach agreement again?**

**Mehren:** Good question. If I knew that, I'd have a very cool job: as a clairvoyant!

**You worked in Russia for a long time. Are you siding with the Russians on this issue?**

**Mehren:** There's only one side to be on now. And that's the side of our world community. We must work together to ensure a functioning global economy.

**Do you expect the corona crisis to have a major impact on the oil and gas industry?**

Our economic environment is nevertheless extremely difficult at present. In many countries, the coronavirus is sending the economy into a tailspin to an extent that we have not experienced for many years. The price development represents an extreme challenge for our industry. Even if we keep our production largely stable, we are still dependent on global market prices.

**Do you expect the corona crisis to affect your company's sales and profits this year?**

**Mehren:** The corona crisis will have an impact on the entire global economy and also on our industry.

**Can you maintain your growth and investment targets? Will you also need to reduce costs?**

**Mehren:** We are well positioned and optimistic. We have very low production costs and at the same time very high reserves. But we have already taken steps to adapt to the new challenges: together with our shareholders, we have decided to suspend the dividend until further notice. We will use this flexibility to shore up our balance sheet.

Our investments for 2020 will be well below our previous plans at between 1.2 to 1.5 billion euros, which is a 20% reduction on what we had planned only recently. Our exploration budget, which will range between 150 and 250 million euros, will also be significantly lower than in 2019. We will also continue to look for opportunities to streamline our portfolio. However, we will only do so where we see appropriate long-term value.

**Wintershall Dea wants to go public. Given the stock market crash, is that still at all realistic?**

**Mehren:** It's no secret that our shareholders want to take us public. We'll be in the starting blocks from summer this year. But it's also no secret that an IPO is always dependent on the market conditions.

**Wintershall Dea CEO  
Mario Mehren**  
The manager is heading Wintershall since 2015 and also has been leading the joint company Wintershall Dea since the merger with DEA in May 2019.

