



wintershall dea

# WINTERSHALL DEA

Q1 2020 RESULTS PRESENTATION

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20 MAY 2020





## Q1 2020 RESULTS PRESENTATION

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This document contains certain non GAAP and non IFRS measures and ratios, including for example EBITDAX and net debt that are not required by, or presented in accordance with, any GAAP or IFRS.

These non GAAP and non IFRS measures and ratios may not be comparable to similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS or any GAAP.

# Q1 2020 HIGHLIGHTS



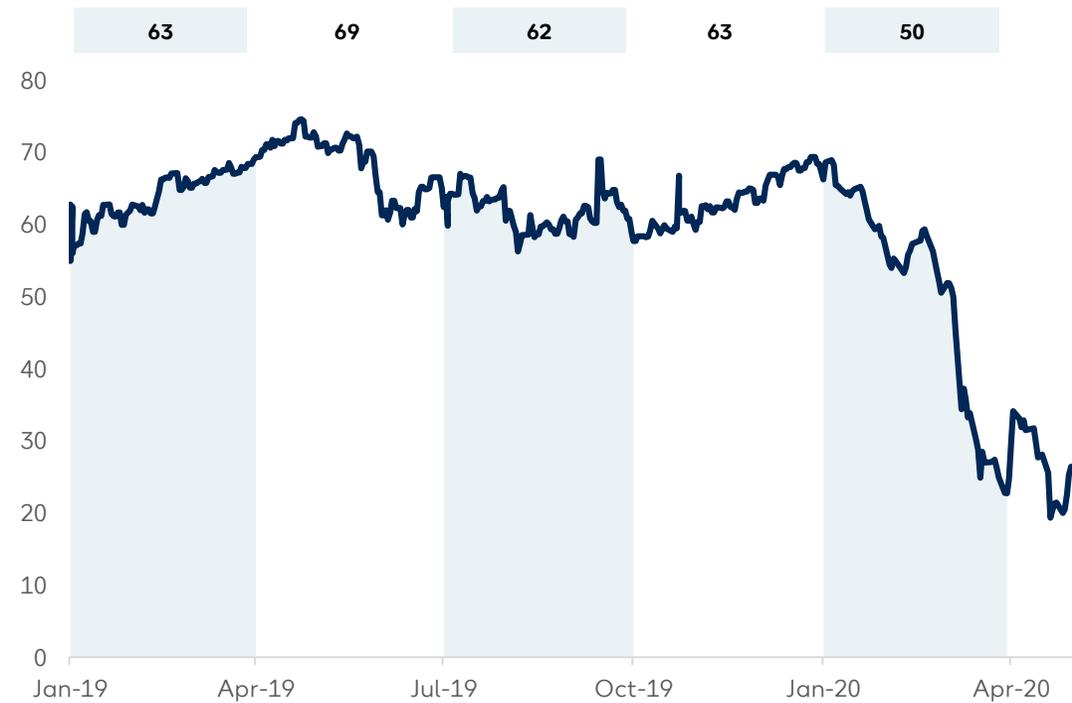
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# MACROECONOMIC BACKDROP

TTF PRICE DEVELOPMENT (\$/MSCF)



BRENT PRICE DEVELOPMENT (\$/BBL)



SOURCE: HEREN/ARGUS/PLATTS; FX CONVERSION ACCORDING TO ECB

# FACING THE CRISIS

**TOP  
PRIORITIES**

- Protecting our people
- Business continuity
- Preserving liquidity



**OUR RESILIENT  
BUSINESS PROFILE**

- Low cost asset base
  - Top decile production cost of \$4.3/boe
  - Free cash flow breakeven<sup>(1)</sup> of ~\$30/boe, reducing to below \$20/boe in 2021
- Midstream business contributing c. €140 million of stable cash flow
- Diversified portfolio with multiple pricing mechanisms



**OUR RESPONSE  
TO THE CRISIS**

- Development capex reduced 30%
- Exploration spend reduced 20%
- Opex reduced 10%
- Dividend suspended
- Increased liquidity to over €2.4 billion

1) ASSUMING \$4/MCF TTF

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# Q1 HIGHLIGHTS

## OPERATIONAL



**Production<sup>(1)</sup>**  
Q1 2019<sup>(2)</sup>: 626 mboe/d



**Production Cost**  
Q1 2019<sup>(2)</sup>: \$4.3/boe



**CAPEX**  
Q1 2019<sup>(2)</sup>: €361 million

## FINANCIAL



**EBITDAX**  
Q1 2019<sup>(2)</sup>: €832 million



**Free Cash Flow**  
Q1 2019<sup>(2)</sup>: €118 million



**Leverage**

## HEALTH AND SAFETY



**LTIF**  
Q1 2019<sup>(2)</sup>: 0.26



**TRIR**  
Q1 2019<sup>(2)</sup>: 3.48

1) EXCLUDING LIBYA ONSHORE PRODUCTION

2) Q1 2019 FIGURES REPRESENT AN AGGREGATION OF WINTERSHALL GROUP AND DEA GROUP FOR JANUARY-MARCH (LIKE-FOR-LIKE) FIGURES

3) BASED ON LAST TWELVE MONTHS EBITDAX; ALL 12M FIGURES REPRESENT AN AGGREGATION OF ACTUAL FIGURES OF WINTERSHALL DEA GROUP FOR MAY 2019-MARCH 2020 AND WINTERSHALL GROUP AND DEA GROUP FOR JANUARY-APRIL 2019

# OPERATIONAL HIGHLIGHTS

- **Development projects:**

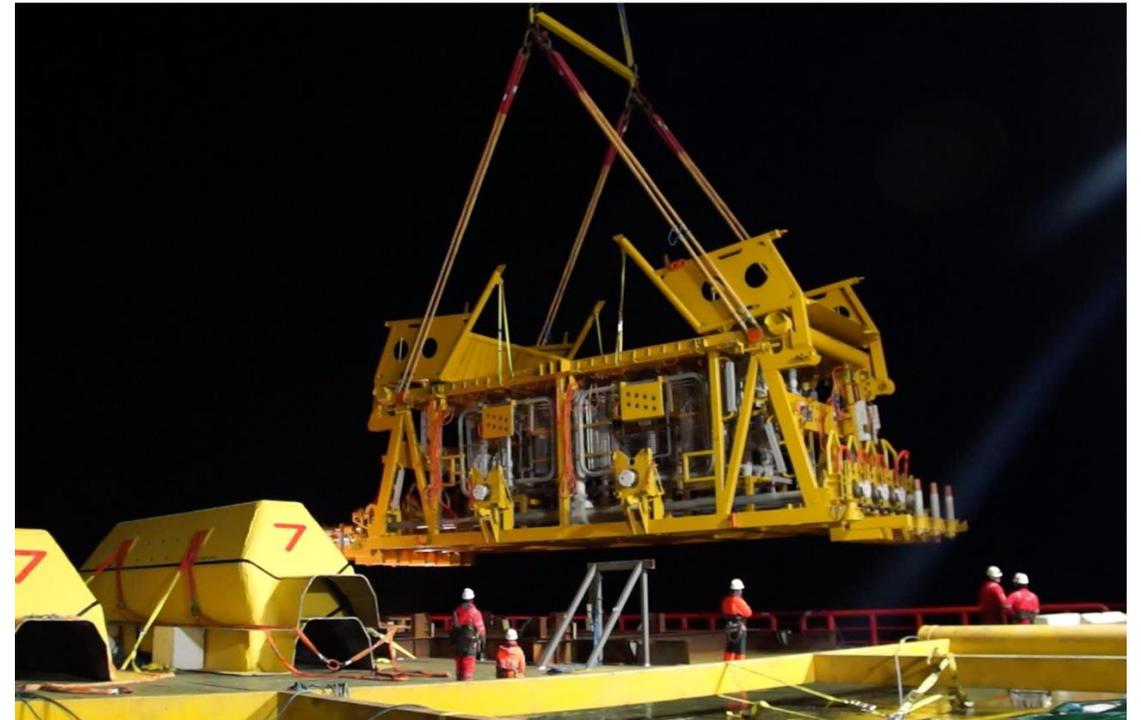
- Achieved first gas from Sillimanite field in the Southern North Sea
- Commencement of first production in Ærfugl phase 2 in Norway ahead of plan
- Nova and Dvalin own-operated projects in Norway progressing to plan

- **Exploration:**

- 3 commercial discoveries in Bergknapp (Norway), Polok and Chinwol (Mexico)

- **Midstream:**

- EUGAL string 1 commissioned



INSTALLATION OF NOVA MANIFOLDS

# Q1 2020 FINANCIAL AND OPERATIONAL RESULTS



Q1 2020 RESULTS PRESENTATION

# RESULTS SUMMARY

	Unit	Q1 2020	Q1 2019 <sup>(2)</sup>	Performance	
Environment	Production <sup>(1)</sup>	mboe/d	626	626	➡ (0%)
	Brent	\$/boe	50	63	⬇ (-21%)
	Gas TTF	\$/mscf	3.7	7.1	⬇ (-48%)
Financial Results	EBITDAX	€ million	481	832	⬇ (-42%)
	Operating Cash Flow	€ million	502	581	⬇ (-14%)
	Capex <sup>(3)</sup>	€ million	357	361	⬇ (-1%)
	Free Cash Flow	€ million	137	118	⬆ (+16%)
	Adjusted Net income <sup>(4)</sup>	€ million	-78	320	⬇ (-126%)
	Unit	31.03.2020	31.12.2019	Performance	
Balance Sheet	Net Debt	€ million	5,713	5,762	⬇ (-1%)
	Leverage Ratio (LTM)	x	2.3	2.0	-

(1) EXCLUDING LIBYA ONSHORE PRODUCTION

(2) DATA FOR THE FIRST THREE MONTH ENDED MARCH 2019 HAS BEEN PREPARED BY AGGREGATING THE FIGURES FOR WINTERSHALL HOLDING GMBH GROUP AND DEA DEUTSCHE ERDOEL AG GROUP WITHOUT ANY PRO FORMA ADJUSTMENTS

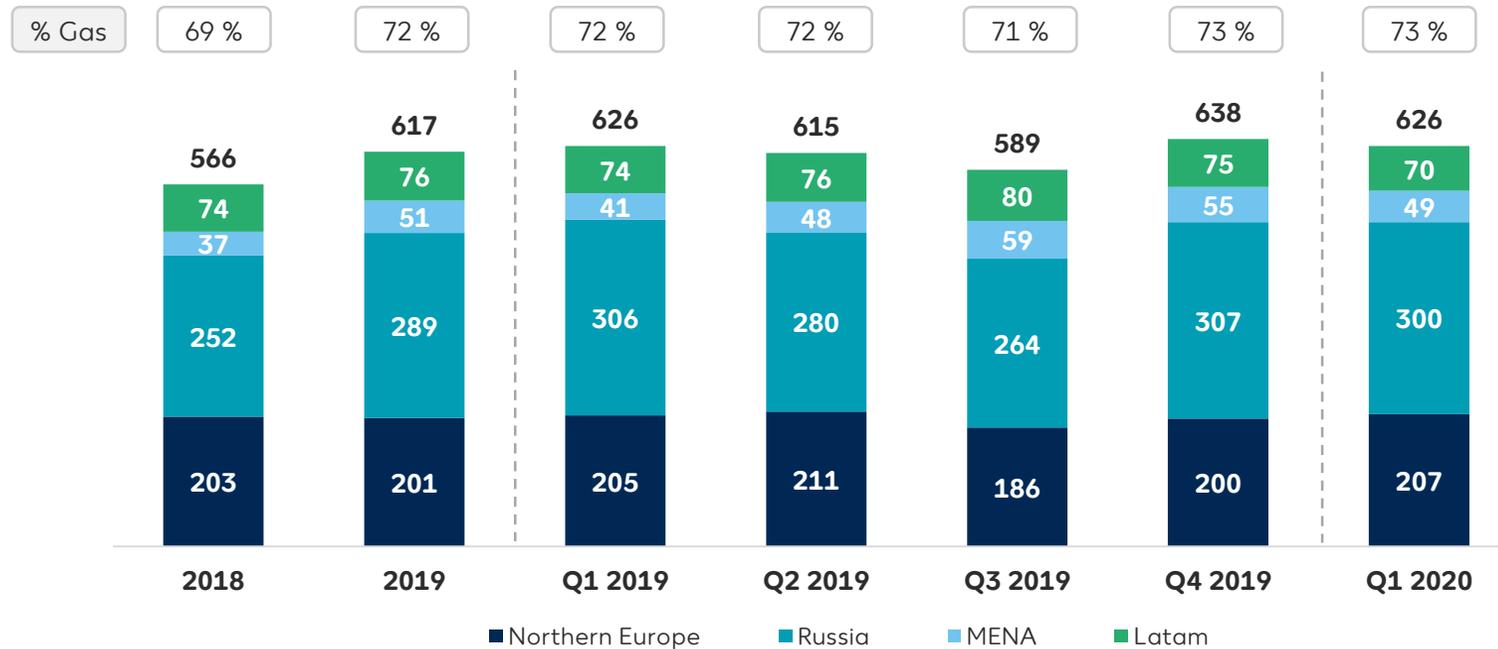
(3) INCLUDING CAPITALIZED EXPLORATION

(4) ADJUSTED FOR INTEGRATION AND RESTRUCTURING COST

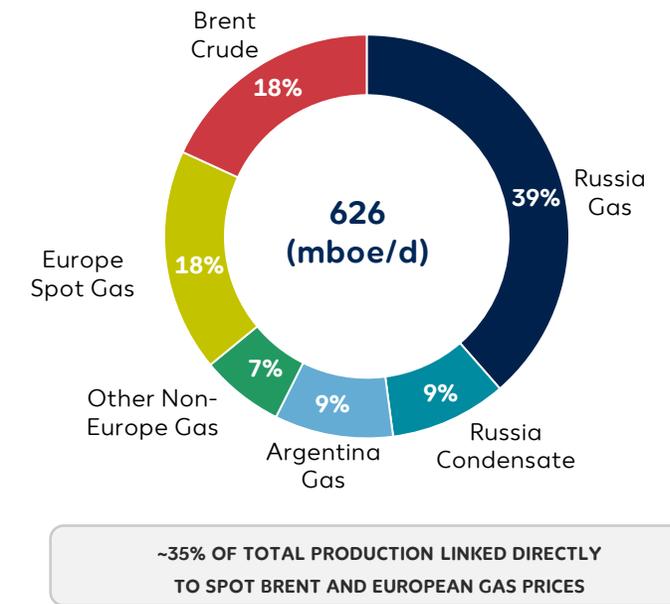
# Q1 2020 RESULTS PRESENTATION

## PRODUCTION

### PRODUCTION<sup>(1)</sup> (WI, MBOE/D)



### Q1 2020 PRODUCTION<sup>(1)</sup> COMPOSITION

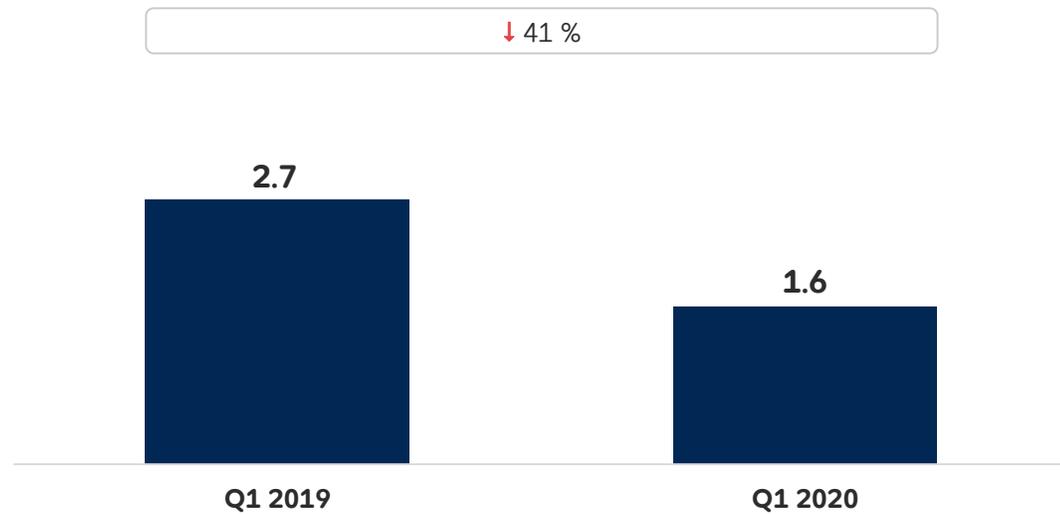


(1) INCLUDES PRODUCTION FROM AT-EQUITY ACCOUNTED COMPANIES, EXCLUDING LIBYA ONSHORE

# Q1 2020 RESULTS PRESENTATION

## REALIZATIONS

### GAS (\$/MSCF)



### LIQUIDS (\$/BOE)

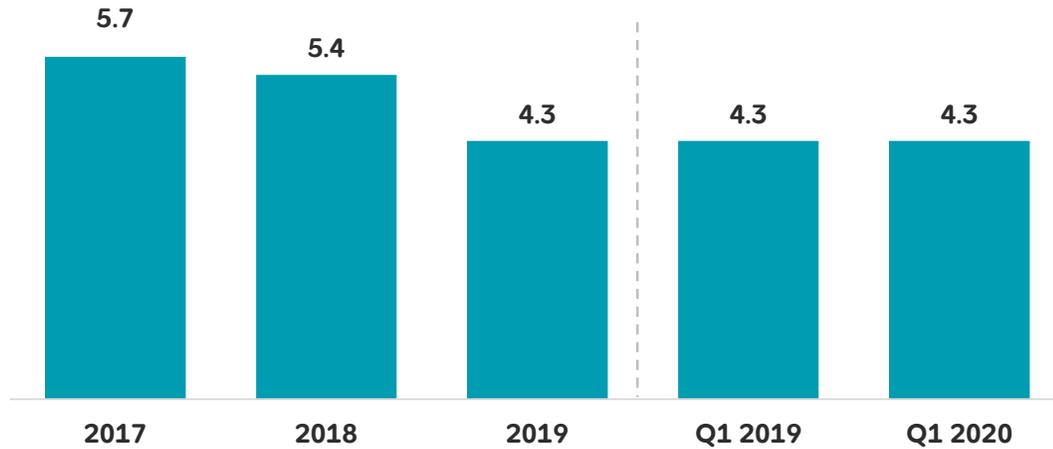


1) 19% DECREASE PRICE CHANGE EXCL. RUSSIAN CONDENSATE  
 2) AVERAGE REALIZED LIQUIDS PRICE INCLUDING OIL PRICE HEDGE RESULT

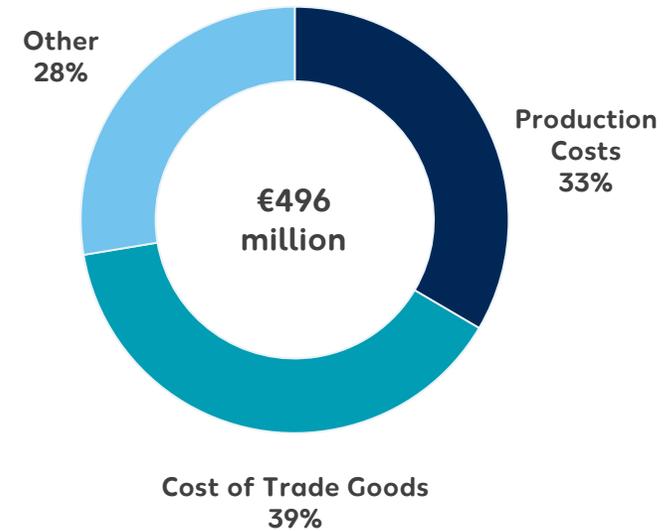
Q1 2020 RESULTS PRESENTATION

# COST PERFORMANCE

PRODUCTION COST EVOLUTION (\$/BOE)



Q1 2020 PRODUCTION AND OPERATING EXPENSES



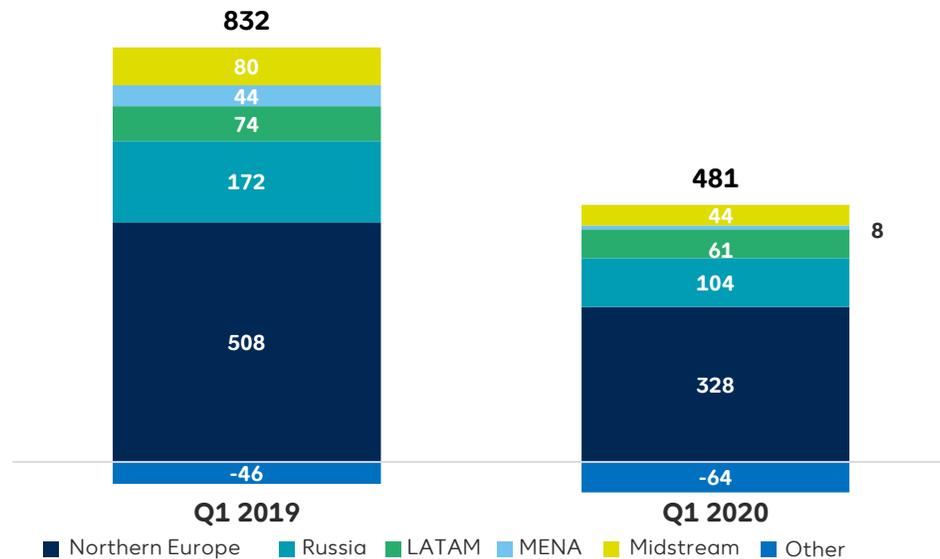
COST OF TRADE GOODS PRIMARILY INCLUDES TRADING ACTIVITIES  
OTHER PRIMARILY INCLUDES TRANSPORT FEES AND LEASES

# Q1 2020 RESULTS PRESENTATION

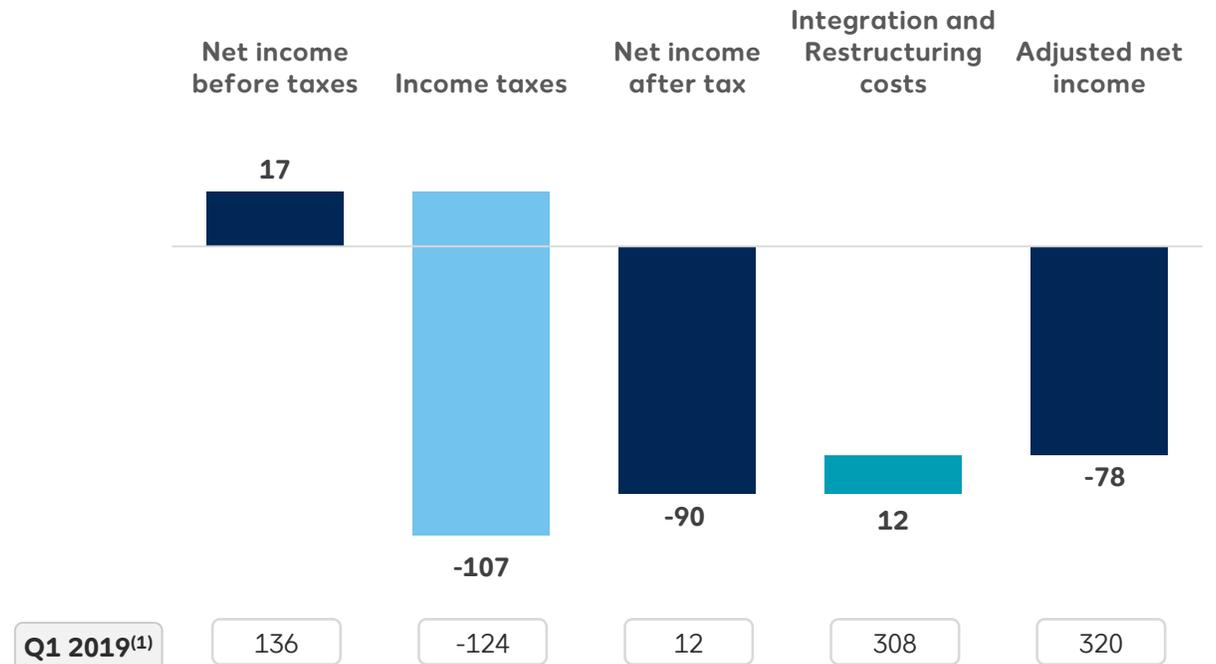
## PROFITABILITY

### EBITDAX (€ MILLION)

↓ 42 %



### Q1 2020 NET INCOME (€ MILLION)

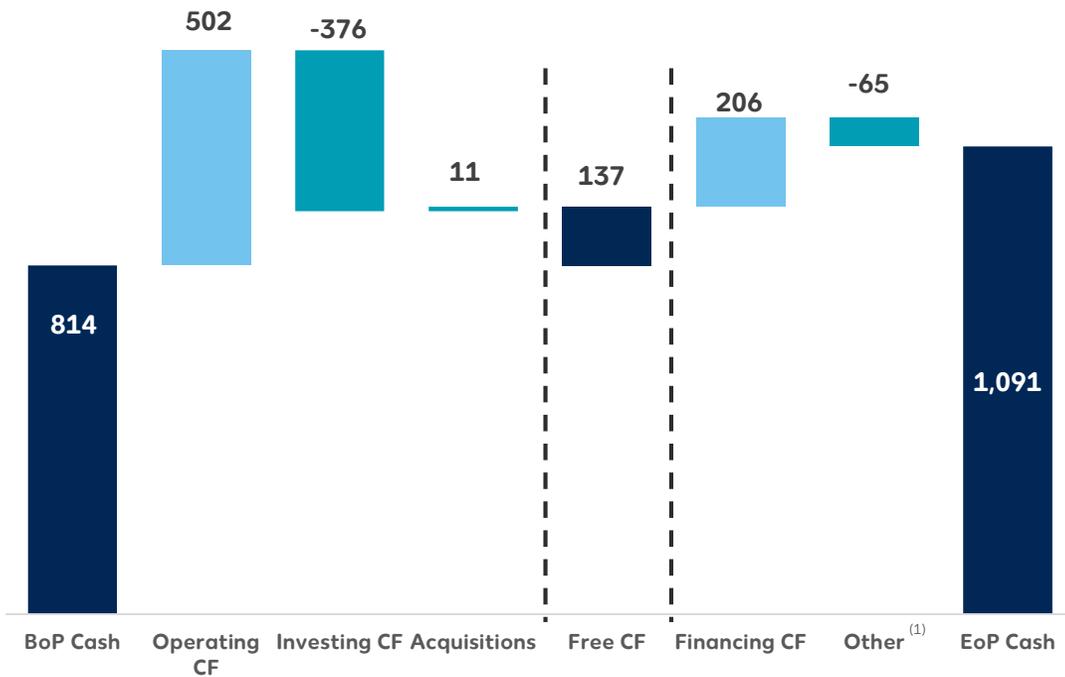


(1) DATA FOR THE FIRST THREE MONTH ENDED MARCH 2019 HAS BEEN PREPARED BY AGGREGATING THE FIGURES FOR WINTERSHALL HOLDING GMBH GROUP AND DEA DEUTSCHE ERDOEL AG GROUP WITHOUT ANY PRO FORMA ADJUSTMENTS

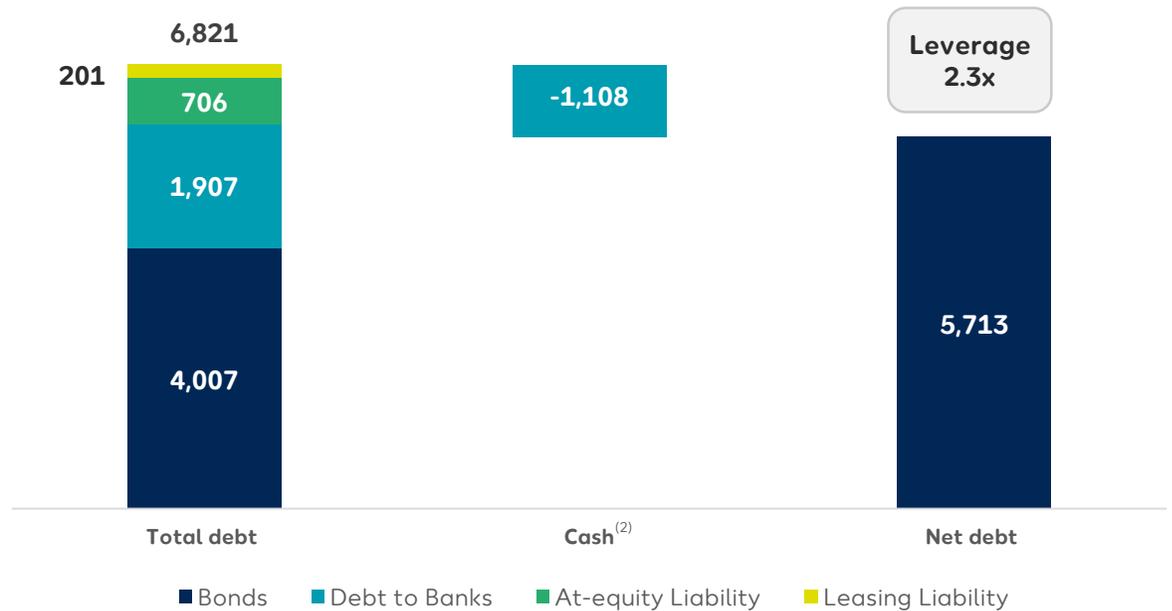
Q1 2020 RESULTS PRESENTATION

# CASH FLOW DEVELOPMENT AND BALANCE SHEET

Q1 CASH FLOW BRIDGE (€ MILLION)



DEBT (€ MILLION)



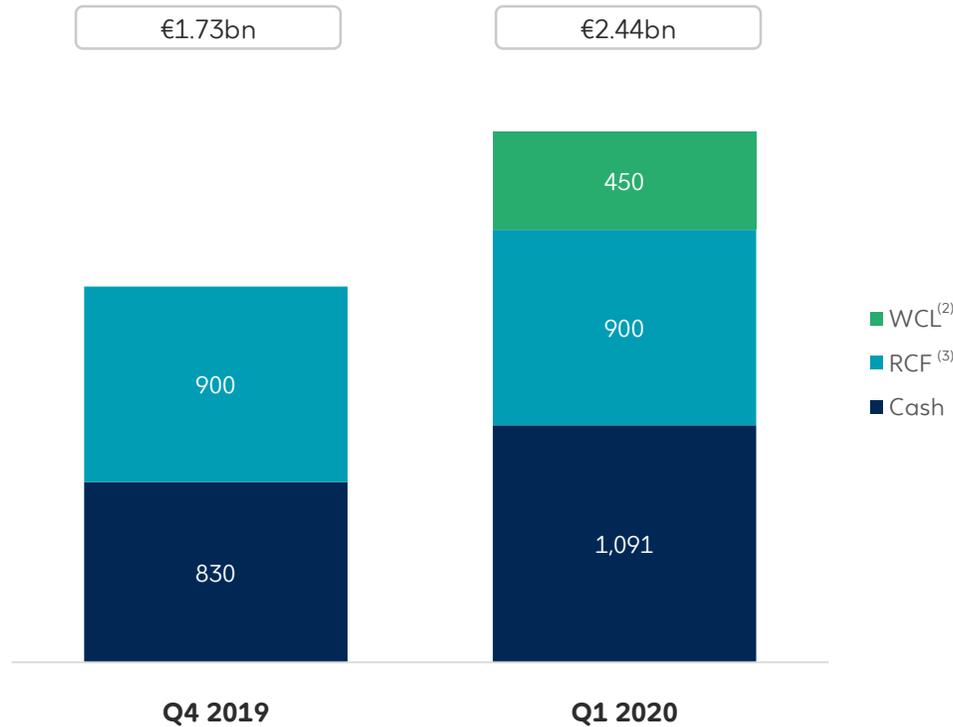
(1) INCLUDING FX AND CHANGE OF CONSOLIDATION

(2) INCLUDES CASH EQUIVALENTS AND FINANCIALS RECEIVABLES FROM CASH POOLING

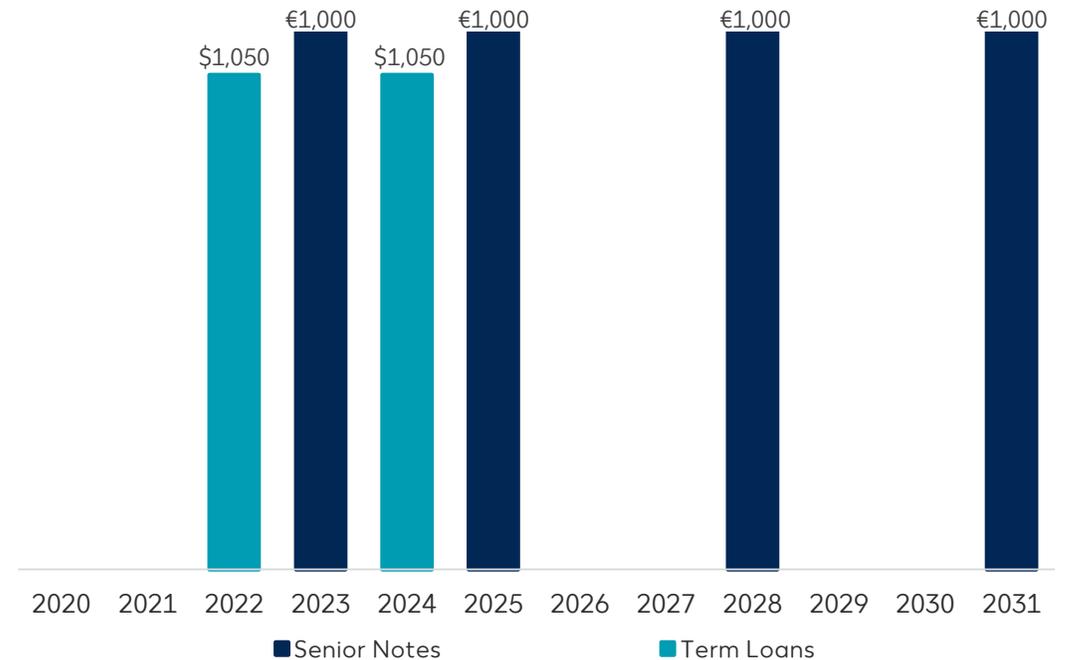
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# LIQUIDITY AND DEBT MATURITY PROFILE

LIQUIDITY EVOLUTION (€ MILLION)



STABLE DEBT MATURITY PROFILE (€ MILLION)<sup>(1)</sup>



(1) INCLUDES ONLY EXTERNAL DEBT; TERM LOAN FACILITIES DENOMINATED IN USD, BUT DRAWN BOTH IN USD AND EUR  
 (2) COMMITTED WORKING CAPITAL LINES SIGNED DURING APRIL 2020  
 (3) UNDRAWN COMMITTED RCF, EXTENDED TO 2025

Q1 2020 RESULTS PRESENTATION

# GUIDANCE AND OUTLOOK

	Q1 2020	2020 Guidance	2020 Revised Guidance
<b>Production<sup>(1)</sup></b> Excluding Libya onshore	626 mboe/d	600 – 630 mboe/d	Unchanged
<b>Production and Development Capex<sup>(2)</sup></b>	€333 million	€1,200 – 1,500 million	Reduced to: €1,000 – 1,200 million
<b>Exploration Expenditures</b>	€71 million	€150 – 250 million	Unchanged
<b>Common Dividend</b>	n/a	Suspended until further notice	Unchanged

(1) INCLUDES IMPACT FROM BOTH CONSOLIDATED AND NON-CONSOLIDATED ENTITIES  
(2) EXCLUDES CAPITALIZED EXPLORATION EXPENDITURES AND NON-CONSOLIDATED ENTITIES



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# APPENDIX

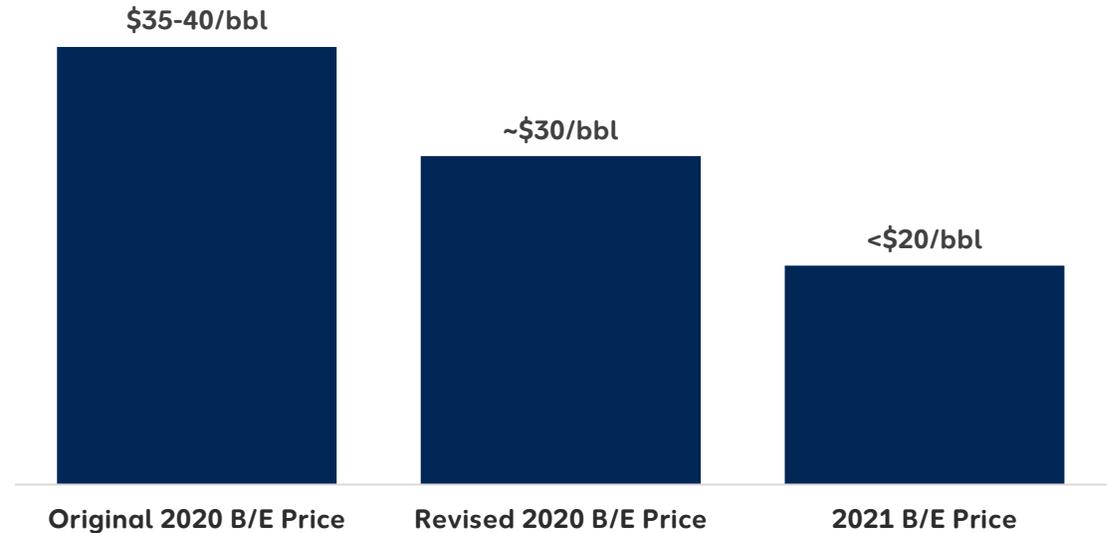


# 2020 FCF BREAK-EVEN AND SENSITIVITIES

## 2020 UPDATED SENSITIVITIES

	EBITDAX	FCF
<b>+/- 10% Brent</b> <small>(Assuming Brent \$31.3/bbl)</small>	+/- €100 million	+/- €90 million
<b>+/- 10% TTF</b> <small>(Assuming TTF \$2.7/mmbtu)</small>	+/- €50 million	+/- €45 million

## FCF BREAK-EVEN PRICES <sup>(1)</sup>



FCF BREAK-EVEN DEFINED AS BRENT PRICE REQUIRED FOR FREE CASH FLOW BEFORE ACQUISITIONS AND DIVIDENDS TO BE ZERO, ASSUMING TTF OF \$4.0 / MCF AND CONSTANT DOMESTIC PRICES.

- Sensitivity applies only on the Brent and European gas part of the portfolio; excludes all domestic contract based portfolio, such as Russia, Argentina, Egypt

## Q1 2020 RESULTS PRESENTATION

# DEFINITIONS

<b>Adjusted Net Income</b>	<ul style="list-style-type: none"> <li>Adjusted net income is net income adjusted for special items such as impairments, expenses related to the merger, deconsolidation effects and other one-off effects</li> </ul>
<b>Break-Even Price</b>	<ul style="list-style-type: none"> <li>FCF Break-even defined as brent price required for free cash flow before acquisitions and dividends to be zero, assuming TTF of \$4.0 / mcf and constant domestic prices.</li> </ul>
<b>CAPEX</b>	<ul style="list-style-type: none"> <li>Capex (excluding M&amp;A, incl. capitalized exploration expenditure) for the Group consists of payments for intangible assets, property, plant and equipment and investment property</li> </ul>
<b>EBITDAX</b>	<ul style="list-style-type: none"> <li>EBITDAX defined as income before tax but adjusted for the following items: financing costs, exploration expense, DD&amp;A and impairments, acquisitions, disposals, extraordinary items, minority interest, FX gains and losses, pensions, loss or gain in relation to disposal of fixed assets</li> </ul>
<b>Free cash flow</b>	<ul style="list-style-type: none"> <li>Free cash flow for the Group comprises the cash flow from operating activities and the cash flow from investing activities but excludes payments for acquisitions</li> </ul>
<b>Leverage</b>	<ul style="list-style-type: none"> <li>Net debt divided by last twelve months EBITDAX</li> </ul>
<b>LTIF</b>	<ul style="list-style-type: none"> <li>Lost time injury frequency per million work-hours</li> </ul>
<b>Net Debt</b>	<ul style="list-style-type: none"> <li>Net debt consists of liabilities to banks, bonds, interest bearing financial liabilities from cash-pooling towards related parties and leasing liabilities less cash and cash equivalents and less interest bearing financial receivables from cash-pooling from related parties</li> </ul>
<b>Production costs</b>	<ul style="list-style-type: none"> <li>Production costs include G&amp;A allocation but exclude export and processing tariffs, finance items and R&amp;D</li> </ul>
<b>TRIR</b>	<ul style="list-style-type: none"> <li>Total Recordable Incident Rate per million hours worked</li> </ul>

NOTE:  
CERTAIN NUMERICAL FIGURES AND PERCENTAGES SET OUT IN THIS PRESENTATION HAVE BEEN SUBJECT TO ROUNDING ADJUSTMENTS.