



wintershall dea

# WINTERSHALL DEA

Q2 2020 RESULTS PRESENTATION

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AUGUST 19, 2020



## Q2 2020 RESULTS PRESENTATION

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# Q2 2020 HIGHLIGHTS



# Q2 2020 RESULTS PRESENTATION

## MACROECONOMIC BACKDROP

### TTF PRICE DEVELOPMENT (\$/MSCF)



### BRENT PRICE DEVELOPMENT (\$/BBL)



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

Q2 2020 RESULTS PRESENTATION

# SECOND QUARTER PERFORMANCE

## OPERATIONAL

**606** Production<sup>(1)</sup>  
mboe/d Q2 2019<sup>(2)</sup>: 614 mboe/d

**3.5** Production Cost  
\$ per boe Q2 2019<sup>(2)</sup>: \$4.1/boe

**367** CAPEX<sup>(3)</sup>  
€ million Q2 2019<sup>(2)</sup>: €465 million

## FINANCIAL

**254** EBITDAX  
€ million Q2 2019<sup>(2)</sup>: €683 million

**-294** Free Cash Flow  
€ million Q2 2019<sup>(2)</sup>: €33 million

**90** Adj. Net Income  
€ million Q2 2019<sup>(2)</sup>: €330 million

## HEALTH AND SAFETY

**0.58** LTIF  
Q2 2019: 0.36

**1.57** TRIR  
Q2 2019: 3.49

1) EXCLUDING LIBYA ONSHORE PRODUCTION

2) LIKE-FOR-LIKE PRESENTATION, AGGREGATING THE INCOME STATEMENT OF THE WINTERSHALL GROUP FOR APRIL 2019 (IN THE NEW REPORTING STRUCTURE), THE INCOME STATEMENT OF THE DEA GROUP FOR APRIL 2019 (IN THE NEW REPORTING STRUCTURE) AND THE INCOME STATEMENT OF THE WINTERSHALL DEA GROUP FOR MAY - JUNE 2019, EFFECTS FROM THE PURCHASE PRICES ALLOCATION ONLY INCLUDED FROM 1 MAY 2019 ONWARDS

3) INCLUDING CAPITALIZED EXPLORATION AND ACQUISITIONS

# DELIVERING ON CRISIS ACTIONS

## TOP PRIORITIES

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Protecting our people

Business continuity

Balance sheet

## IMPLEMENTED DECISIVE MEASURES

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-  Production and development capex budget reduced by 30%
-  Exploration budget reduced by 20%
-  Opex budget reduced by 10%
-  Dividend suspended

## CONTINUING TO DELIVER

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No material impact to production

Record low production costs of \$3.5/boe in Q2 achieved

Positive free cash flow outlook for 2020

Q2 2020 RESULTS PRESENTATION

# SECOND QUARTER OVERVIEW

## Strong operational performance

- Stable production
- 2020 project delivery on track
- Two near field discoveries in Norway
- Evaluation of Mexico discoveries and follow-up potential ongoing

## Financial performance impacted by low commodity prices

- €776 million post-tax impairment charge taken

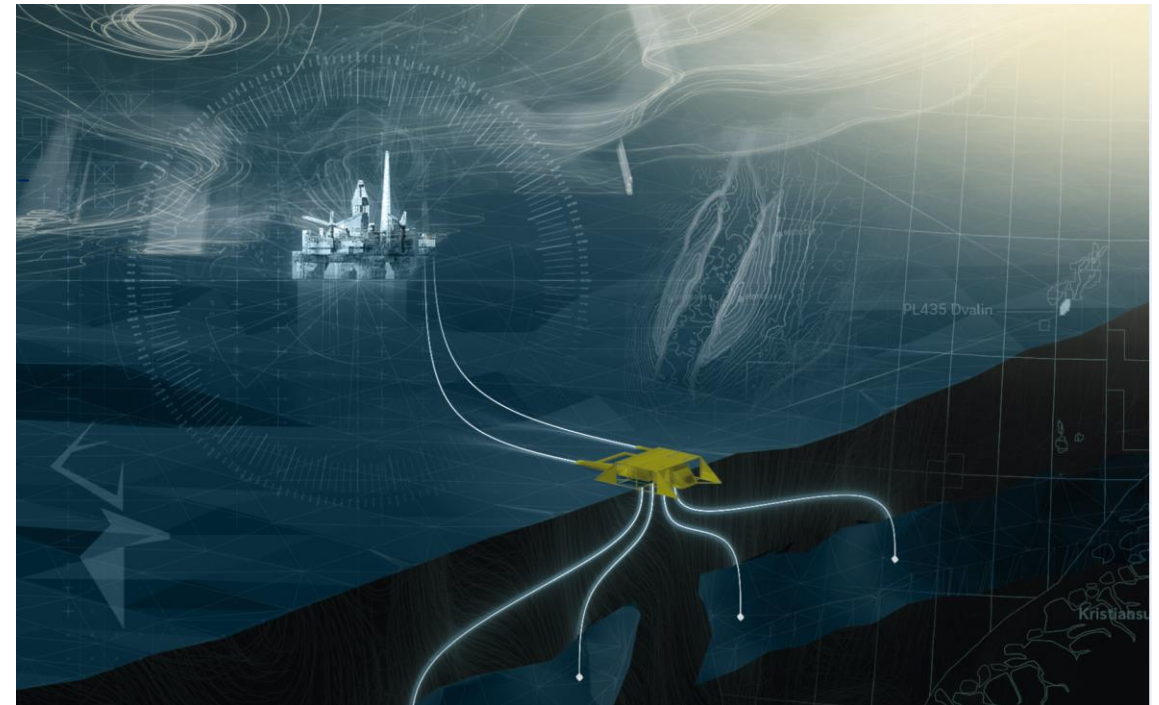
## Delivering on crisis actions

- Spending cuts on track
- Record low production costs at \$3.5/boe

## Forecasting Free Cash Flow positive Full Year Outlook

- Temporary tax incentives in Norway

## Reaffirmed credit ratings at Baa2/BBB (neg/sta)



DVALIN DEVELOPMENT CONCEPT



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# FINANCIAL AND OPERATIONAL RESULTS





Q2 2020 RESULTS PRESENTATION

# RESULTS SUMMARY

	Unit	Q2 2020	Q2 2019 <sup>(2)</sup>	
Environment	<b>Production<sup>(1)</sup></b>	mboe/d	606	614
	<b>Brent</b>	\$/boe	30	69
	<b>Gas TTF</b>	\$/mscf	2.1	4.8
Financial Results	<b>EBITDAX</b>	€ million	254	683
	<b>Operating Cash Flow</b>	€ million	99	494
	<b>Capex<sup>(3)</sup></b>	€ million	367	465
	<b>Free Cash Flow</b>	€ million	-294	33
	<b>Adjusted Net income<sup>(4)</sup></b>	€ million	90	330
Balance Sheet Liquidity		<b>30.06.2020</b>	<b>31.03.2020</b>	
	<b>Net Debt</b>	€ million	5,999	5,713
	<b>Leverage Ratio (LTM)</b>	x	2.9	2.3
	<b>Liquidity</b>	€ million	1,797	2,441 <sup>(5)</sup>

(1) EXCLUDING LIBYA ONSHORE PRODUCTION; THE PERIOD Q2 2019 COMPRISES PRODUCTION FOR WINTERSHALL DEA GROUP ON A LIKE-FOR-LIKE BASIS (AGGREGATING PRODUCTION FOR WINTERSHALL GROUP FOR APRIL 2019, THE PRODUCTION FOR DEA GROUP FOR APRIL 2019 AND THE PRODUCTION FOR WINTERSHALL DEA GROUP FOR MAY - JUNE 2019) ON A WORKING INTEREST BASIS; INCLUDING PROPORTIONAL PRODUCTION FROM AT EQUITY ACCOUNTED COMPANIES

(2) LIKE-FOR-LIKE PRESENTATION, AGGREGATING THE INCOME STATEMENT OF THE WINTERSHALL GROUP FOR APRIL 2019 (IN THE NEW REPORTING STRUCTURE), THE INCOME STATEMENT OF THE DEA GROUP FOR APRIL 2019 (IN THE NEW REPORTING STRUCTURE) AND THE INCOME STATEMENT OF THE WINTERSHALL DEA GROUP FOR MAY - JUNE 2019, EFFECTS FROM THE PURCHASE PRICE ALLOCATION ONLY INCLUDED FROM 1 MAY 2019 ONWARDS.

(3) INCLUDING CAPITALIZED EXPLORATION AND ACQUISITIONS

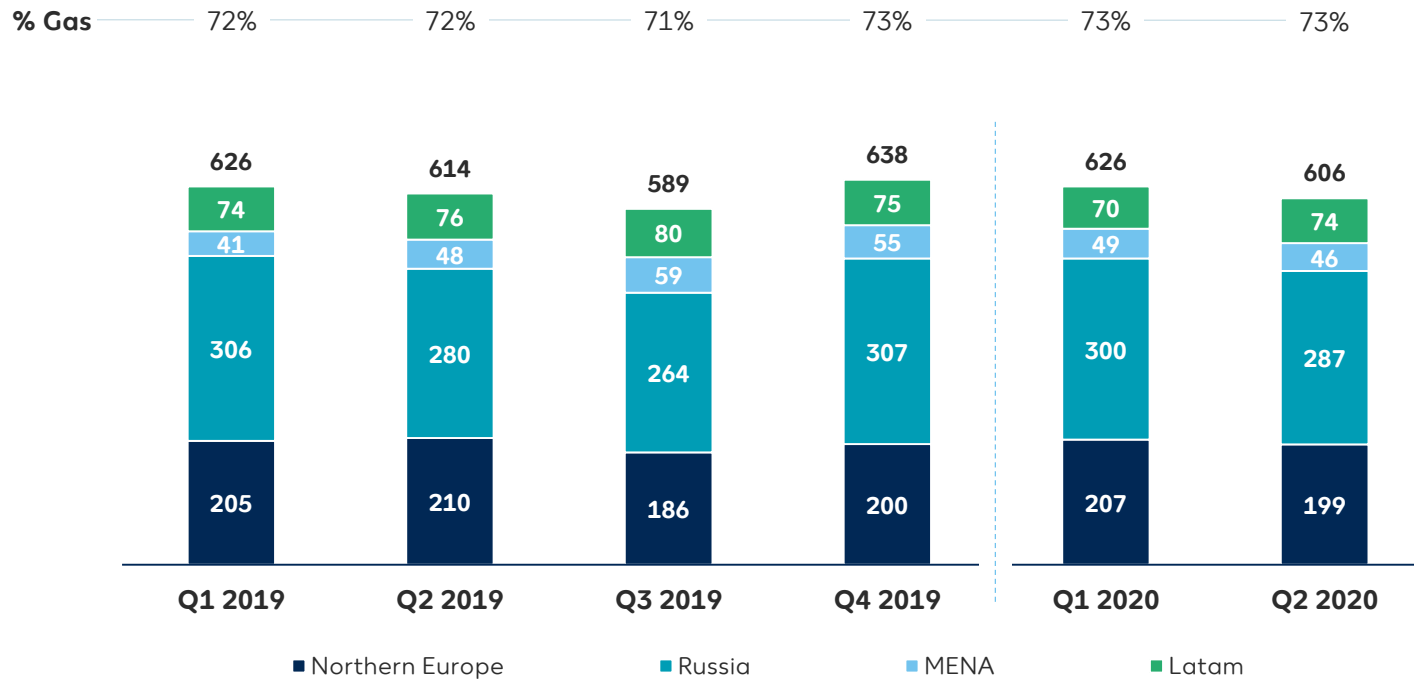
(4) ADJUSTED FOR SPECIAL ITEMS LIKE IMPAIRMENT LOSSES AND EXPENSES RELATED TO THE MERGER SUCH AS RESTRUCTURING AND INTEGRATION

(5) AS REPORTED, INCLUDING WORKING CAPITAL LINES SIGNED AFTER QUARTER END

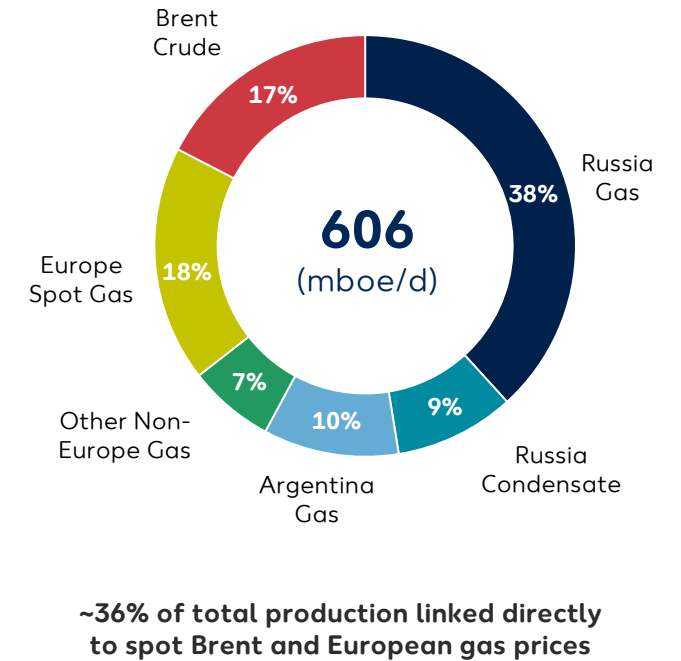
# Q2 2020 RESULTS PRESENTATION

## PRODUCTION

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



Q2 2020 PRODUCTION<sup>(1)</sup> COMPOSITION

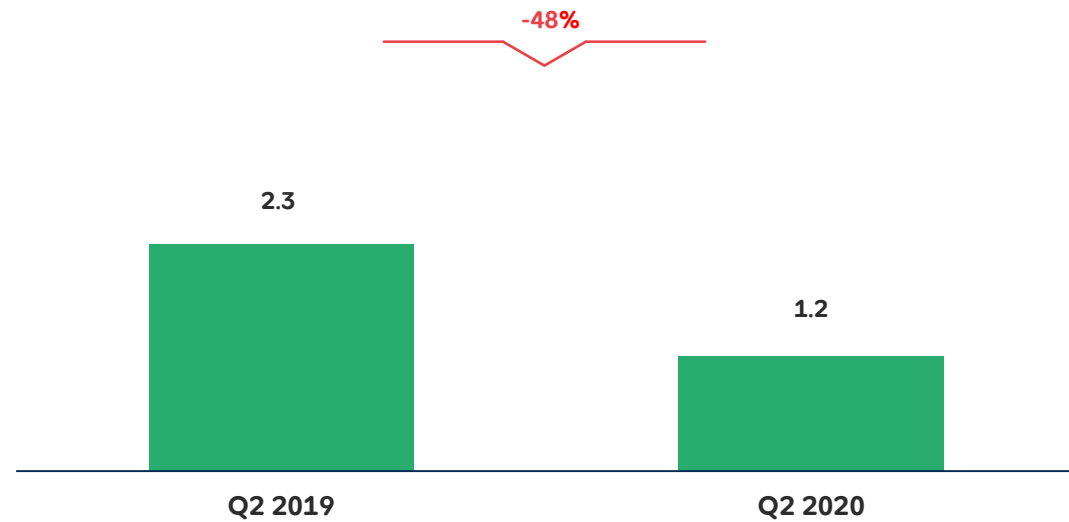


(1) INCLUDES PRODUCTION FROM AT-EQUITY ACCOUNTED COMPANIES, EXCLUDING LIBYA ONSHORE VOLUMES

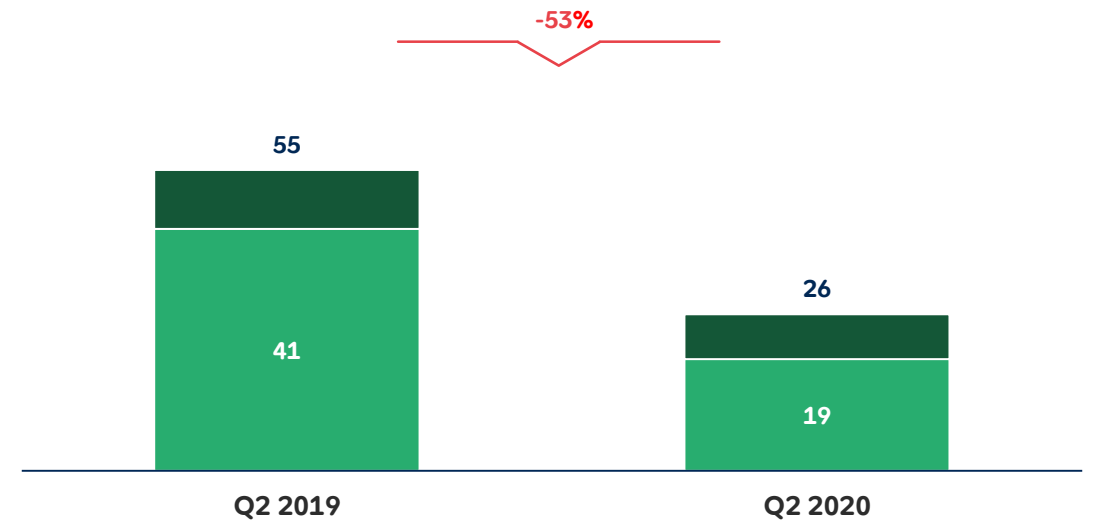
# Q2 2020 RESULTS PRESENTATION

## REALIZATIONS

### GAS (\$/MSCF)



### LIQUIDS (\$/BOE)



■ Realized price <sup>(1)</sup> ■ Realized price, excl. Russian condensate

TTF  
(\$/MCF)

4.8

-56%

2.1

BRENT  
(\$/BBL)

69

-57%

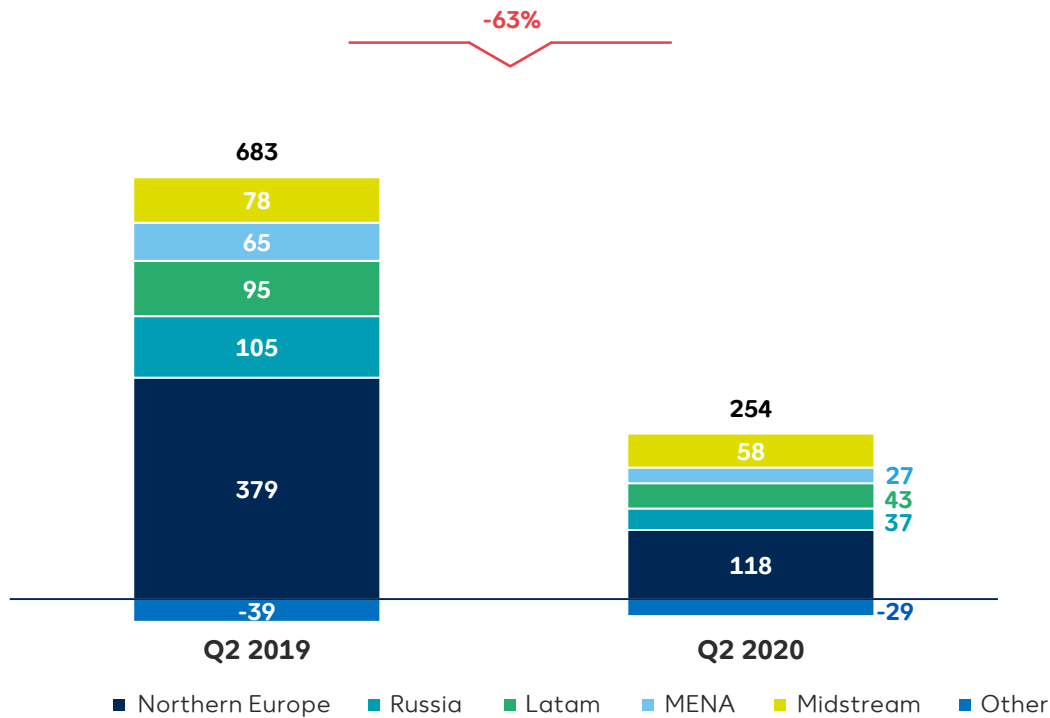
30

1) AVERAGE REALIZED LIQUIDS PRICE INCLUDING OIL PRICE HEDGE RESULT

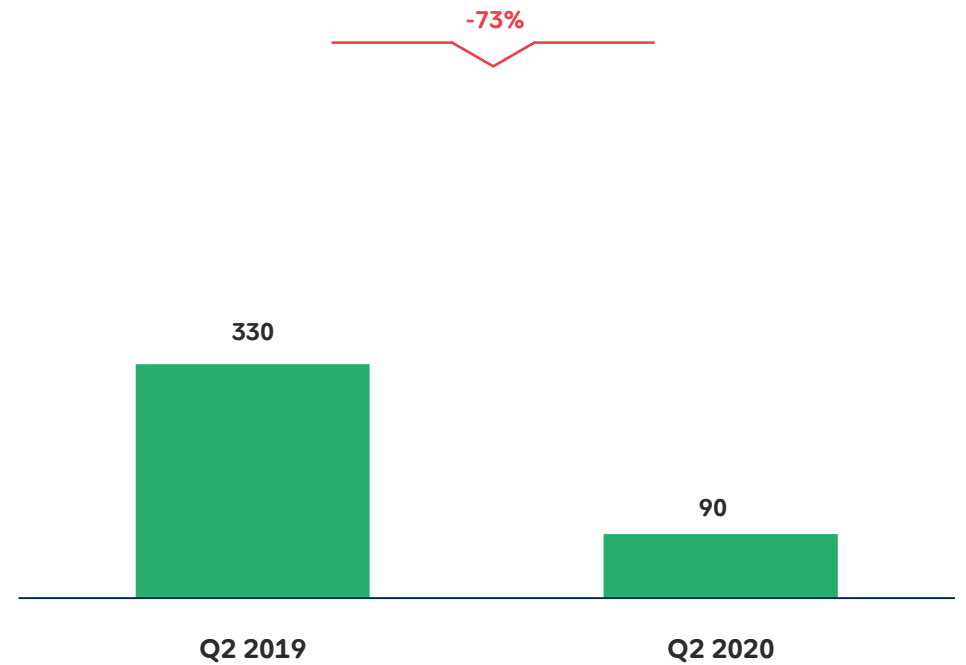
# Q2 2020 RESULTS PRESENTATION

## PROFITABILITY

EBITDAX (€ MILLION)



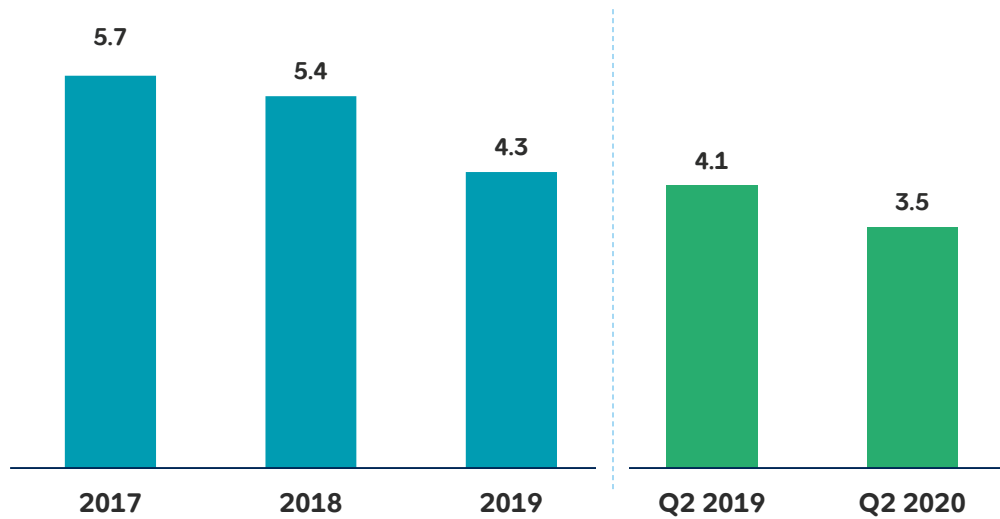
ADJUSTED NET INCOME (€ MILLION)



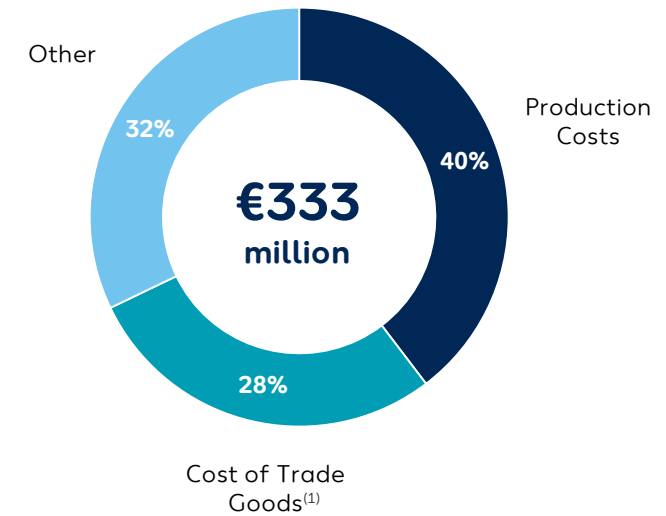
Q2 2020 RESULTS PRESENTATION

# COST PERFORMANCE

PRODUCTION COST EVOLUTION (\$/BOE)



PRODUCTION AND OPERATING EXPENSES

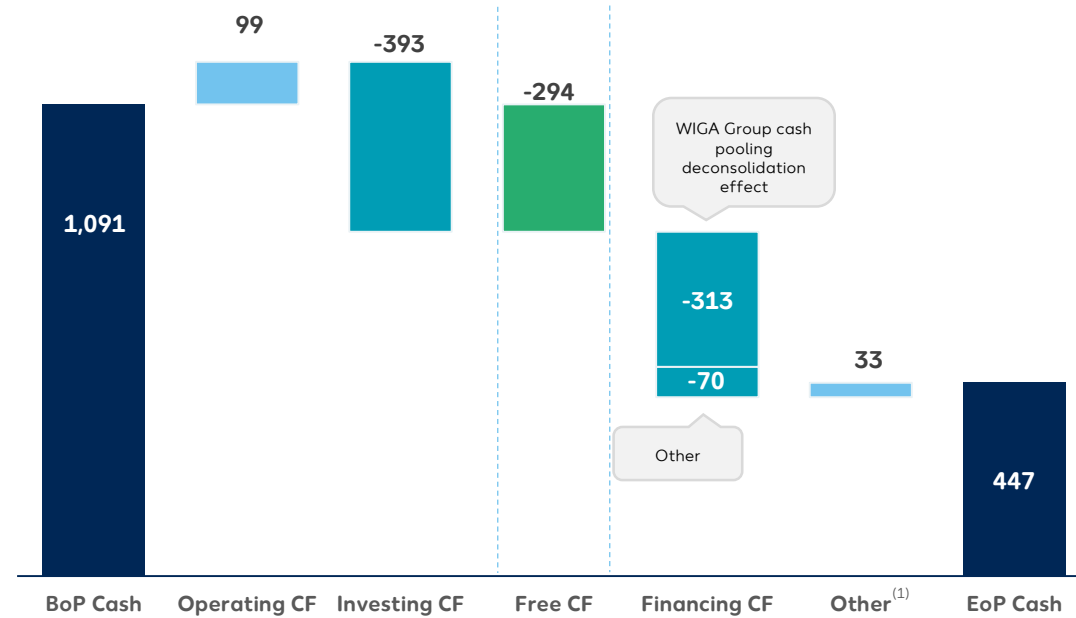


1) COST OF TRADE GOODS INCLUDES PRIMARILY TRADING ACTIVITIES. OTHER PRIMARILY INCLUDES TRANSPORT FEES AND LEASES AND OTHER COST OF SALES

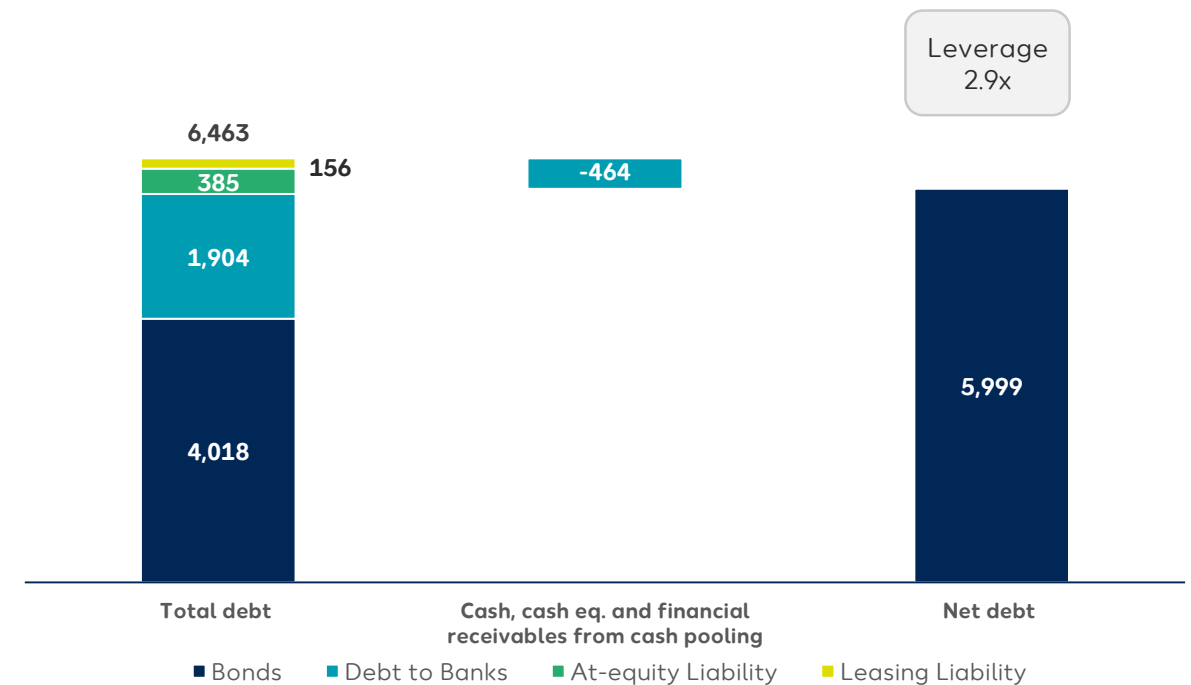
Q2 2020 RESULTS PRESENTATION

# CASH FLOW DEVELOPMENT AND BALANCE SHEET

CASH FLOW BRIDGE (€ MILLION)



NET DEBT POSITION (€ MILLION)

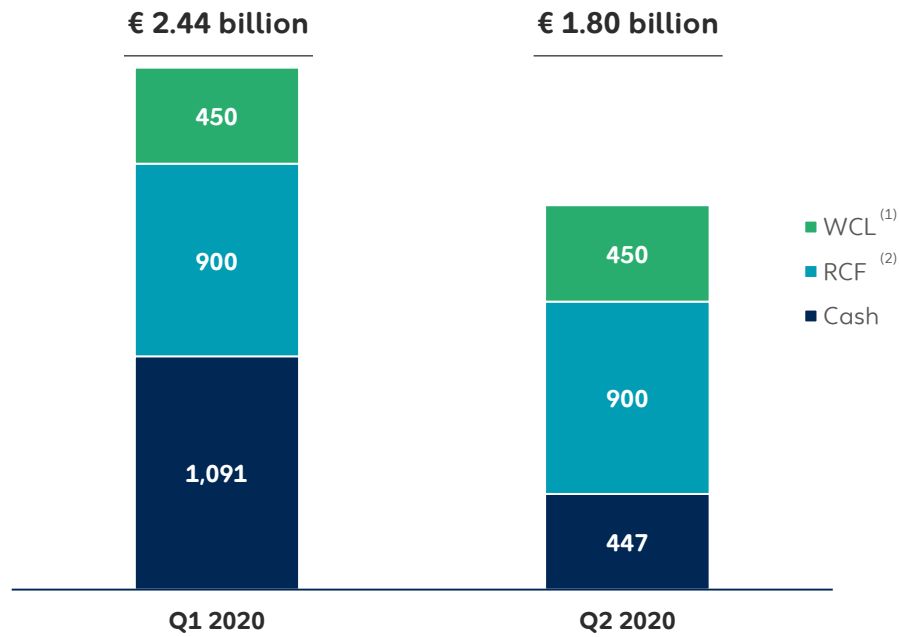


(1) INCLUDING FX AND CHANGE OF CONSOLIDATION

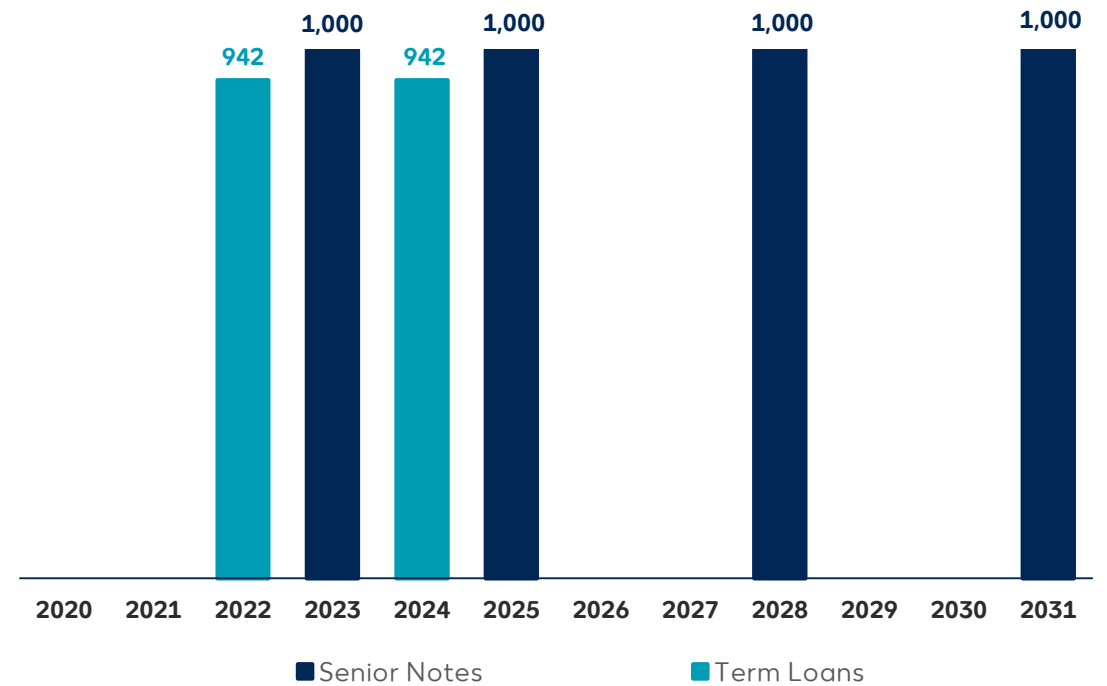
Q2 2020 RESULTS PRESENTATION

# LIQUIDITY AND DEBT MATURITY PROFILE

LIQUIDITY EVOLUTION (€ MILLION)



STABLE DEBT MATURITY PROFILE (€ MILLION)<sup>(3)</sup>



(1) WORKING CAPITAL LINES SIGNED IN APRIL 2020

(2) UNDRAWN COMMITTED RCF, DUE 2025

(3) INCLUDES ONLY EXTERNAL DEBT; TERM LOANS DENOMINATED IN USD WITH NOMINAL SIZE \$1,050 MILLION EACH, BUT DRAWN BOTH IN USD AND EUR

# GUIDANCE AND OUTLOOK

	Q2 2020	H1 2020	2020 Guidance (Q1)
<b>Production<sup>(1)</sup></b>	606 mboe/d	617 mboe/d	600 - 630 mboe/d
<b>Production and Development Capex<sup>(2)</sup></b>	€356 million	€689 million	€1,000 - 1,200 million
<b>Exploration Expenditures</b>	€32 million	€103 million	€150 - 250 million
<b>Common Dividend</b>	n/a	n/a	Suspended until further notice

(1) INCLUDES IMPACT FROM BOTH CONSOLIDATED AND NON-CONSOLIDATED ENTITIES, EXCLUDING LIBYA ONSHORE PRODUCTION  
 (2) EXCLUDES CAPITALIZED EXPLORATION EXPENDITURES AND NON-CONSOLIDATED ENTITIES



# APPENDIX

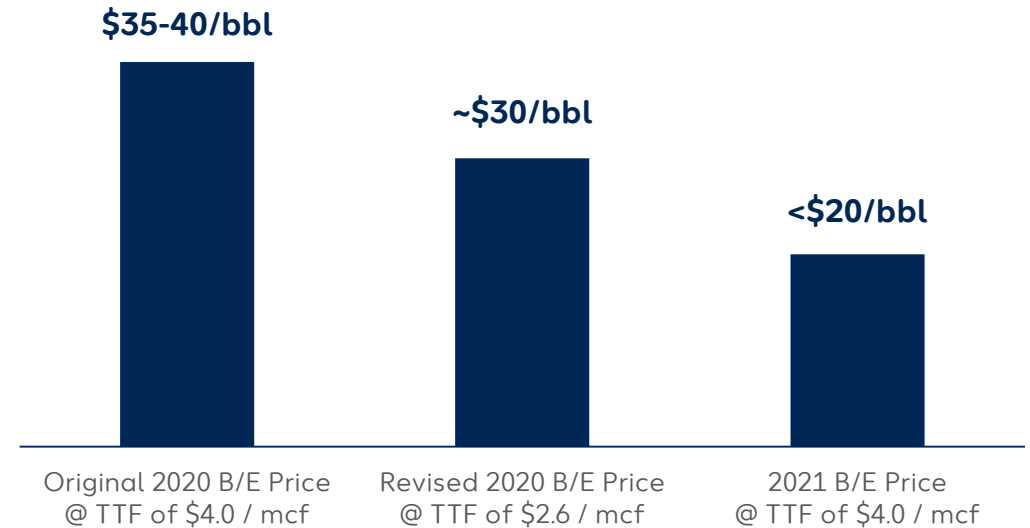


# 2020 FCF BREAK-EVEN AND SENSITIVITIES

## 2020 UPDATED SENSITIVITIES

## FCF BREAK-EVEN PRICES

	EBITDAX	FCF
<b>+/- 10% Brent</b> <small>(Assuming Brent \$30.7/bbl)</small>	+/- ~€95 million	+/- ~€90 million
<b>+/- 10% TTF</b> <small>(Assuming TTF \$2.6/mmbtu)</small>	+/- ~€50 million	+/- ~€45 million



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

FCF Break-even defined as Brent price required for free cash flow before acquisitions and dividends to be zero constant domestic prices.

## Q2 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, identified 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.