



wintershall dea

# WINTERSHALL DEA

Q2 2021 RESULTS PRESENTATION

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27 July 2021

## Q2 2021 RESULTS PRESENTATION

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### **Forward-Looking Statements**

This document includes projections and other "forward-looking statements", which are based on expectations of the Company's management and projections about future events and financial performance as of the date of the presentation. These forward-looking statements involve a number of risks, uncertainties, and assumptions about the Company and its subsidiaries, which are beyond the control of the Company. In light of these risks, uncertainties and assumptions, actual results may not occur or may differ materially from those predicted in the forward-looking statements and from the past performance of the Company. As a result, you should not rely on these forward-looking statements. The Company accepts no obligation to update any forward-looking statements set forth herein or to adjust them to future events or developments.

### **Non GAAP and Non IFRS Financial Measures**

This document contains certain non GAAP and non IFRS measures and ratios, including for example EBITDAX, net debt, net working capital, coverage ratios and EBITDAX per boe 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. The Company's management uses these measures to measure operating performance and liquidity as a basis for strategic planning and forecasting, as well as monitoring certain aspects of our operating cash flow and liquidity. Non GAAP and non IFRS measures and ratios such as EBITDAX, coverage ratios and EBITDAX per boe are not measurements of the Company's performance or liquidity under IFRS and should not be considered as alternatives to operating profit, profit for the year, capital expenditure or any other performance measures derived in accordance with IFRS or any GAAP or as alternatives to cash flow from operating, investing or financing activities.

Some of the limitations of EBITDAX are:

- They do not reflect the Company's cash expenditures or future requirements for contractual commitments
- They do not reflect changes in, or cash requirements for, our working capital needs
- They do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt
- Although depreciation and amortization are non cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDAX does not reflect any cash requirements that would be required to make such replacements; and
- They do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations

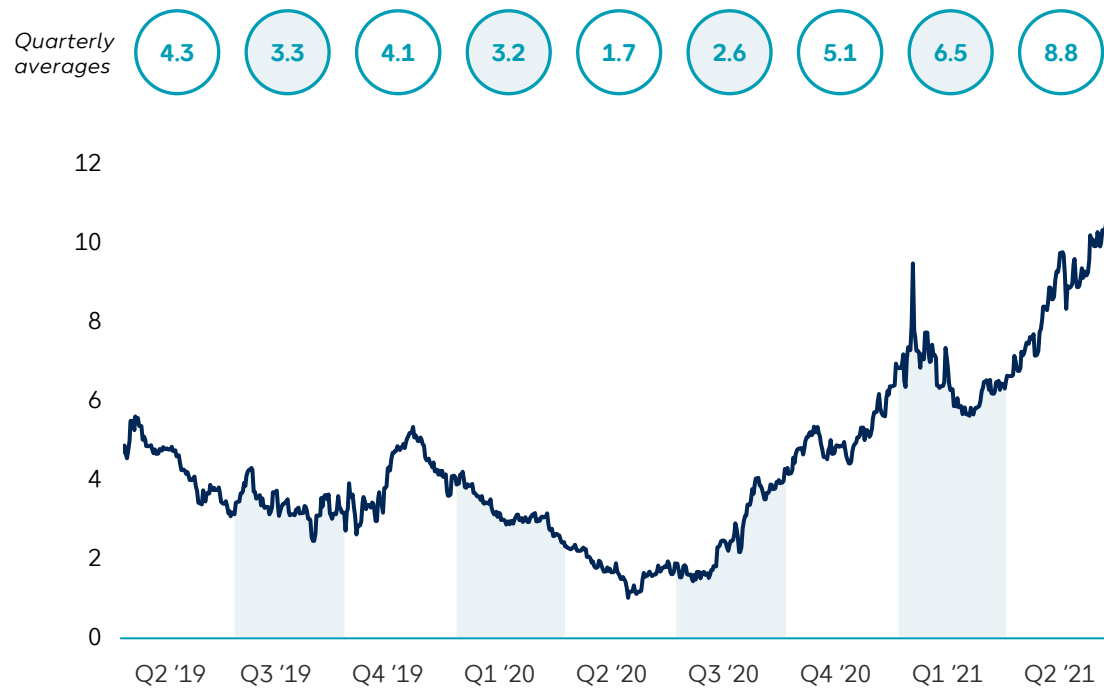
Because of these limitations, EBITDAX should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations.



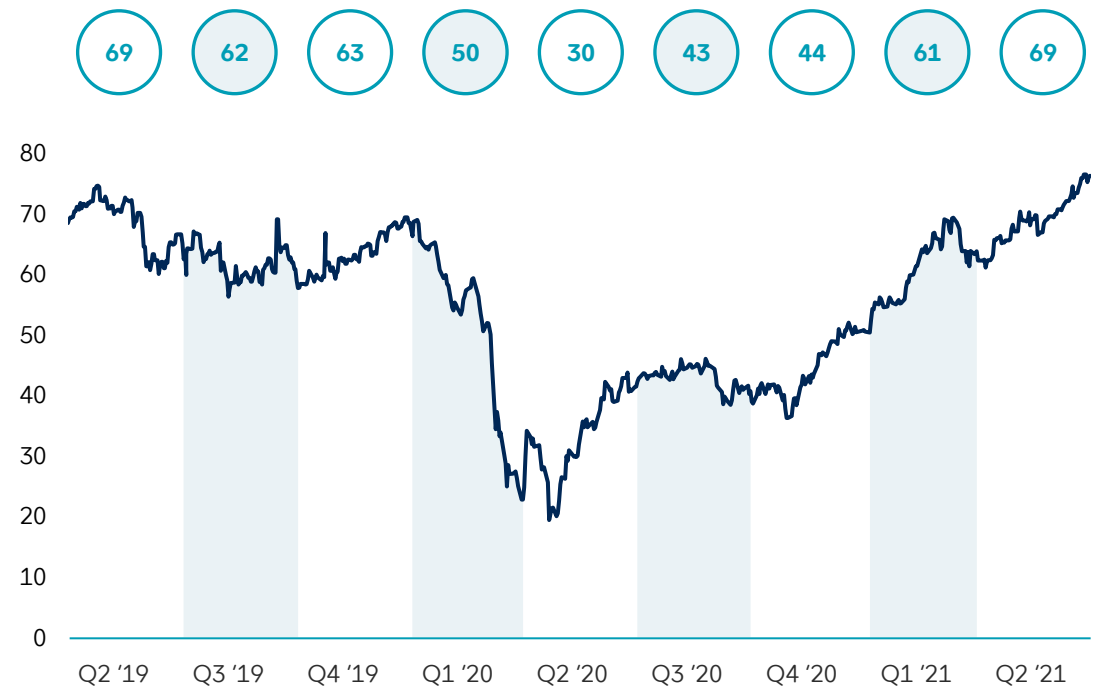
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# MACROECONOMIC BACKDROP

## TTF PRICE DEVELOPMENT (\$/MSCF)



## BRENT PRICE DEVELOPMENT (\$/BBL)

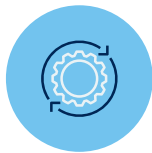


SOURCE: HEREN/ARGUS; FX CONVERSION ACCORDING TO ECB:

SOURCE: PLATTS

# KEY MESSAGES

## STRONG FINANCIALS AND OPERATIONS



### OPERATIONAL PERFORMANCE

- Recent start-ups Raven and Achimov 4A/5A performing well
- Norwegian major projects on track for H2 2022 start-up
- Dvalin North discovery – exploration success near current development Dvalin



### FINANCIAL HIGHLIGHTS

- Strong financial performance
- Final outstanding term loan repaid; leverage reduced to 1.7x
- Rating stabilised by Moody's at Baa2 stable
- Distributed final 2021 common dividend of €100 million; total dividends paid of €686 million in 2021<sup>1</sup>



### OTHER DEVELOPMENTS AND UPDATES

- Further asset divestments in Germany and Russia
- IPO targeted post 2021
- Corporate conversion to a joint-stock company completed in July 2021

<sup>1</sup> | COMMON DIVIDEND OF €600 MILLION, PREFERRED DIVIDEND OF €86 MILLION

# FINANCIAL AND OPERATIONAL RESULTS

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Q2 2021 RESULTS PRESENTATION

# Q2 2021 PERFORMANCE SUMMARY

## HEALTH AND SAFETY

**2.74** **TRIR<sup>1</sup>**  
 Q2 2020: 1.75  
 Q1 2021: 2.40

**0.59** **LTIF<sup>1</sup>**  
 Q2 2020: 0.61  
 Q1 2021: 0.80

## OPERATIONAL

YoY

**613** **PRODUCTION<sup>2</sup>**  
 mboe/d  
 Q2 2020: 606 mboe/d  
 Q1 2021: 659 mboe/d



**3.9** **PRODUCTION COST**  
 € per boe  
 Q2 2020: €3.2 /boe  
 Q1 2021: €3.2 /boe



**223** **CAPEX<sup>3</sup>**  
 € million  
 Q2 2020: €356 million  
 Q1 2021: €239 million



## FINANCIAL

YoY

**636** **EBITDAX**  
 € million  
 Q2 2020: €265 million  
 Q1 2021: €704 million



**168** **ADJ. NET INCOME**  
 € million  
 Q2 2020: €87 million  
 Q1 2021: €171 million



**398** **FREE CASH FLOW**  
 € million  
 Q2 2020: -€291 million  
 Q1 2021: €400 million



1 | FIGURES ARE BASED ON THE LAST 12 MONTHS

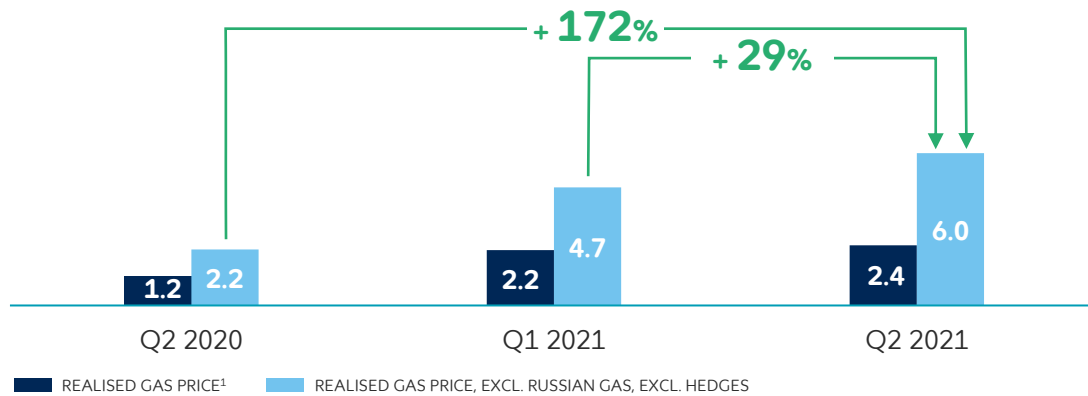
2 | ON A WORKING INTEREST BASIS, INCLUDING PROPORTIONAL PRODUCTION FROM AT EQUITY ACCOUNTED COMPANIES, EXCLUDING LIBYA ON-SHORE PRODUCTION

3 | EXCLUDING CAPITALIZED EXPLORATION AND ACQUISITIONS

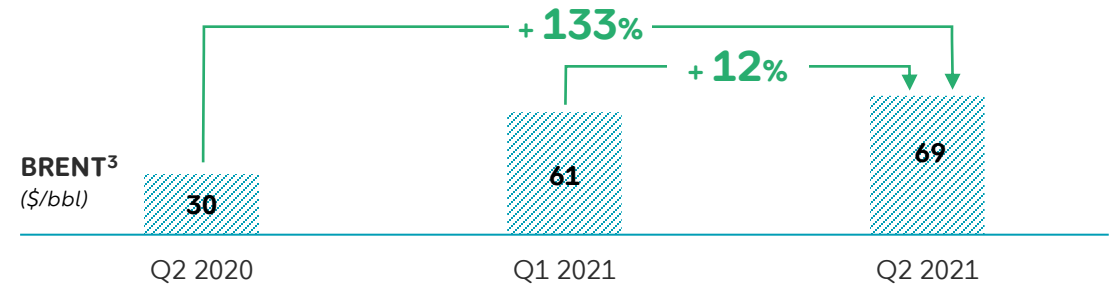
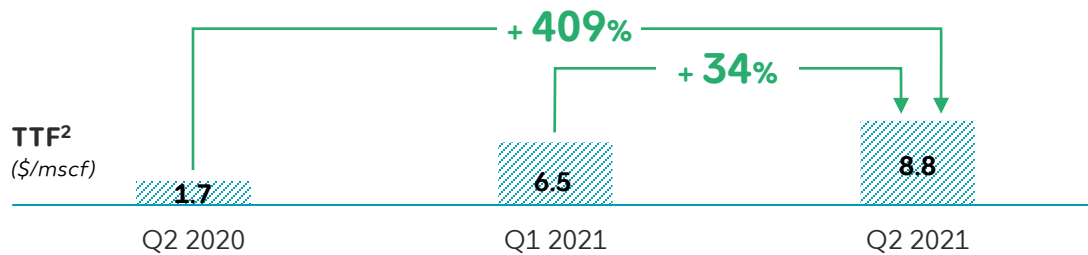
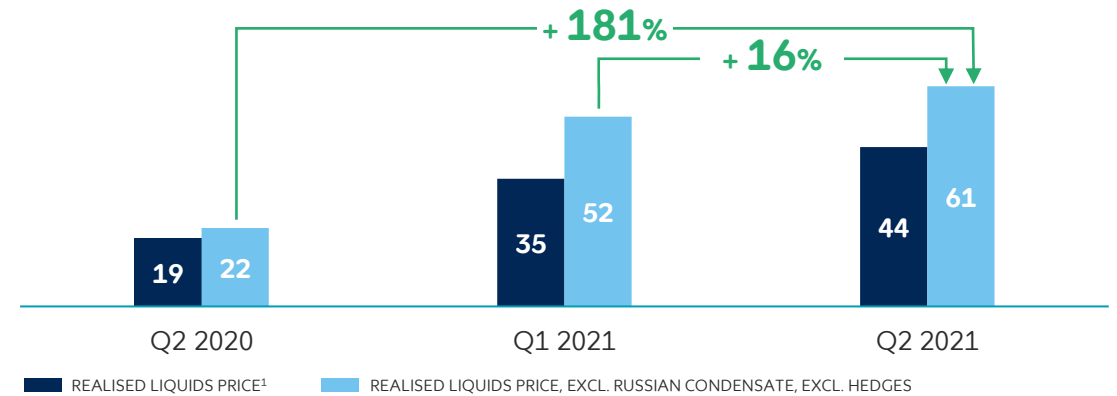
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# REALISATIONS IMPROVING WITH MACRO

## GAS (\$/MSCF)



## LIQUIDS (\$/BOE)

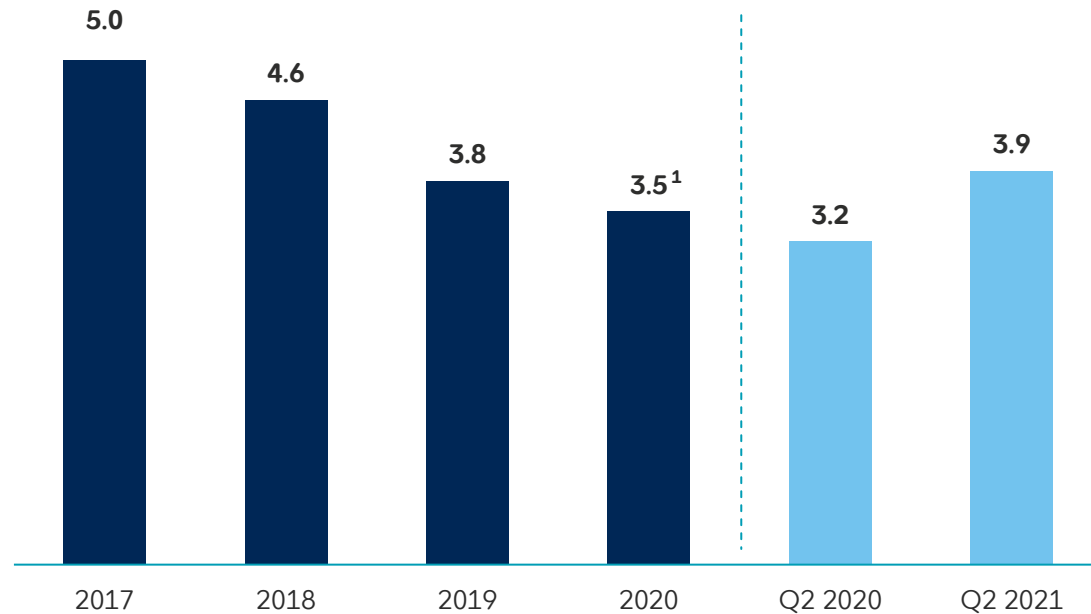


1 | AVERAGE REALISED PRICE INCLUDING HEDGE RESULT  
2 | SOURCE: HEREN/ARGUS; FX CONVERSION ACCORDING TO ECB  
3 | SOURCE: PLATTS

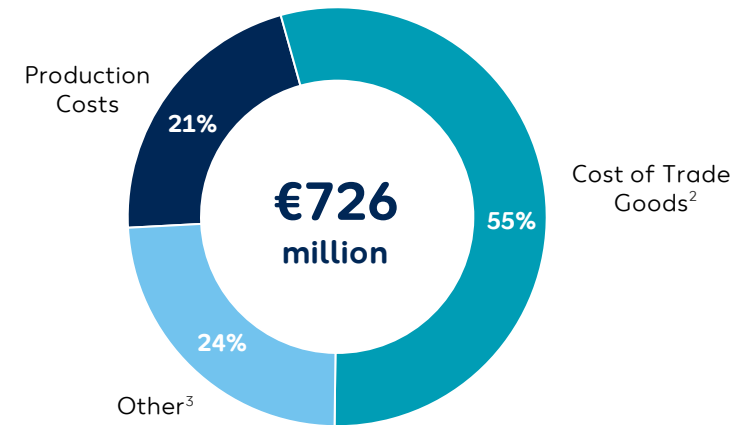
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# COSTS REMAIN LOW, IMPACTED BY MAINTENANCE

## PRODUCTION COST EVOLUTION (€/BOE)



## PRODUCTION AND OPERATING EXPENSES (€ MILLION)



1 | EXCLUDING ONE-OFF EFFECT IN Q4 2020

2 | PRIMARILY INCLUDES TRADING ACTIVITIES

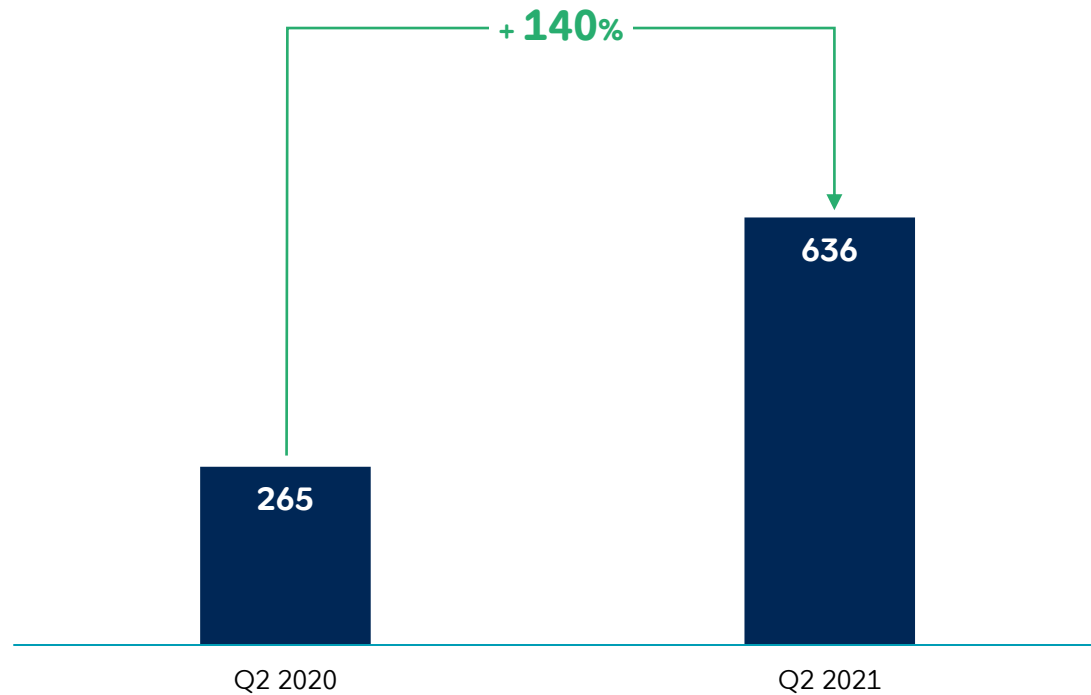
3 | PRIMARILY INCLUDES TRANSPORT FEES, LEASES AND EFFECTS OF OVER/UNDERLIFT



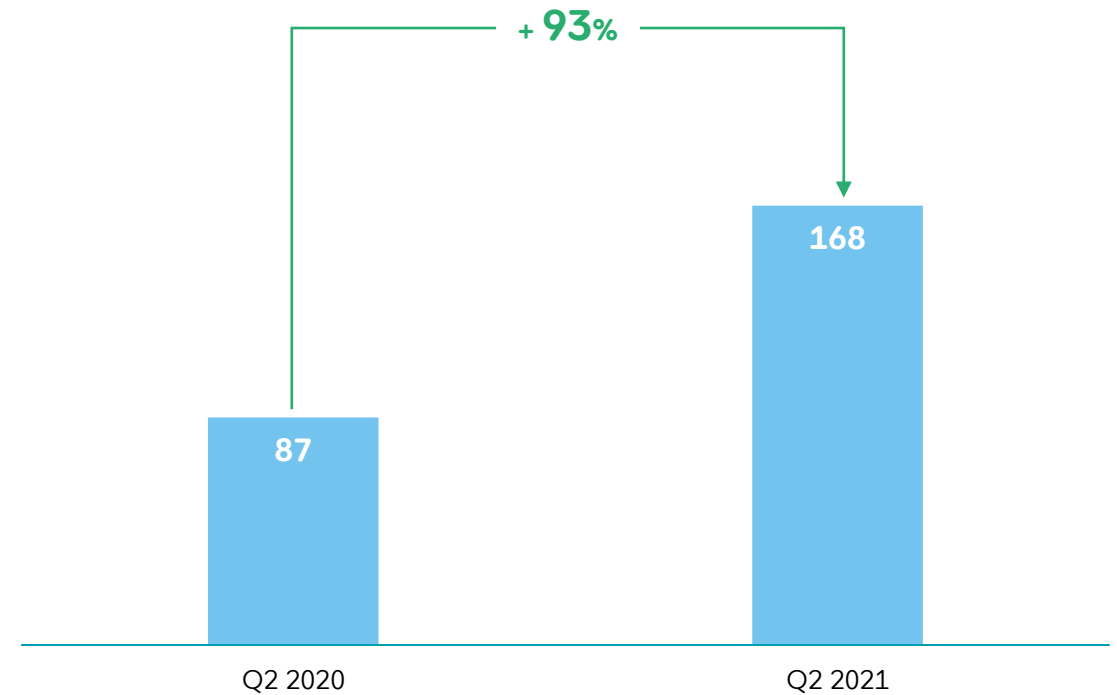
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# MATERIALLY IMPROVED PROFITABILITY

EBITDAX (€ MILLION)



ADJUSTED NET INCOME (€ MILLION)



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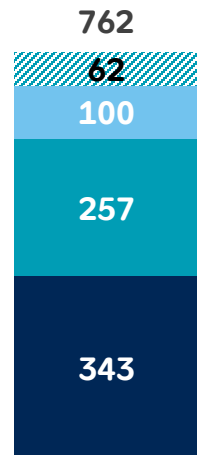
# Q2 SOURCES AND USES OF CASH AND CASH FLOW

## SOURCES (€ MILLION)



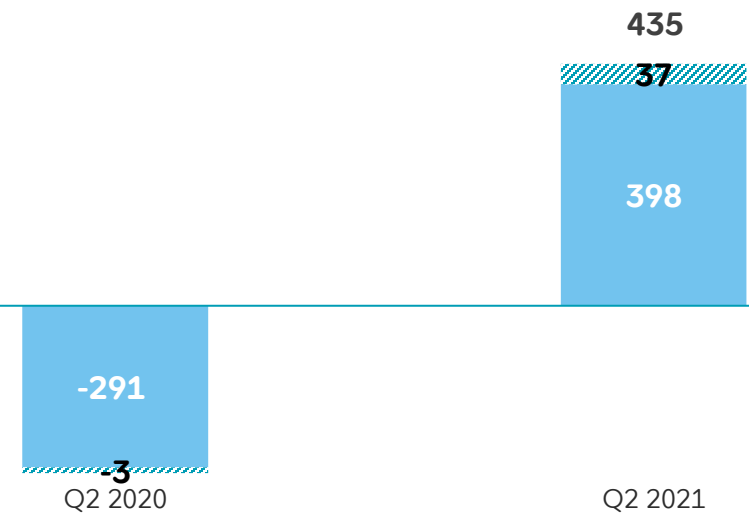
■ OTHER PROCEEDS  
■ CASH FLOW FROM OPERATING ACTIVITIES

## USES (€ MILLION)



▨ OTHER<sup>1</sup>  
■ COMMON DIVIDEND  
■ TOTAL CAPEX<sup>2</sup>  
■ DEBT REPAYMENT

## FREE CASH FLOW (€ MILLION)

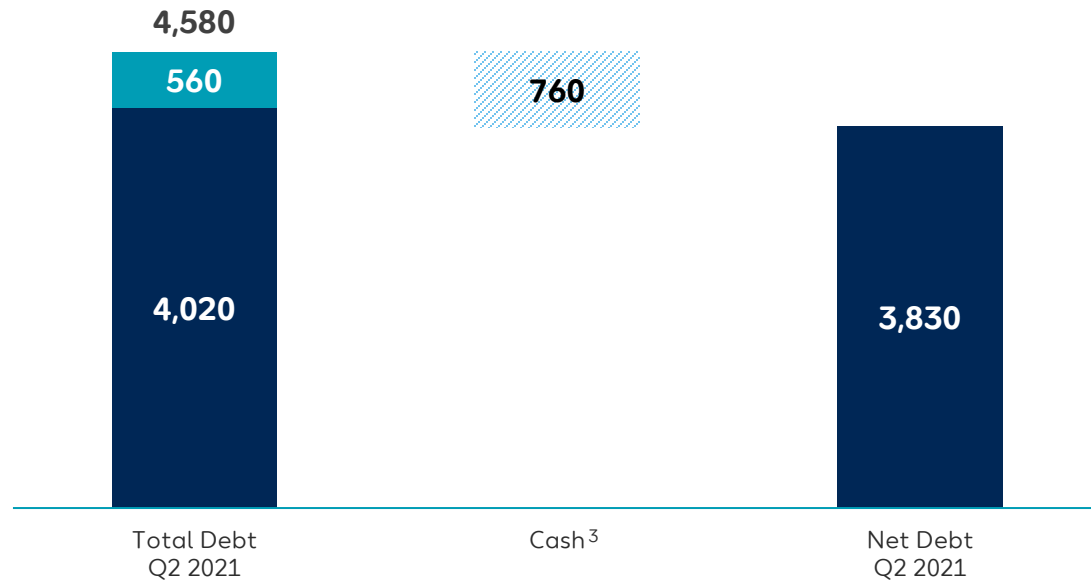


■ FREE CASH FLOW ▨ M&A

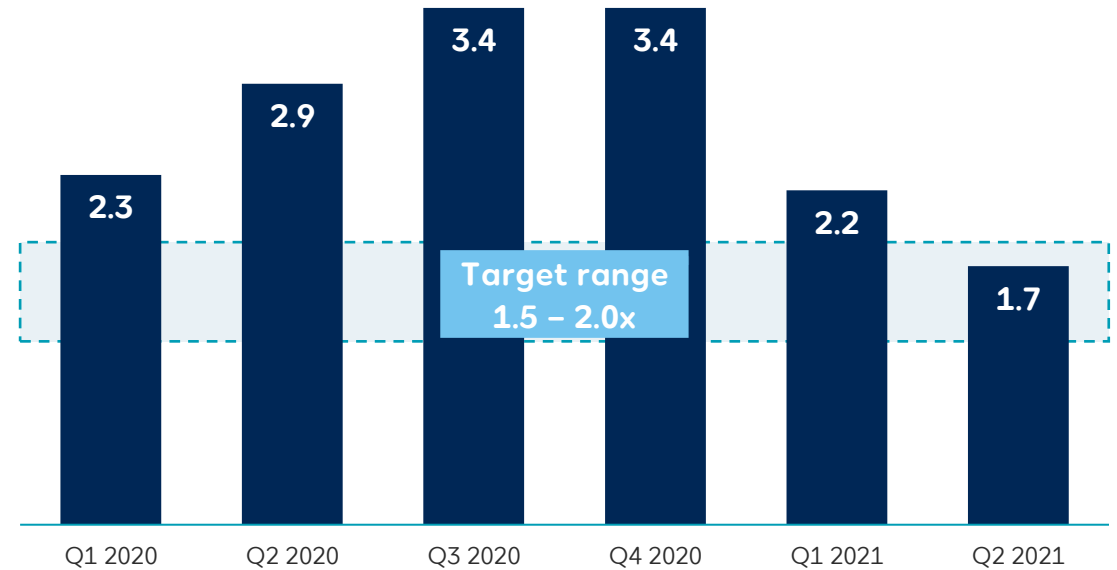
1 | INCLUDING PAYMENT FOR FINANCIAL RECEIVABLES, CHANGE IN FINANCIAL LIABILITIES (RELATED PARTIES) AND REPAYMENT OF LEASE LIABILITIES  
 2 | INCLUDING CAPITALIZED EXPLORATION

# REDUCED DEBT, LEVERAGE WITHIN TARGET RANGE

NET DEBT (€ MILLION)<sup>1</sup>



LEVERAGE EVOLUTION (x)



■ NOTES ■ OTHER<sup>2</sup>

1 | ROUNDED TO THE NEAREST 10, INDIVIDUAL FIGURES MAY NOT SUM UP TO TOTAL  
 2 | LIABILITIES FROM CASHPOOLING AND LEASE LIABILITIES  
 3 | INCLUDING CASH EQUIVALENTS AND FINANCIAL RECEIVABLES FROM CASH POOLING

# OUTLOOK

02



# GUIDANCE AND OUTLOOK

	2021 GUIDANCE	Q2 UPDATE
<b>Production<sup>1</sup></b>	620 – 640 mboe/d	630 – 640 mboe/d
<b>Capex<sup>2</sup></b>	€1,000 – 1,100 million	Unchanged
<b>Exploration Expenditures<sup>3</sup></b>	~€200 – 250 million	Unchanged

1 | ON A WORKING INTEREST BASIS, INCLUDING PROPORTIONAL PRODUCTION FROM AT EQUITY ACCOUNTED COMPANIES, EXCLUDING LIBYA ONSHORE PRODUCTION

2 | PRODUCTION AND DEVELOPMENT CAPEX, EXCLUDES CAPITALISED EXPLORATION EXPENDITURES

3 | INCLUDING GAIN FROM EXPLORATION ASSET DISPOSALS

# SENSITIVITIES

## 2021 SENSITIVITIES

	EBITDAX	FCF
<b>+/- 10% Brent</b> (Brent \$65/bbl)	+/- ~€85 million	+/- ~€55 million
<b>+/- 10% TTF</b> (TTF \$8.0/mmbtu)	+/- ~€30 million	+/- ~€20 million

Sensitivity applies only to the Brent and European gas excluding all domestic contract-based portfolio, such as Russia, Argentina, Egypt

# APPENDIX

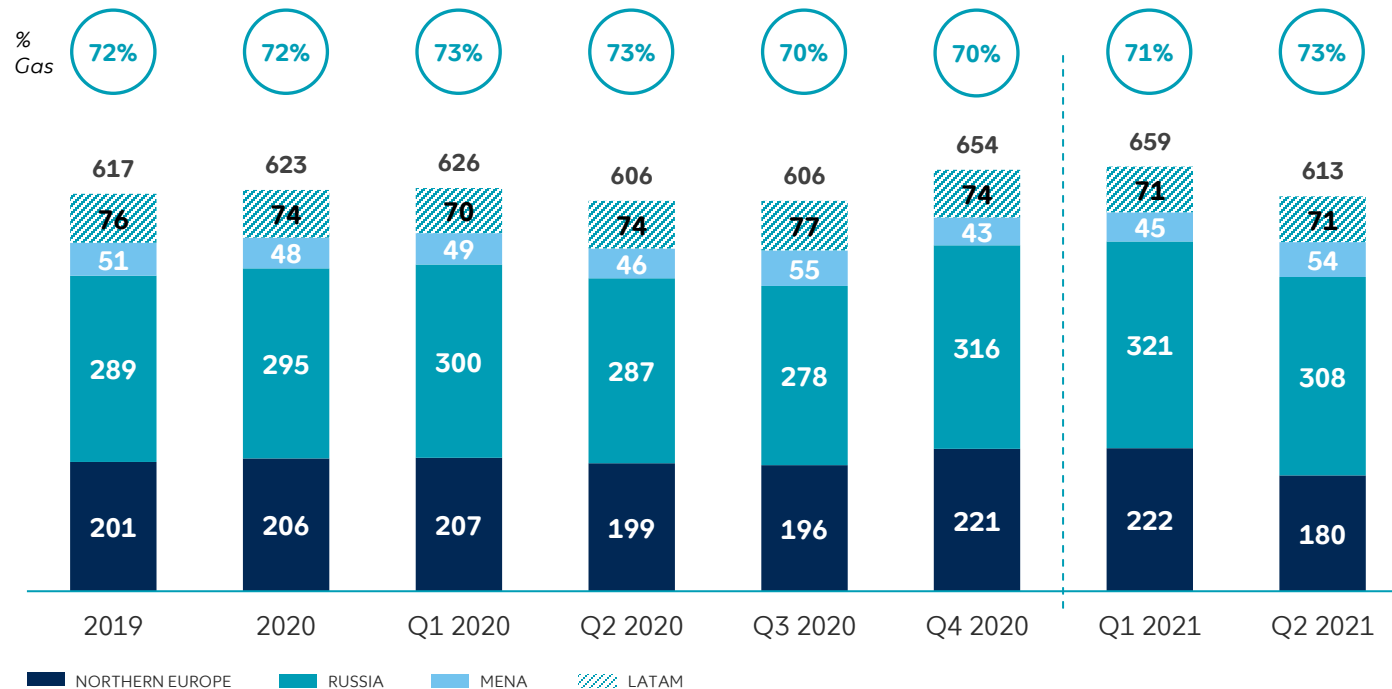
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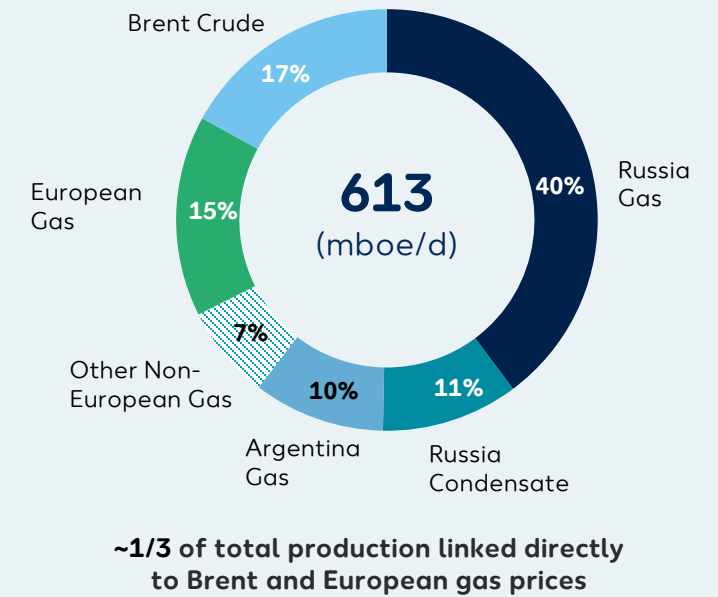
# Q2 2021 RESULTS PRESENTATION

## PRODUCTION

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



### Q2 2021 PRODUCTION<sup>1</sup> COMPOSITION



1 | ON A WORKING INTEREST BASIS, INCLUDING PROPORTIONAL PRODUCTION FROM AT EQUITY ACCOUNTED COMPANIES, EXCLUDING LIBYA ONSHORE PRODUCTION



# COMMODITY HEDGING (AS OF 30 JUNE 2021)

	Jul-Dec 2021	2022	2023	2024
<b>Total</b>				
Total Volumes, mboe/d	88 (+2)	78 (+10)	58 (+14)	18 (+8)
<b>Oil</b>				
Volume, mbb/d	24	20	13	4
Price, \$/bbl	53	58	58	58
<b>Gas</b>				
Volume, mmscf/d	370	298	243	83
Price, \$/mscf	4.4	4.9	5.3	5.3

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# RESULTS SUMMARY

	Unit	Q2 2021	Q2 2020	Q1 2021	
Environment	Production <sup>1</sup>	mboe/d	613	606	659
	Brent	\$/boe	69	30	61
	Gas TTF	\$/mscf	8.8	1.7	6.5
Financial Results	EBITDAX	€ million	636	265	704
	Operating Cash Flow	€ million	665	99	693
	Capex <sup>2</sup>	€ million	223	356	239
	Free Cash Flow	€ million	398	-291	400
	Adjusted Net Income	€ million	168	87	171
Balance Sheet Liquidity			<b>30.06.2021</b>	<b>30.06.2020</b>	<b>31.03.2021</b>
	Net Debt	€ million	3,826	5,999	4,135
	Leverage Ratio (LTM)	x	1.7	2.9	2.2
	Cash & Cash Equivalents	€ million	738	447	802
	Liquidity	€ million	1,638	1,797	2,052 <sup>3</sup>

1 | ON A WORKING INTEREST BASIS, INCLUDING PROPORTIONAL PRODUCTION FROM AT EQUITY ACCOUNTED COMPANIES, EXCLUDING LIBYA ONSHORE PRODUCTION

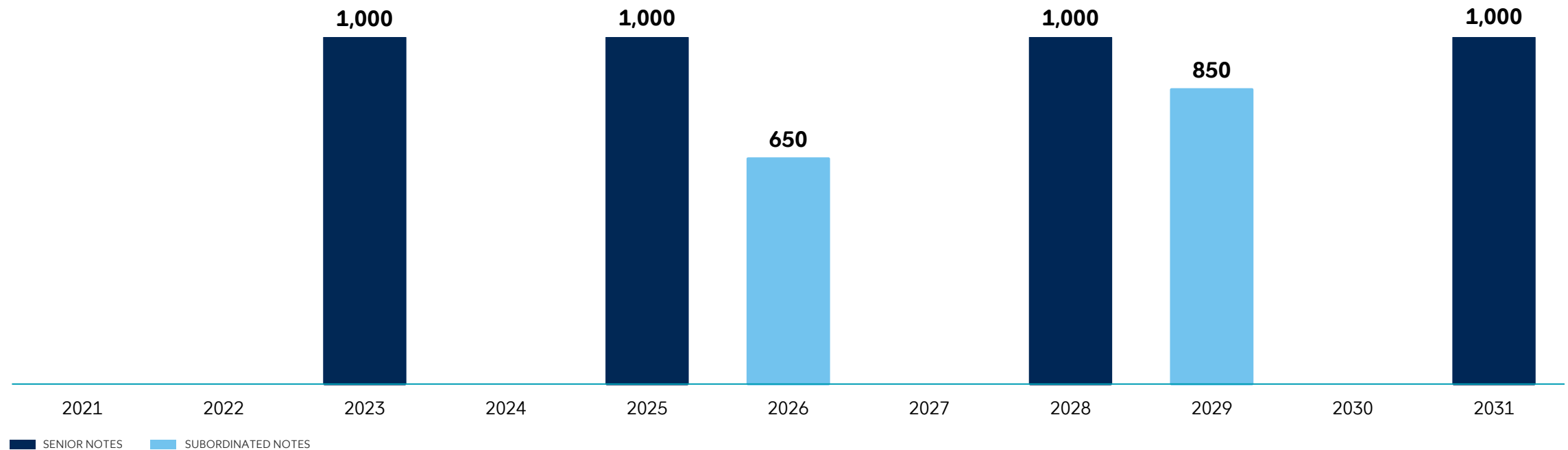
2 | EXCLUDING CAPITALISED EXPLORATION AND ACQUISITIONS

3 | INCLUDING €350 MILLION OF WORKING CAPITAL LINES THAT EXPIRED IN APRIL 2021

Q2 2021 RESULTS PRESENTATION

# DEBT MATURITY PROFILE

€ MILLION<sup>1</sup>



1 | NOMINAL VALUES

## Q2 2021 RESULTS PRESENTATION

# DEFINITIONS

<b>Adjusted Net Income</b>	Defined as EBITDAX less depreciation and amortisation, less exploration expenses, plus financial income, less financial expenses and less income taxes, adjusted for special items as well as tax effects on adjusted special items or disregarded items
<b>CAPEX</b>	Capex for the Group consists of payments for intangible assets, property, plant and equipment and investment property less capitalised exploration
<b>EBITDAX</b>	Defined as revenues and other income less production and operating expenses, less production and similar taxes, less general and administrative expenses and adjusted for special items
<b>Free cash flow</b>	Free cash flow for the Group comprises cash flow from operating activities and cash flow from investing activities but excludes payments for acquisitions and proceeds from the disposal of non-current assets/divestitures, as shown in the Group's consolidated statement of cash flows.
<b>Leverage</b>	Net debt divided by last twelve months EBITDAX
<b>LTIF</b>	Lost time injury frequency per million work-hours
<b>Net Debt</b>	Net debt consists of liabilities to banks, senior 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
<b>Production costs</b>	Production costs include G&A allocation but exclude export and processing tariffs, finance items and R&D
<b>TRIR</b>	Total Recordable Incident Rate per million hours worked

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