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## WINTERSHALL DEA Q2 2023 RESULTS PRESENTATION

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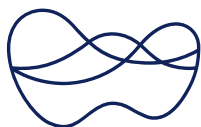
### **Aleksander Azarnov – SVP Investor Relations**

Good afternoon, everyone and welcome to our second quarter results presentation.

As usual together with me on the call we have our CEO Mario Mehren and CFO Paul Smith, who will walk you through today's presentation and address any questions at the end. We kindly ask that you utilize the chat function within the webcast to submit your questions.

Before we proceed, please take note of the disclaimer. Throughout the presentation we will be making forward-looking statements that refer to our projections, plans and expectations all of which are subject to assumptions and risks as stated there.

Without further ado, please let me now hand over to Mario.



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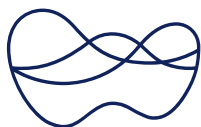
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### **Mario Mehren – Chief Executive Officer**

#### **PAGE 4 – KEY MESSAGES**

Thank you, Aleks. Good afternoon and good morning, everyone. Thank you for joining us today as ever.

Let me start with some organizational changes. As of June 30<sup>th</sup>, Thilo Wieland, responsible for region Russia, Latin America and Transportation resigned from his position as a Member of the Management Board by mutual agreement with the Supervisory Board. His Board function was dissolved respectively and the Management Board consequently reduced to four members. His responsibilities for Mexico and Argentina have been transferred to our CTO, Hugo Dijkgraaf and I have taken over responsibility for our Midstream business. Until the final withdrawal from Russia has been fully completed, our Russian shareholdings will also report to me. A big thank you to Thilo for his commitment and outstanding work over the many-many years at the company, he will certainly be missed in the company.



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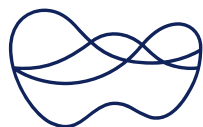
Q2 was a busy quarter for us in many areas.

During the quarter, we delivered 322,000 barrels of oil equivalent – 8,000 barrels a day higher than a year ago.

In early April, two of partner operated Njord tie-in fields, Hyme and Bauge, were successfully brought on stream. Njord is ramping up to its planned production levels and will contribute valuable oil and gas volumes for a long time.

Unfortunately, Nyhamna, a third-party processing facility was down during the quarter for an extended period of time. This meant that we were unable to start-up Dvalin, since it uses Nyhamna for processing. However, with the facility back online, we are just weeks away from starting up Dvalin and well ahead of the winter season.

With the major projects largely finally behind us, we are now fully focused on delivering the next set of developments in Norway, where the authorities have approved six of the PDOs' we applied for in late 2022, two of which are operated by us. In total, these projects add over 100 million barrels of reserves



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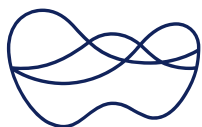
net to Wintershall Dea and will contribute meaningful production starting in 2025 when the first of these projects comes online.

All of these projects are tie-ins into existing infrastructure and processing facilities making them low-cost and therefore profitable.

We are excited about the progress we are making in Mexico. As already mentioned briefly in our Q1 call, in April we made an exciting discovery in the Gulf of Mexico in our own operated Block 30, a prospect called Kan. With preliminary estimates indicating 200 – 300 million barrels of oil in place, this is an important discovery that will hopefully one day form a part of our backbone production in Mexico. It's too early to talk about specifics, but we are working hard with our partners to come up with the most appropriate development concept and of course mature it to FID as quickly as possible.

Staying in Mexico, the development, work programme and budget for Zama was approved by the authorities, allowing us to move into the FEED and FID in 2024.

We continue to make good progress on our Carbon Management & Hydrogen projects. Following successful first pilot injections at our CO<sub>2</sub> storage project



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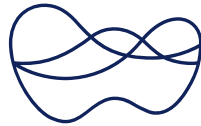
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called Greensand in Denmark earlier in the year, in June the project received a complete verification of all safety aspects from DNV, an independent expert in assurance and risk management. This is another big step progressing the project towards commercial operations. Project Greensand together with our first two self-operated CO<sub>2</sub> storage licenses in Norway, Luna and Havstjerne will support our ambition to build an attractive portfolio of sinks and increase our optionality in Carbon Management.

And of course Germany, where we hope that the German Government will soon issue a draft bill that will allow CO<sub>2</sub> storage and transportation in compliance with all safety-related requirements. As one of the largest emitters, Germany should not leave this task to its European partners alone. This technology is safe and an essential building block in meeting Europe's climate goals and it would only be logical for Germany to use the existing know-how and technical capabilities to take a leading role in the development and utilisation of the whole CCS value chain while safeguarding jobs in energy-intensive industries at the same time.

Finally, a couple of words before Paul goes over the financials.



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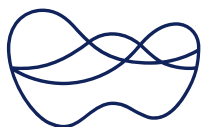
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Our financial performance continues to be strong, with Q2 EBITDAX of nearly €1.0 billion. However, commodity prices have softened and we do not expect the same level of macro tailwinds as before. Therefore, to reflect a different business profile post our decision to exit Russia and lower expected oil and particularly gas prices than before, we are working on rightsizing our corporate G&A, and the overall level of expenditures.

We have revisited our investment programme and reduced this year's budget by €200 million to €1.0-1.2 billion. This will of course have an impact on subsequent years and we'll update you on that in due course. But what is important is that each and every project has to deliver not only robust financial KPIs, but also fulfil our greenhouse gas emissions requirements, and other strategic goals. And we will be strict in selecting projects that meet all of these criteria.

And with that, let me hand over to Paul.



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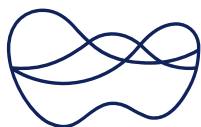
### **Paul Smith – Chief Financial Officer**

#### **PAGE 6 – GAS AND OIL PRICE DEVELOPMENT**

Thank you, Mario, and good afternoon to everyone.

A couple of words about the oil and gas commodity markets before going into the details of our recent performance.

Gas prices continued to be under pressure throughout the second quarter on the back of high storage levels in Europe coming out of an unseasonably warm winter, and somewhat subdued global demand still reeling from last year's record price levels. TTF gas prices averaged around \$11/mcf during the quarter, down 35% on the 1<sup>st</sup> quarter and over 60% down on the 2<sup>nd</sup> quarter last year. It now seems almost certain that European gas storages will be full before the heating season begins, and hence we can expect some further pressure and volatility in gas prices as we head into next winter. In addition, it's important to note that there is still roughly 15 bcm per year of Russian gas coming through Ukraine and a similar amount through the southern pipelines, and hence plenty of supply risk remains as we look forward.



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On the oil side, prices remained rangebound between \$70 to \$90 per barrel throughout the quarter. Demand for oil remained fragile against the backdrop of global economies continuing to slow down and on the back of rising interest rates to combat inflationary pressures, and a Chinese economy that has not rebounded as quickly as initially anticipated. These pressures have been partially offset by the continuing action of OPEC+ on the supply side with further reduction commitments of over 1 million barrels per day announced during the quarter.

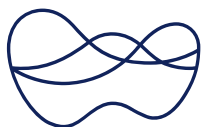
### **PAGE 7 – Q2 2023 PERFORMANCE SUMMARY**

So, let us now turn to our Q2 results

As in the previous quarter, it should be noted that in the slides ahead to allow for a meaningful comparison, the comparison period is always shown on a like-for-like basis as if the Russian business had been deconsolidated already beginning of 2022.

Starting with **health and safety**. Whilst process safety performance has continued to improve, unfortunately our personal safety performance has deteriorated relative to last year. We continue to be highly focused across





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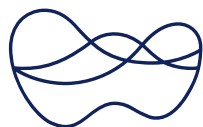
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the company on reversing this performance trend, with a particular focus on site leadership development, and strengthening how we work together with contractors throughout our operations.

Moving on to financial and operational performance. Here are the 4 messages I'd like to leave you with.

**Firstly**, our average daily production for the quarter was 322,000 boe/d which was 8,000 boe/d, or 3% higher, year over year. During the quarter, we started up two fields in Norway, Bauge and Hyme, which are both tied in to the Njord development which came on-stream earlier this year.

2Q is usually impacted by turnaround season in Europe but we experienced unplanned maintenance extension of the third party operated Nyhamna processing facility resulting in one of our largest fields, Aasta Hansteen, being shut-in for an extended period of time. This has also impacted the start-up of our own operated Dvalin gas field, which uses the onshore Nyhamna facility for processing, with production expected to start up in the coming weeks as the facility completes its extended shut-down.



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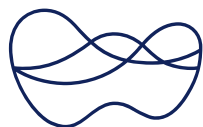
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**Secondly**, given the exit from our Russian business combined with a softening macro environment, we are taking pro-active measures to adjust our investment levels as well as our G&A cost base. We are in the final phases of reviewing our corporate G&A cost base, and during the third quarter will share with you what this will mean in terms of the actions that will look to reposition this part of our cost base. In addition, we have taken action to reduce our 2023 capex program and expect FY capex to be about €200 million lower than initially planned.

**Thirdly**, our financial results were primarily driven by the softening macro environment, with gas prices down 62% and oil prices down 31% when compared with same quarter last year. Consequently, 2Q EBITDAX of €975 million was 24% lower YoY, while Adjusted Net Income of €203 million was 30% higher compared year over year reflecting significantly lower income tax expenses.

**Finally**, our Free Cash Flow during the quarter was significantly impacted by Norwegian tax payments. On the back of record earnings last year, and with an instalment system which partially pays taxes in arrears, our Norwegian tax



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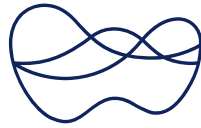
payments in the 1<sup>st</sup> half of 2023 totalled €1.6 billion, including €1.0 billion during the second quarter. This compares with tax payments of just over €500 million paid in the first half of 2022. Looking forward, we expect to see a significant reduction of our tax payments in Norway consistent with the softening external environment, with total payments in the second half of this year expected to be around €800 million, resulting in a total Norwegian tax burden for 2023 of around €2.4bn.

### **PAGE 8 – FINANCIAL PERFORMANCE**

Let me go over a few more aspect of earnings in more detail.

Despite the over 60% YoY drop in TTF gas prices, our group-wide realised prices were down about 24%, due to both existing hedges in place as well as the portfolio impacts from contractual pricing in the MENA and Latam regions. The group-wide realised gas price in 2Q was \$6.9/mscf, while in Northern Europe the post-hedge realised gas price during the second quarter was \$9.8/mscf.

All in all, our EBITDAX result of €975 million was 15% lower compared to the first quarter of this year, primarily due to the softer macro picture. Northern



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Europe continues to represent around 80% of our overall EBITDAX, with MENA and Latam representing roughly 10% each.

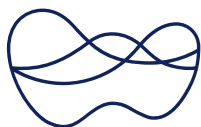
Despite the decline in EBITDAX, the adjusted net income was 30% higher year over year at €203 million, primarily due to the significant reduction in tax expenses. This quarter we recorded a tax expense of €370 million compared to €765 million in the same period last year.

### **PAGE 9 – CASH FLOW**

Moving on to cash flow and our cash position.

As mentioned before, during the quarter, in addition to lower commodity prices, our cash flow was significantly impacted by Norwegian tax instalments which totalled just over €1.0 billion during the quarter. Capex of €268 million during the quarter are in line with our plans, and circa 25% higher year over year, primarily driven by the continued build out of two of our major projects – Fenix in Argentina and Ghasha in the United Arab Emirates.

We expect to remain Free Cash Flow positive for the year, even taking into account the current softening forward gas prices. Roughly speaking, our FCF



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break-even point for the year is a price pair of \$80 Brent and \$8 TTF, and expect this to come down significantly next year to a price pair of around \$80 Brent and \$4 TTF.

In addition, during the quarter we distributed a common dividend of €400 million to our shareholders, and recommenced pooling additional cash from our midstream JVs

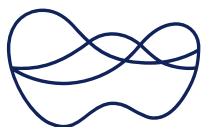
Collectively this has resulted in a quarter end cash position of €2.3 billion.

### **PAGE 10 – BALANCE SHEET**

This brings me to the balance sheet and our outlook.

Our balance sheet remains strong despite lower prices and material cash outflows in 2Q. With €2.3 billion of cash and €2.5 billion of net debt, our leverage is less than 0.5x and well below our target of less than 1.5x through the cycle.

Our liquidity position and the significantly reduced tax burden for the second half of the year, will allow us to retire, as previously indicated, €900 million of



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senior debt in September as planned and therefore significantly reducing our gross debt.

### **PAGE 12 – OUTLOOK**

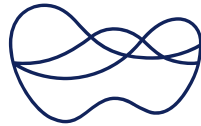
Now very briefly onto the outlook.

With 321 mboe/d of production in the first half of the year, and taking into account the delayed Dvalin start-up and slower ramp-up of Njord, we have lowered the top end of our production guidance by 10 mboe/d to 340 mboe/d, resulting in updated guidance of 325 to 340 mboe/d.

In terms of CAPEX, as mentioned before, we've revisited our in year activity sets and have made the necessary adjustments to reflect the softer commodity price environment. We've reduced our investment programme by €200 million, resulting in updated lower guidance of €1.0-1.2 billion.

We keep our exploration and appraisal expenditure guidance of €200-250 million unchanged.

With that, let me hand over to Mario.



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### **Mario – Summary**

Many thanks Paul.

Overall, we've had a solid quarter.

Commodity prices have been supportive for an extended period of time, however, as we all know, global economies are facing uncertainty, which will likely put pressure on both gas and oil prices. Therefore, we need to be prepared for any eventuality and are now focused on ensuring we remain cost competitive, as well have an appropriate capital spend going forward.

We'll be in a position to elaborate on a number of these topics in our next earnings call.

With that, let's start with the Q&A session. Operator over to you.