



wintershall dea

# WINTERSHALL DEA

Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

Paul Smith (CFO)

24 February 2022

## Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

# DISCLAIMER

This document has been prepared by Wintershall Dea AG ("the Company") for information purposes only.

The information contained in this document has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the Company or any of their respective affiliates, advisors, or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document, or its contents, or otherwise arising in connection with this document.

This document does not constitute, or form part of, an offer or invitation to purchase any securities and neither it nor part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

### 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.

If the company uses terms like "Net zero by 2030", "Net zero GHG emissions by 2030" or similar expressions they refer to the target to reduce the Scope 1 and Scope 2 greenhouse gas emissions of the upstream activities (operated and non-operated at equity basis) to net zero by 2030.

### 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:

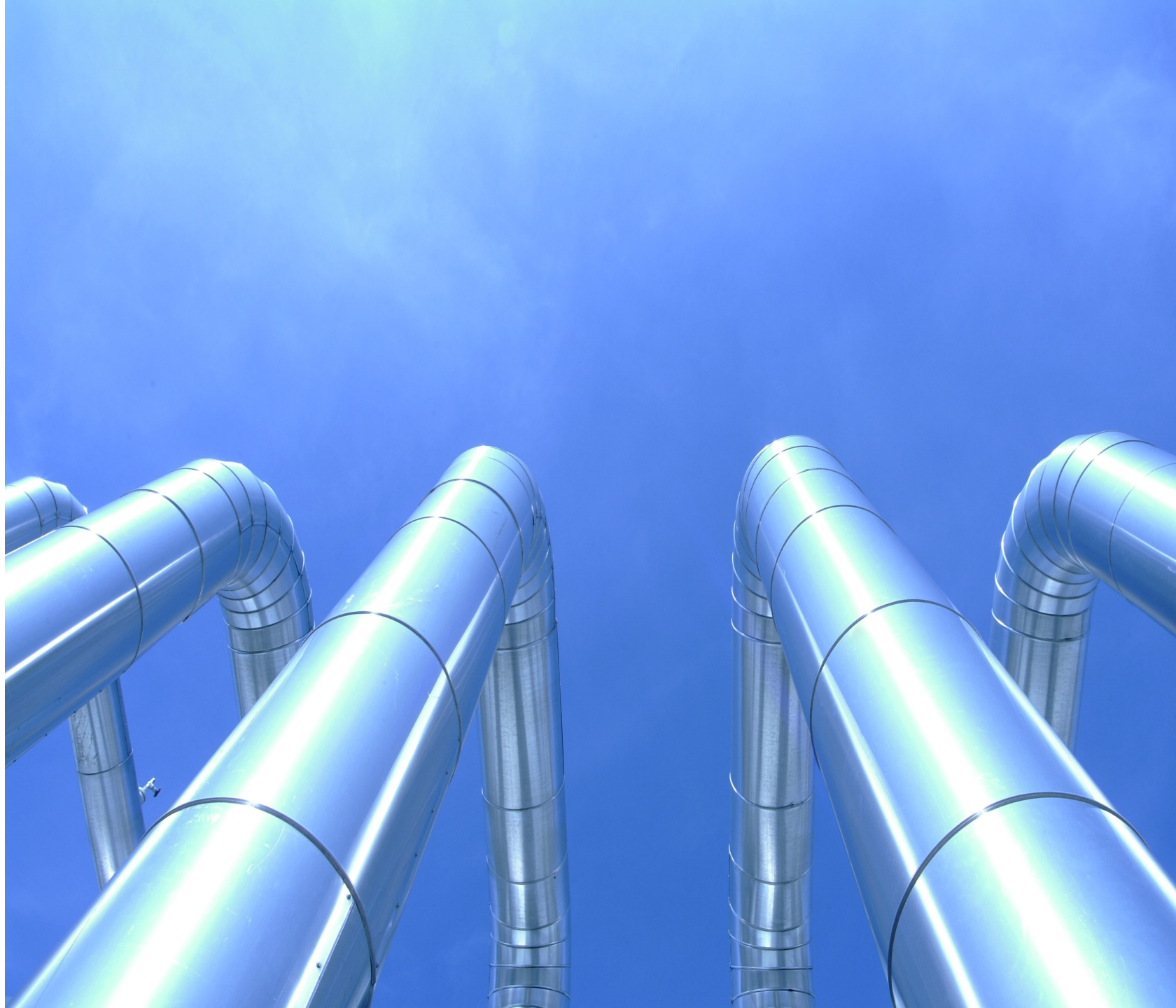
- They do not reflect the Company's cash expenditures or future requirements for contractual commitments
- They do not reflect changes in, or cash requirements for, our working capital needs
- They do not reflect the significant interest expense, or the cash requirements necessary, to service interest 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.





# FINANCIAL AND OPERATIONAL RESULTS



# MACROECONOMIC BACKDROP

## TTF PRICE DEVELOPMENT (\$/MSCF)



SOURCE: HEREN/ARGUS; FX CONVERSION ACCORDING TO ECB

## BRENT PRICE DEVELOPMENT (\$/BBL)



SOURCE: PLATTS

# 2021 PERFORMANCE SUMMARY

## HEALTH AND SAFETY

**2.37** **TRIR<sup>1</sup>**  
FY 2020: 2.07

**0.12** **LTIR<sup>1</sup>**  
FY 2020: 1.03

## OPERATIONAL

YoY

**634** **PRODUCTION<sup>2</sup>**  
mboe/d  
Q4 2021: 678 mboe/d  
FY 2020: 623 mboe/d



**3.8** **PRODUCTION COST<sup>3</sup>**  
€ per boe  
Q4 2021: €4.3/boe  
FY 2020: €3.5/boe



**952** **CAPEX<sup>4</sup>**  
€ million  
Q4 2021: €280 million  
FY 2020: €1,237 million



## FINANCIAL

YoY

**3,832** **EBITDAX**  
€ million  
Q4 2021: €1,509 million  
FY 2020: €1,643 million



**950** **ADJ. NET INCOME**  
€ million  
Q4 2021: €376 million  
FY 2020: €195 million



**2,082** **FREE CASH FLOW**  
€ million  
Q4 2021: €878 million  
FY 2020: €159 million



1 | BASED ON THE LAST 12 MONTHS PER MILLION HOURS WORKED

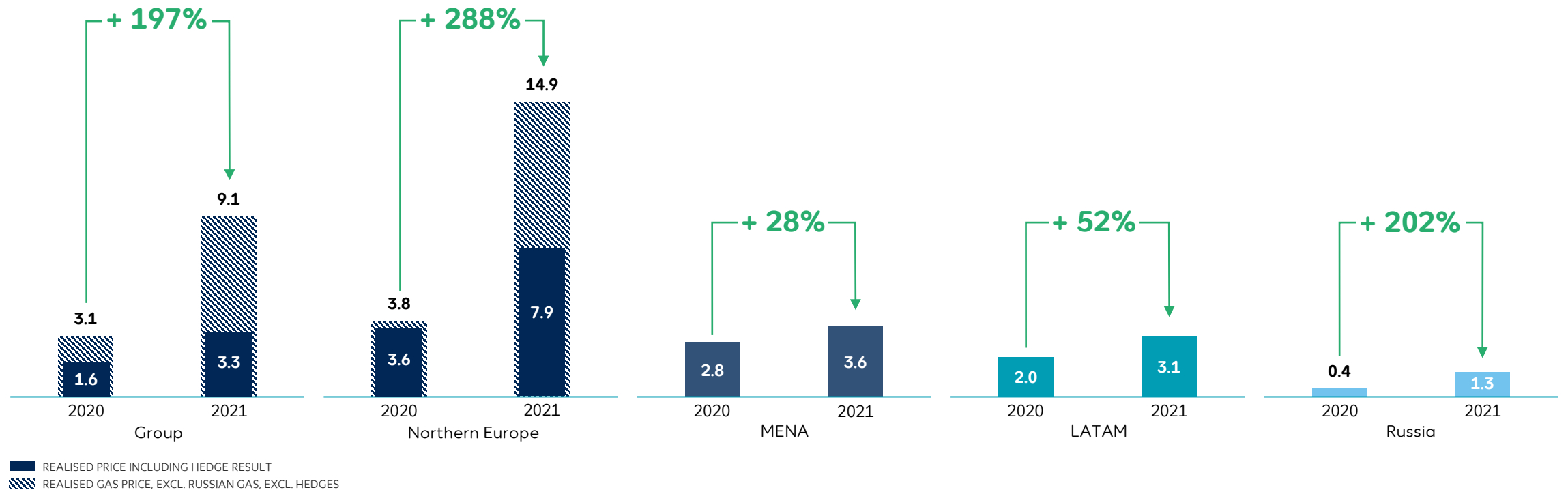
2 | ON A WORKING INTEREST BASIS, INCLUDING PROPORTIONAL PRODUCTION FROM AT EQUITY ACCOUNTED COMPANIES, EXCLUDING LIBYA ON-SHORE PRODUCTION

3 | EXCLUDING ONE-OFF EFFECTS IN Q4 2020 AND Q4 2021 RELATED TO A PRE-MERGER COMMERCIAL SETTLEMENT WITH A THIRD PARTY

4 | EXCLUDING CAPITALIZED EXPLORATION AND ACQUISITIONS

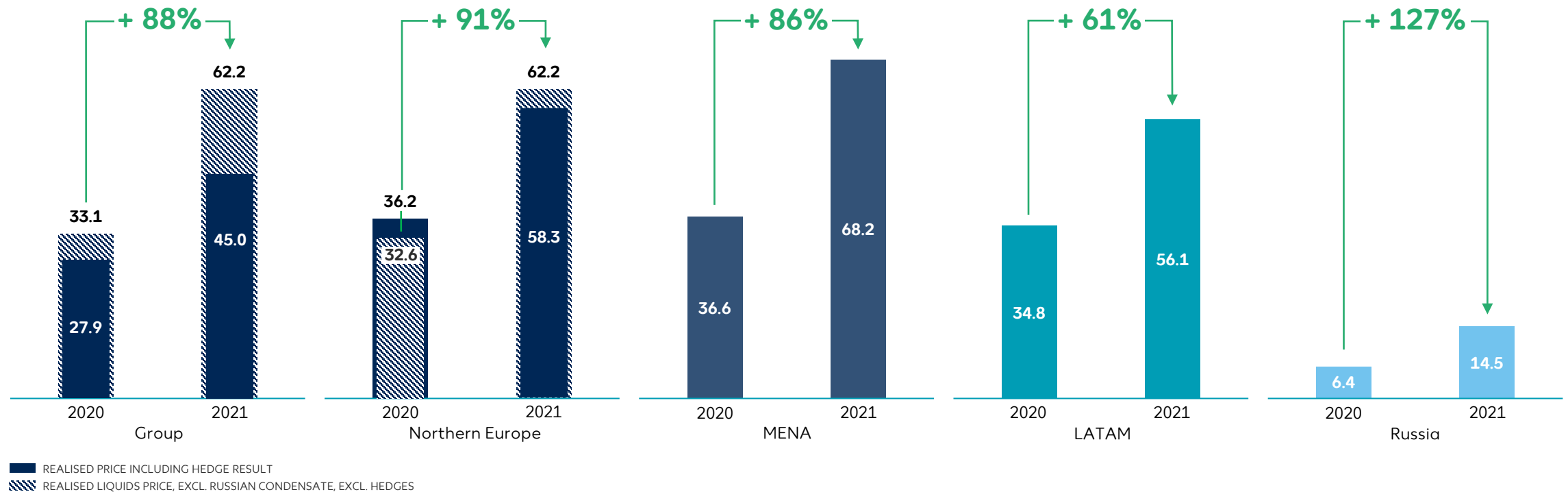
# REALISATIONS

GAS (\$/MSCF)



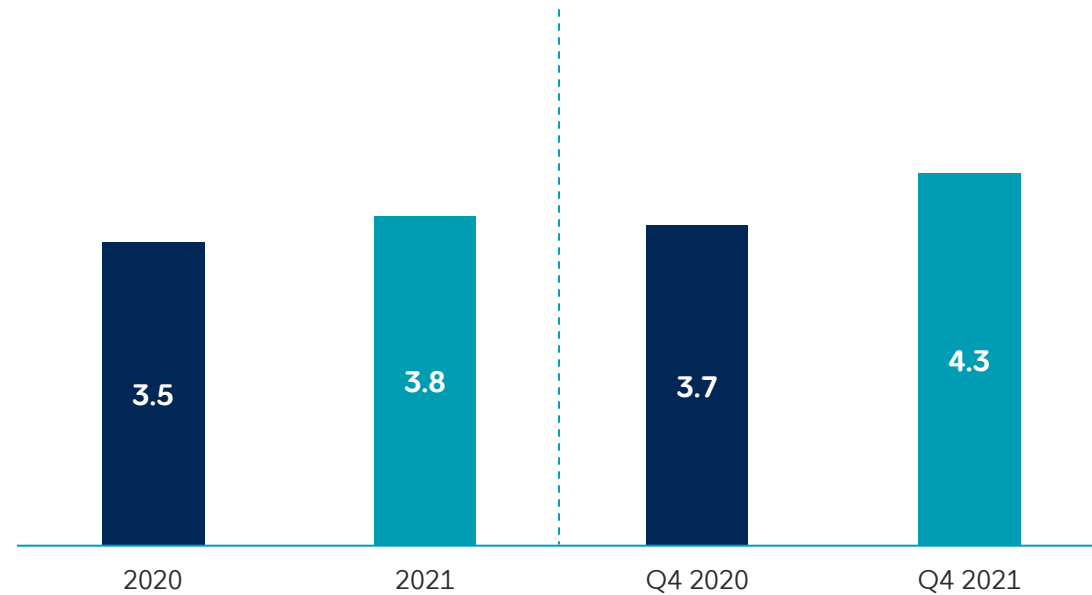
# REALISATIONS (CONT'D)

## LIQUIDS (\$/BBL)



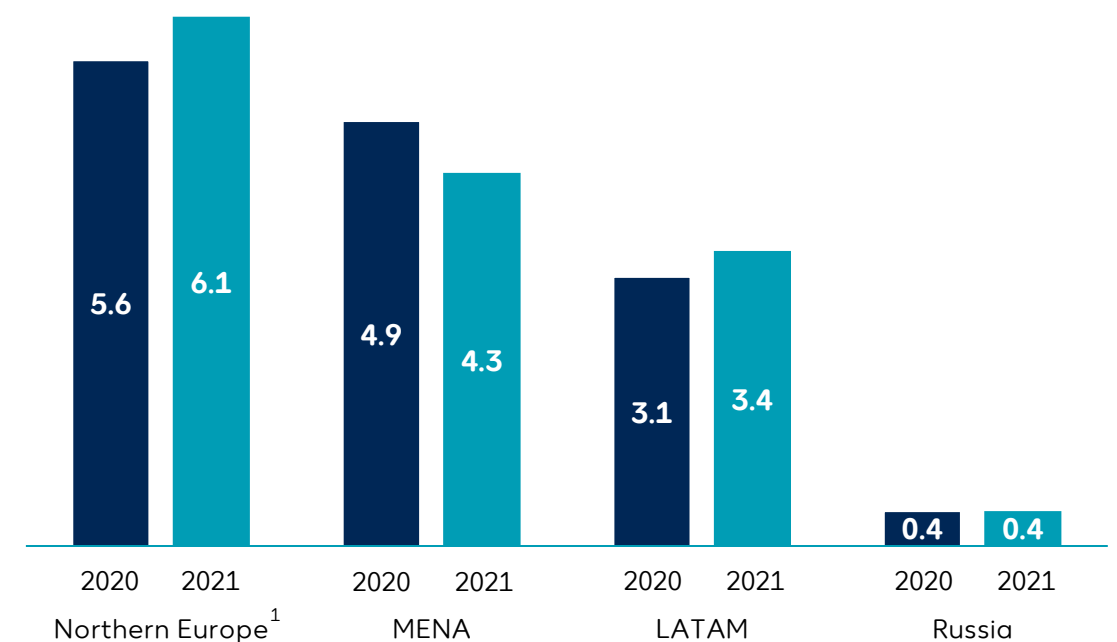
# PRODUCTION COSTS

## PRODUCTION COST EVOLUTION<sup>1</sup> (€/BOE)



<sup>1</sup> | EXCLUDING ONE-OFF EFFECTS IN Q4 2020 AND Q4 2021 RELATED TO A PRE-MERGER COMMERCIAL SETTLEMENT WITH A THIRD PARTY

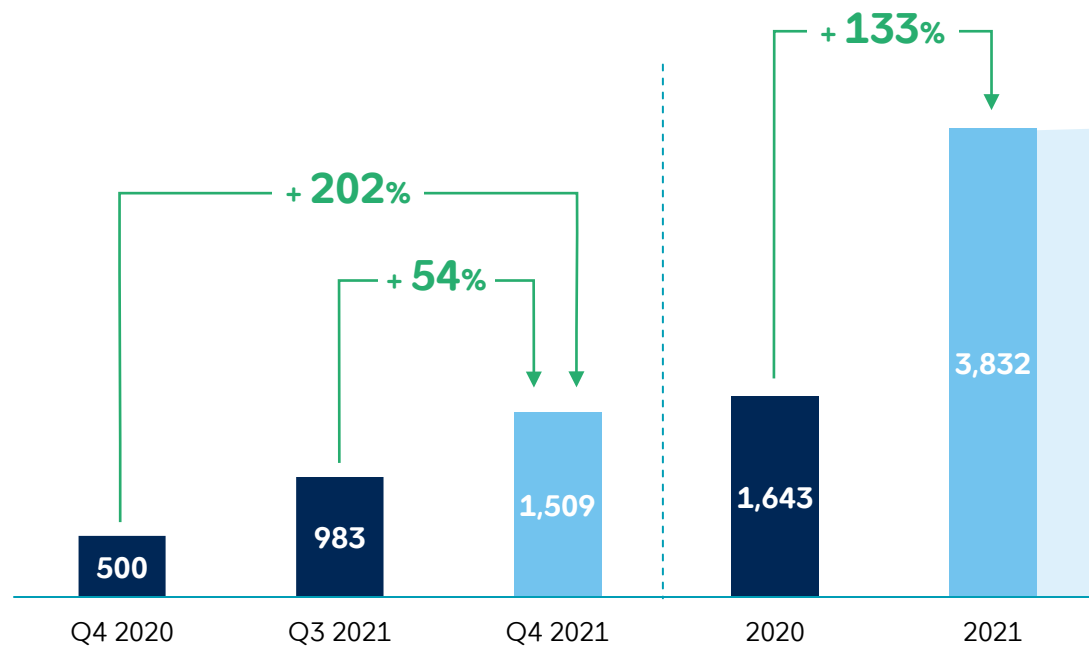
## PRODUCTION COSTS PER REGION (€/BOE)





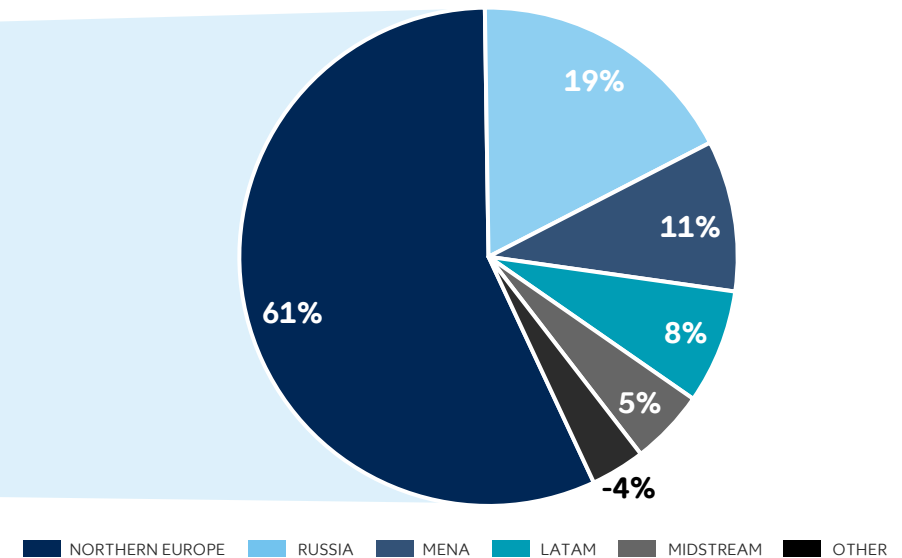
# STRONG FINANCIAL PERFORMANCE

## EBITDAX (€ MILLION)



## EBITDAX SEGMENT BREAKDOWN (%)<sup>1</sup>

OECD earnings representing 2/3 of Group EBITDAX



<sup>1</sup> | PERCENTAGES MAY NOT SUM UP TO ONE HUNDRED DUE TO ROUNDING

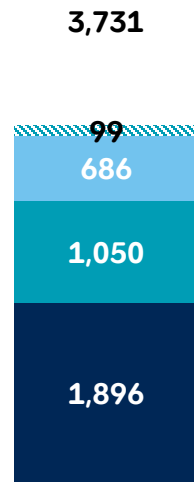
## Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

# SOURCES AND USES OF CASH AND CASH FLOW

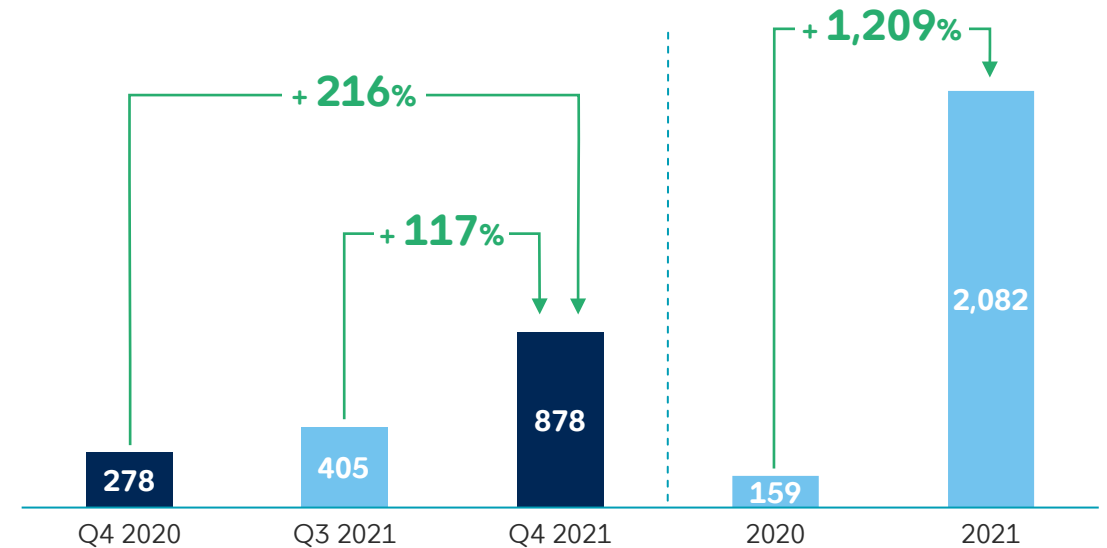
### SOURCES (€ MILLION, FY 2021)



### USES (€ MILLION, FY 2021)



### FREE CASH FLOW (€ MILLION)



■ OTHER PROCEEDS <sup>1</sup>  
 ■ CONTRIBUTION FROM SUBORDINATED NOTES INVESTORS  
 ■ CASH FLOW FROM OPERATING ACTIVITIES

■ OTHER <sup>2</sup>  
 ■ COMMON AND PREFERRED DIVIDEND  
 ■ TOTAL CAPEX <sup>3</sup>  
 ■ DEBT REPAYMENT

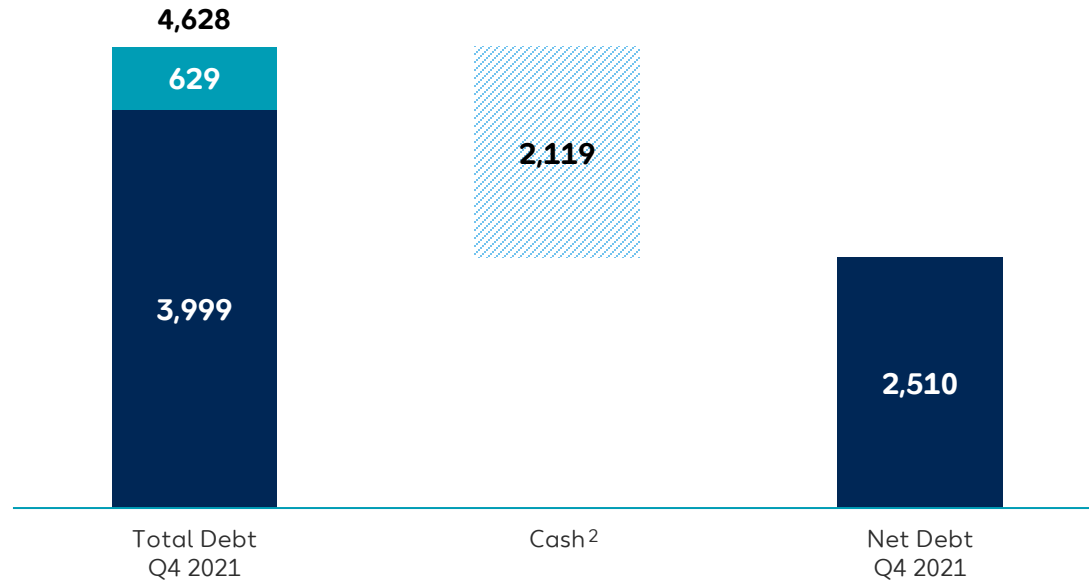
<sup>1</sup> INCLUDING FINANCIAL RECEIVABLES, PROCEEDS FROM THE DISPOSAL OF NON-CURRENT ASSETS/DIVESTITURES, CHANGE IN FINANCIAL LIABILITIES (RELATED PARTIES) AND FX EFFECTS IN CASH AND CASH EQUIVALENTS

<sup>2</sup> INCLUDING OTHER CASH FLOW FROM FINANCING ACTIVITIES

<sup>3</sup> INCLUDING CAPITALIZED EXPLORATION

# ROBUST BALANCE SHEET

## NET DEBT (€ MILLION)

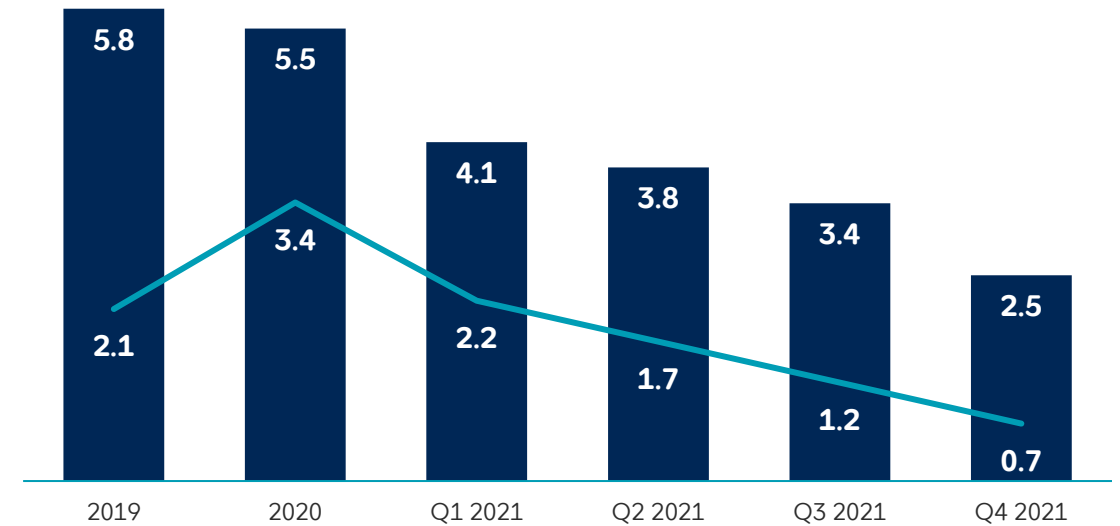


■ NOTES ■ OTHER<sup>1</sup>

<sup>1</sup> | LIABILITIES FROM CASHPOOLING, LEASE LIABILITIES AND DEBT TO BANKS

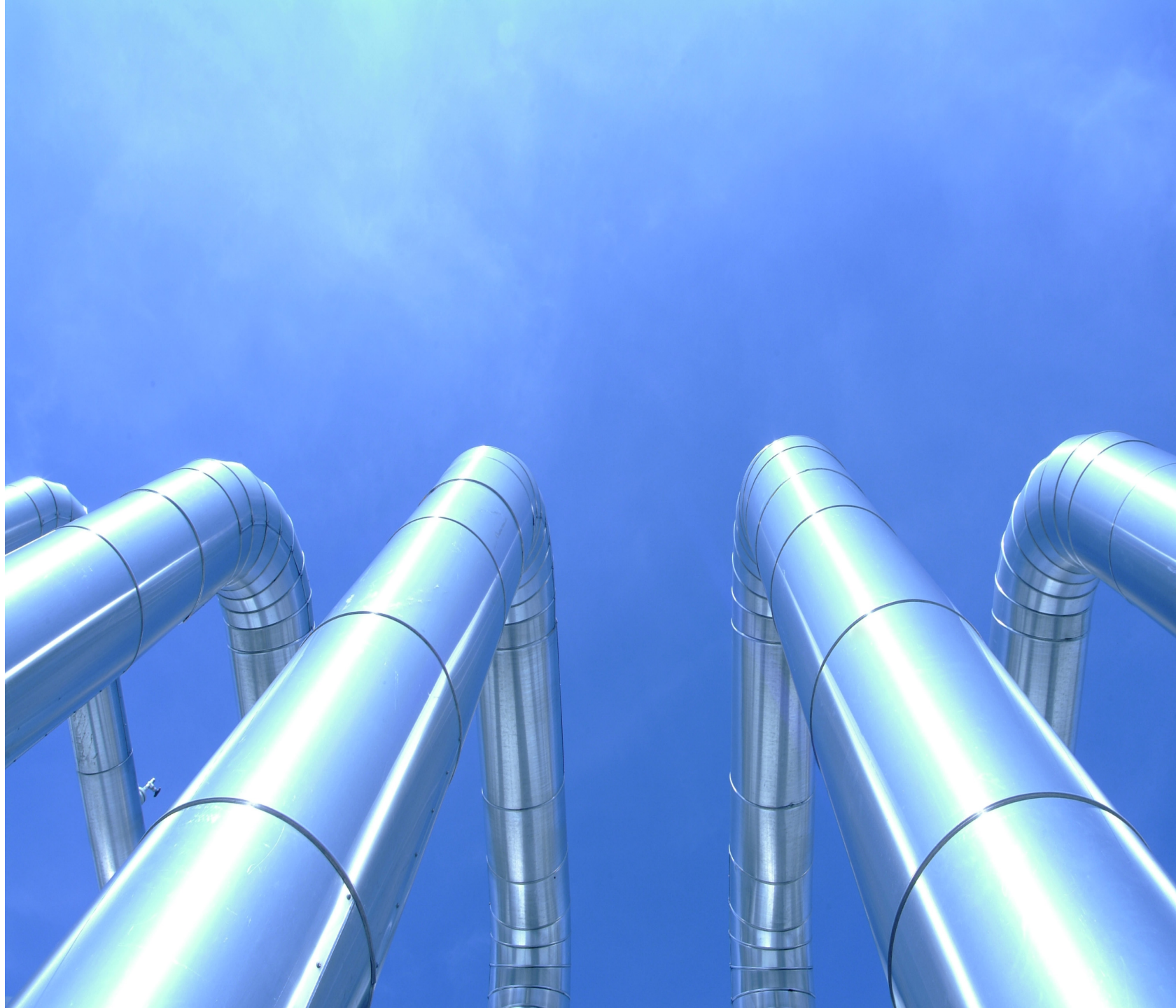
<sup>2</sup> | INCLUDING CASH EQUIVALENTS AND FINANCIAL RECEIVABLES FROM CASH POOLING

## LEVERAGE EVOLUTION (x)






■ NET DEBT — LEVERAGE

# OUTLOOK



Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

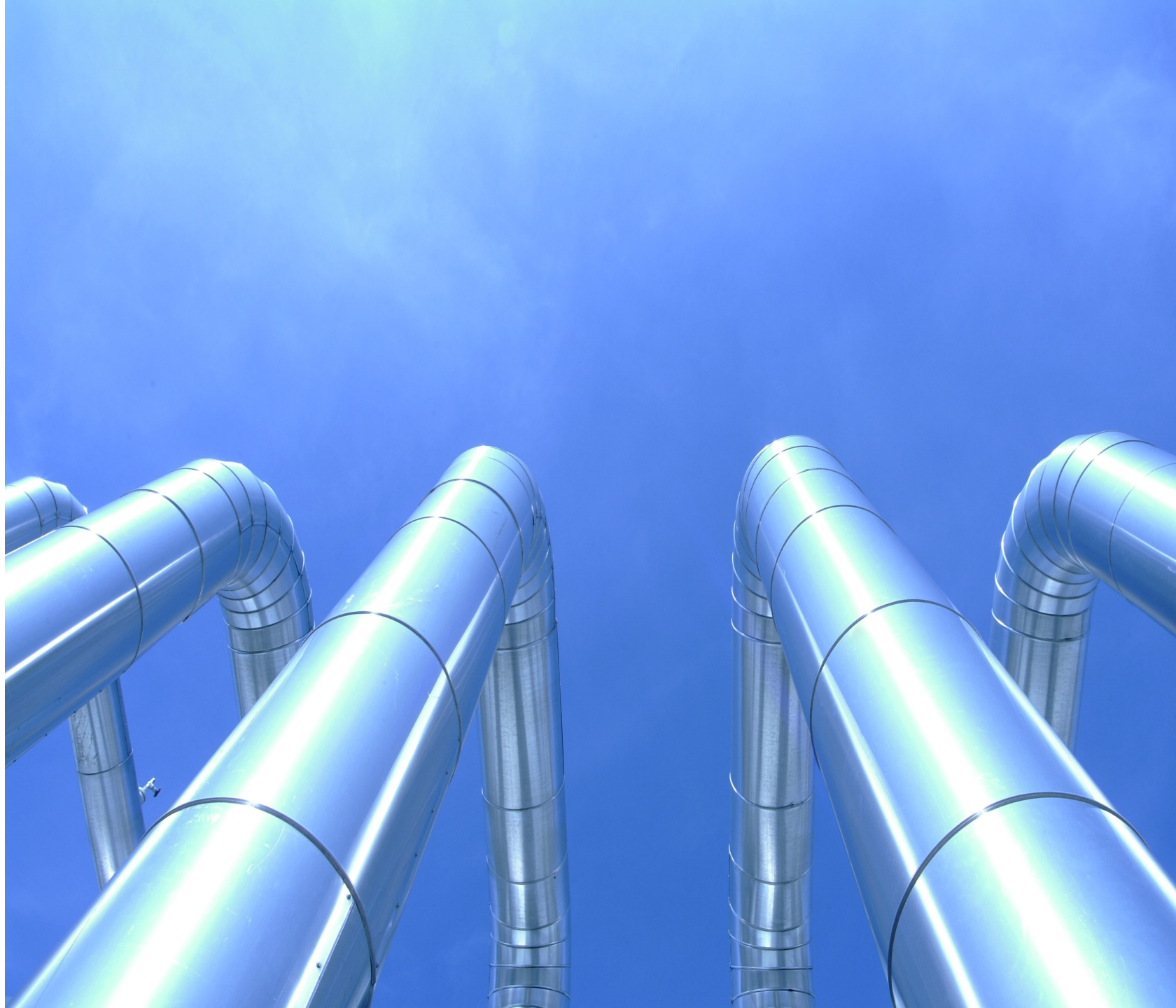
# GUIDANCE AND OUTLOOK

	2021 GUIDANCE (original)	2021 (actuals)	2022 GUIDANCE
<b>Production<sup>1</sup></b>	620 – 640 mboe/d	 634 mboe/d	610 – 630 mboe/d
<b>Capex</b>	€1,000 – 1,100 million	 €952 million	€1,000 – 1,100 million
<b>Exploration Expenditures</b>	€200 – 250 million	 €181 million	€200 – 250 million

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



# APPENDIX





Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

# SENSITIVITIES

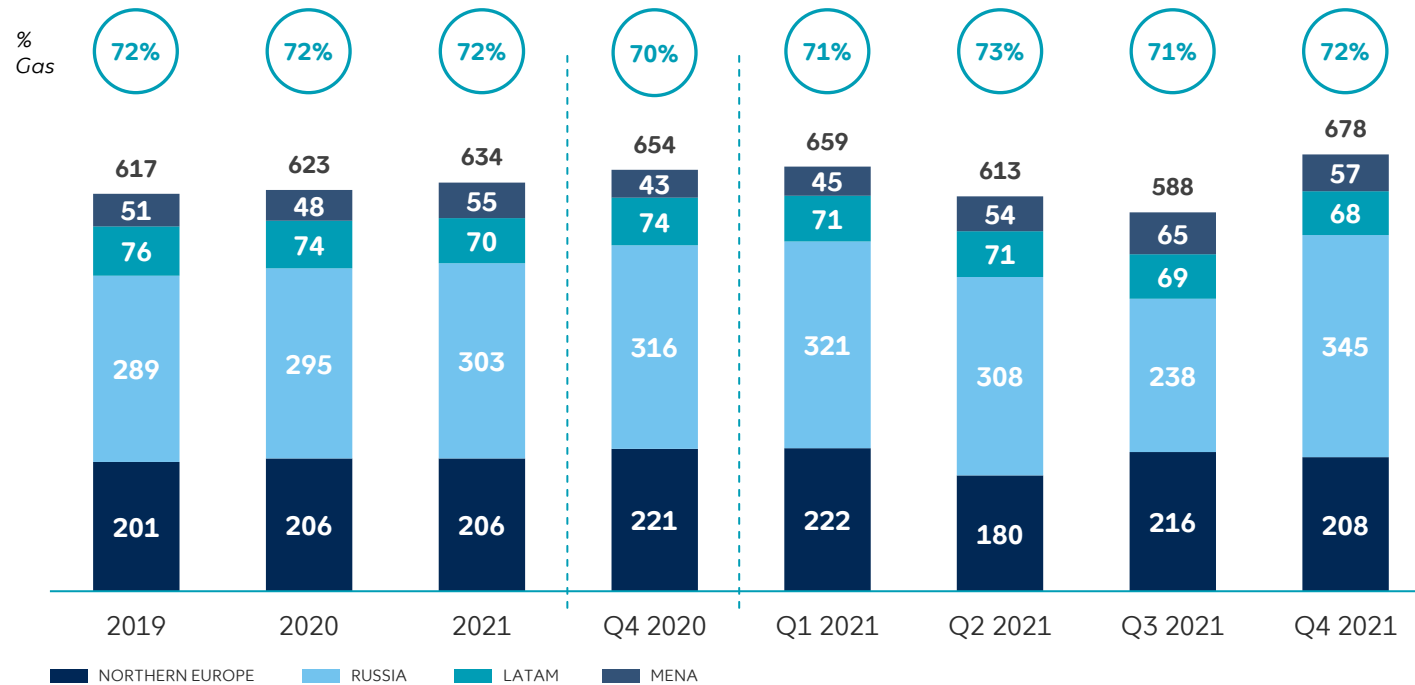
	EBITDAX	FCF
+/- \$5/bbl Brent	+/- ~€125 million	+/- ~€80 million
+/- \$1/mmbtu TTF	+/- ~€75 million	+/- ~€50 million

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

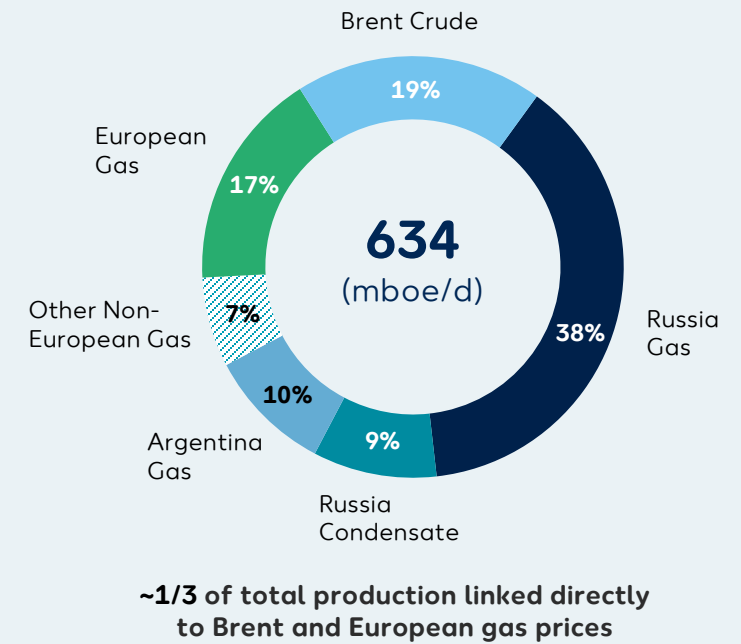
## Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

# PRODUCTION

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



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



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

Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

# COMMODITY HEDGING (AS OF 31 DEC 2021)

		2022	2023	2024
Total	<b>Total Volumes, mboe/d</b>	<b>77</b>	<b>69</b>	<b>35</b>
	(Change since 30 Sep 2021)	<b>(-3)</b>	<b>(+5)</b>	<b>(+8)</b>
Oil	<b>Volume, mbbl/d</b>	21	15	7
	<b>Price, \$/bbl</b>	58	59	61
Gas	<b>Volume, mmscf/d</b>	325	316	162
	<b>Price, \$/mscf</b>	5.8	6.4	6.7

Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

# RESULTS SUMMARY

	Unit	FY 2021	FY 2020	Q4 2021	Q4 2020
Environment	<b>Production<sup>1</sup></b>	mboe/d	634	623	678
	<b>Brent</b>	\$/boe	71	42	79
	<b>Gas TTF</b>	\$/mscf	15.7	2.6	30.9
Financial Results	<b>EBITDAX</b>	€ million	3,832	1,643	1,509
	<b>Operating Cash Flow</b>	€ million	2,998	1,604	1,021
	<b>Capex<sup>2</sup></b>	€ million	952	1,237	280
	<b>Free Cash Flow</b>	€ million	2,082	159	878
	<b>Adjusted Net Income</b>	€ million	950	195	376
Balance Sheet Liquidity			<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>
	<b>Net Debt</b>	€ million	2,510	5,519	2,510
	<b>Leverage Ratio (LTM)</b>	x	0.7	3.4	0.7
	<b>Cash &amp; Cash Equivalents</b>	€ million	2,106	821	2,106
	<b>Liquidity</b>	€ million	3,006	2,171	3,006

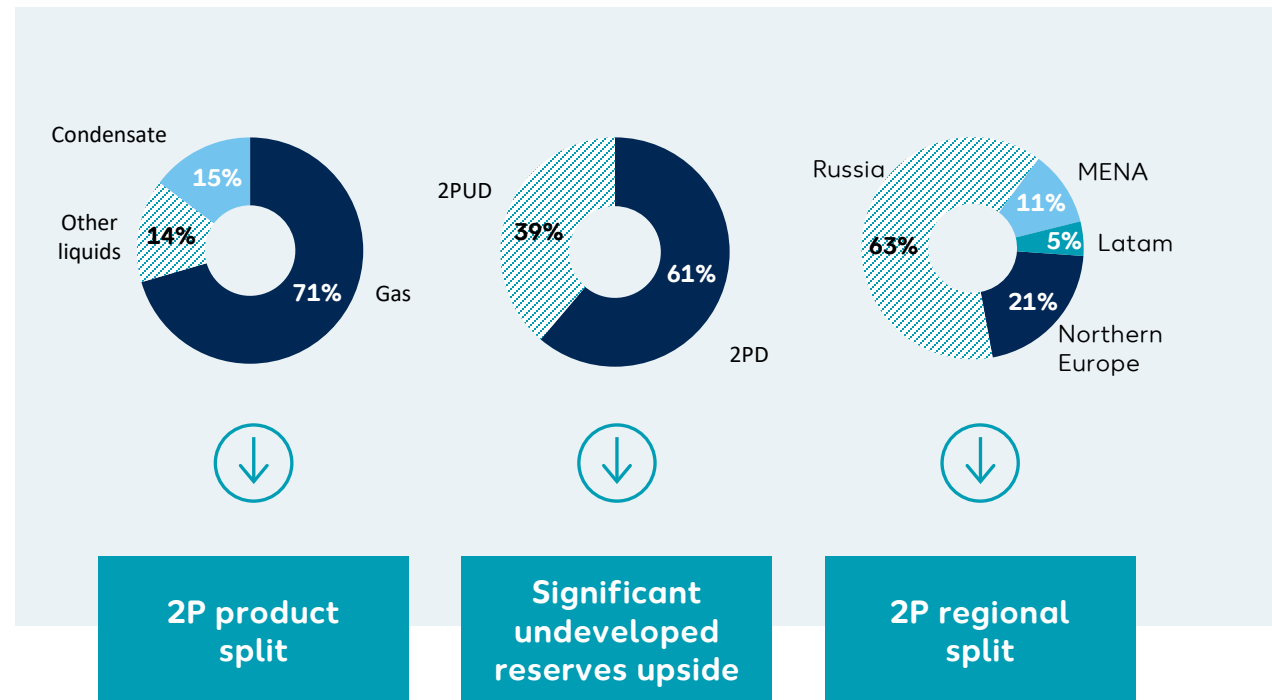
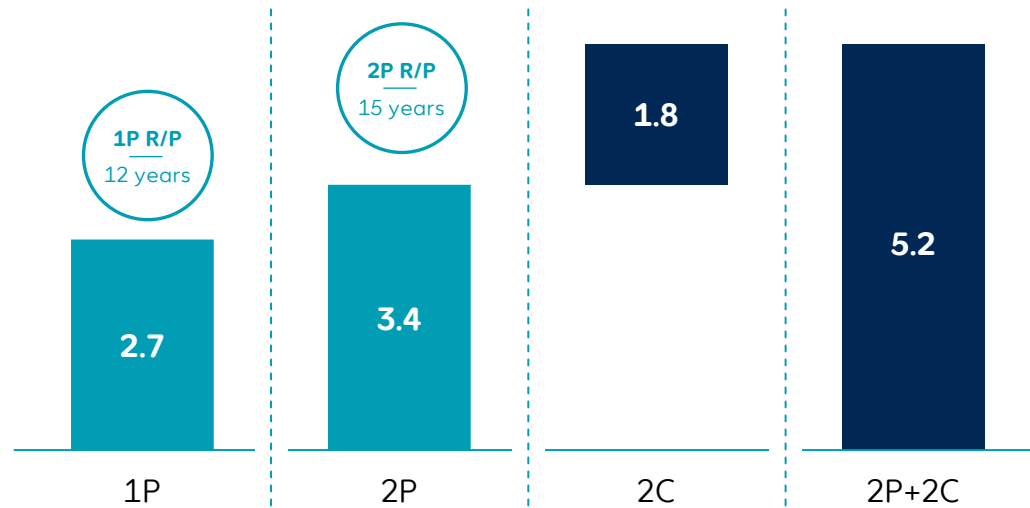
1 | ON A WORKING INTEREST BASIS, INCLUDING PROPORTIONAL PRODUCTION FROM AT EQUITY ACCOUNTED COMPANIES , EXCLUDING LIBYA ONSHORE PRODUCTION

2 | EXCLUDING CAPITALISED EXPLORATION AND ACQUISITIONS

# Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

## RESERVES UPDATE<sup>1</sup>

Overview (billion boe)

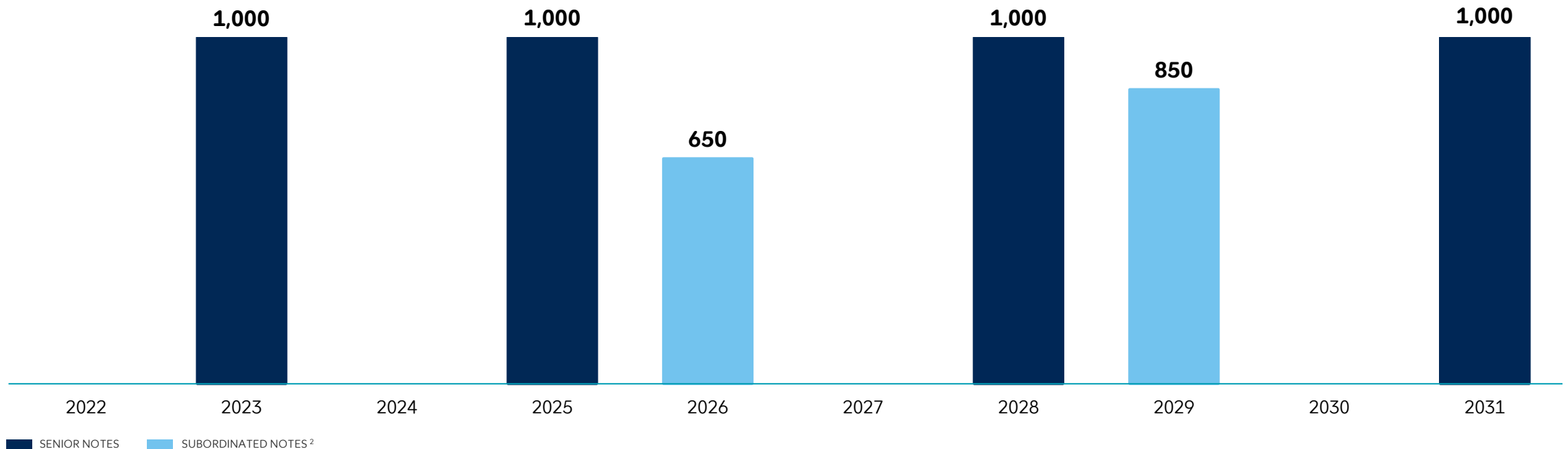


<sup>1</sup> | AS OF 2021, DECEMBER 31ST INTERNAL RESERVES ESTIMATE

Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

# DEBT MATURITY PROFILE

€ MILLION<sup>1</sup>



1 | FACE VALUES

2 | SUBORDINATED NOTES SHOWN UNTIL FIRST CALL DATE



## Q4 AND FULL YEAR 2021 RESULTS PRESENTATION

# DEFINITIONS

<b>1P reserves</b>	Quantities of petroleum that can be estimated with reasonable certainty (at least 90 per cent) to be commercially recoverable (proved reserves)
<b>2P reserves</b>	1P reserves plus reserves that are deemed probable (at least 50 per cent likely) to be commercially recoverable (probable reserves)
<b>2C resources</b>	Best estimate of contingent resources
<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/divestures, as shown in the Group's consolidated statement of cash flows
<b>Leverage</b>	Net debt divided by last twelve months EBITDAX
<b>LTIR</b>	Lost time injury rate per million hours worked (Renamed from lost time injury frequency - LTIF)
<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.