

MOL Group 2018 Results: Highest EBITDA since 2011

- ▶ Clean CCS EBITDA reached USD 2.69bn, up 10% versus previous year
- ▶ Upstream's contribution jumped by 49% y-o-y, Consumer Services increased by 18%
- ▶ Net profit reached again USD 1.1bn, equaling previous year's result

Budapest, 22 February 2019 – Today, MOL Group announced its financial results for 2018. MOL increased its EBITDA by 10% comfortably beating its upgraded 2018 target as Upstream and Consumer Services continued to significantly increase their contributions, while a strong internal performance in Downstream partly offset the weakening margins.

Clean CCS EBITDA rose by 16% in the last quarter compared with Q4 2017 resulting in an EBITDA of \$2.69bn for 2018. This represents a 10% increase versus 2017 and is significantly above the target. MOL continued its strong free cash flow generation at USD 1.4bn with Upstream generating nearly 70% of that.

Upstream EBITDA was the Group's largest contributor in 2018 with USD 1.269bn. This is an increase of 49% on the back of higher oil & gas prices and the contribution of high-margin barrels from the UK's Catcher field. As production of Catcher reached plateau, total daily production of the Upstream portfolio in the fourth quarter averaged 115 thousand barrels of oil equivalent, bringing the full year average to 111 thousand.

Downstream Clean CCS EBITDA reached USD 995mn for the year. The decline of 16% is primarily due to lower refining and significantly lower petrochemical margins. A stronger internal performance – the successful delivery of USD 110mn efficiency improvements of the DS 2022 program – and higher volumes could only partly offset the weakening margin environment.

Consumer Services EBITDA continued its double-digit growth to new all-time highs. In 2018 EBITDA reached USD 423mn, up by 18% from the previous year, driven by the dynamic expansion of non-fuel margin while also supported by healthy fuel market trends. Non-fuel margin per site grew 15% annually in the past four years on average.

The Gas Midstream segment reached USD 189mn EBITDA in 2018, 15% lower than a year ago due to tariff changes and rising energy cost.

Chairman-CEO Zsolt Hernádi commented on the results: *“2018 was another year of very strong delivery with the highest EBITDA in 7 years, and it was also a year of continued transformation, including the final investment decision on the polyol project. Upstream generated nearly USD 1bn free cash flow and increased its production, Downstream had robust profitability despite weaker refinery and petchem margins and achieved further considerable efficiency improvement, while Consumer Services maintained its double-digit EBITDA growth and launched various new innovative services. We have very strong foundations - a robust balance sheet on the back of several years of strong free cash flow generation, a resilient, integrated business model and a talented and dedicated workforce - to look into 2019 with optimism. We expect to deliver around USD 2.3bn EBITDA this year, assuming a more conservative downstream environment and a Brent crude price around USD 60/bbl. This shall provide us enough cash flow to cover the increasing investments into our major transformational projects.”*