THIRD QUARTER 2018 RESULTS

31 OCTOBER 2018

MOLGROUP

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AGENDA

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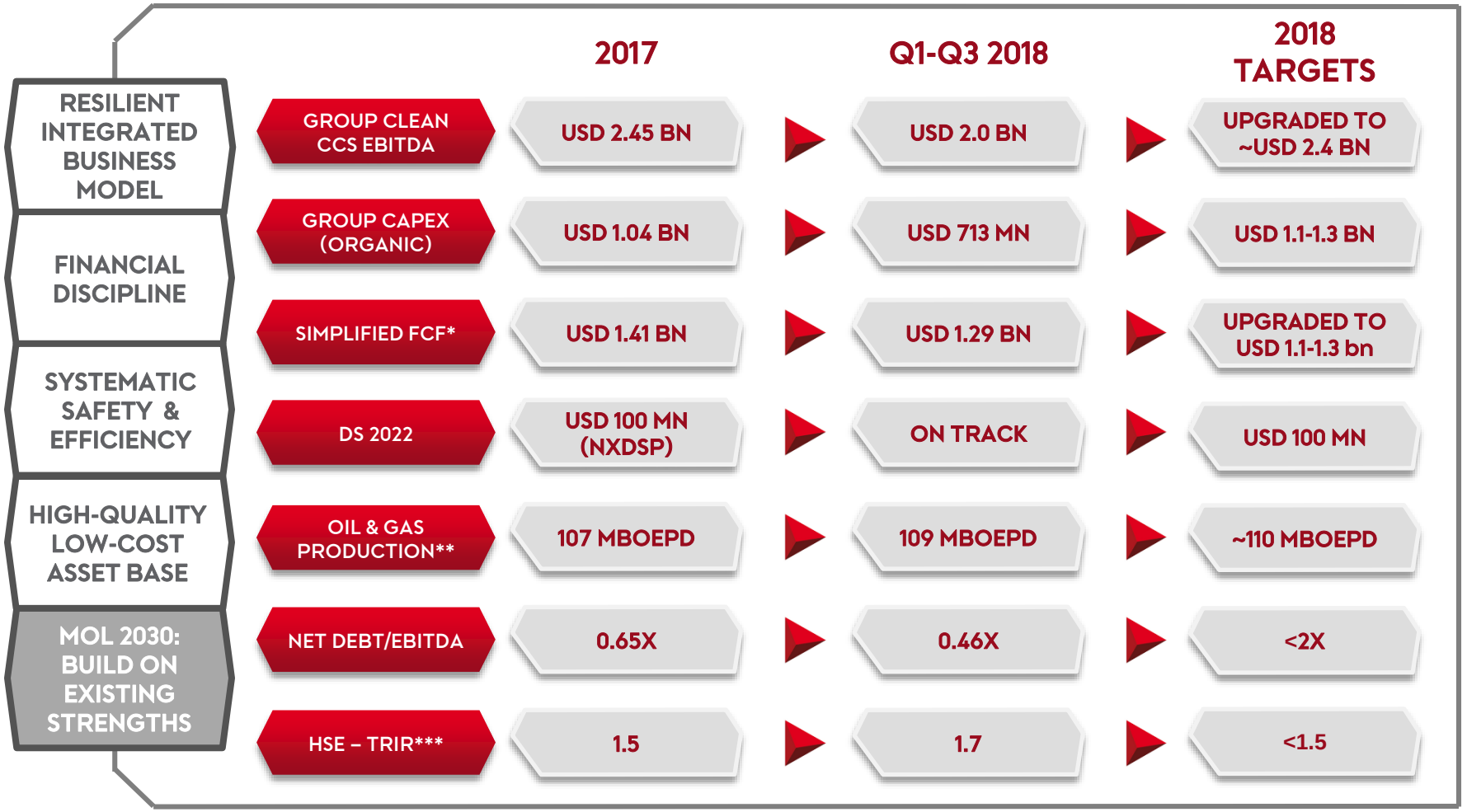
HIGHLIGHTS OF THE QUARTER

MOLGROUP

ANOTHER STRONG YEAR IN THE MAKING

WITH THE ESSENTIAL FUNDAMENTAL BUILDING BLOCKS IN PLACE

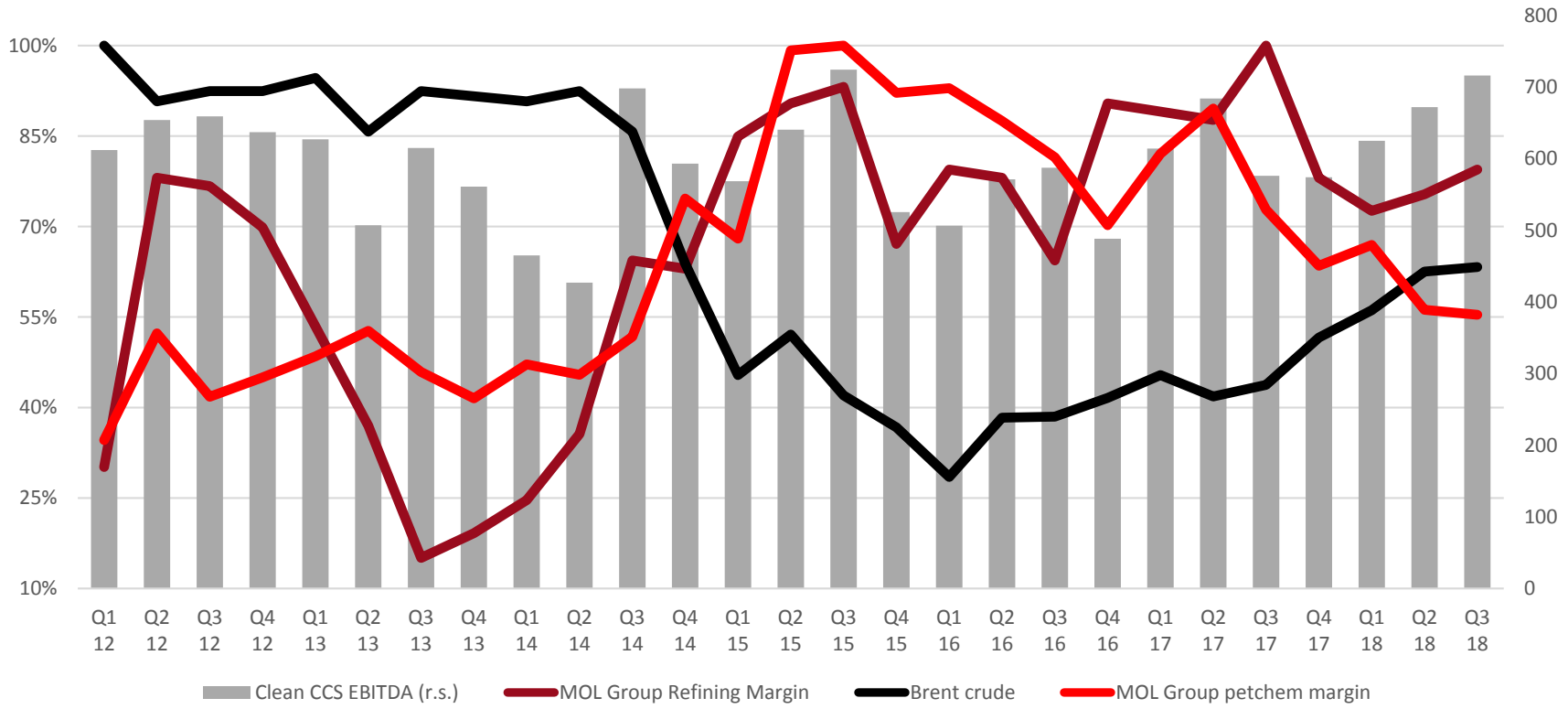


* Clean CCS EBITDA less Organic capex
** Including JVs and associates
*** Total Recordable Injury Rate

SOLID, CONSISTENT EBITDA GENERATION

RESILIENT INTEGRATED BUSINESS MODEL IN A HIGHLY VOLATILE ENVIRONMENT

EXTERNAL ENVIRONMENT* VS MOL CLEAN CCS EBITDA (USD MN)



* The quarterly % values of the Refinery Margin, Petchem Margin and Brent price are measured against their respective maximum values (100%) in the period of Q1 2012 – Q3 2018
100% equals to the following values:
MOL Group Refining Margin: 7.3 USD/bbl; MOL Group Petchrochemicals margin: 654 EUR/t; Brent crude: 119 USD

Q3 2018: STRONGLY RISING EBITDA AND FCF

IMPORTANT MILESTONES ALONG THE MOL 2030 STRATEGY

FINANCIAL HIGHLIGHTS

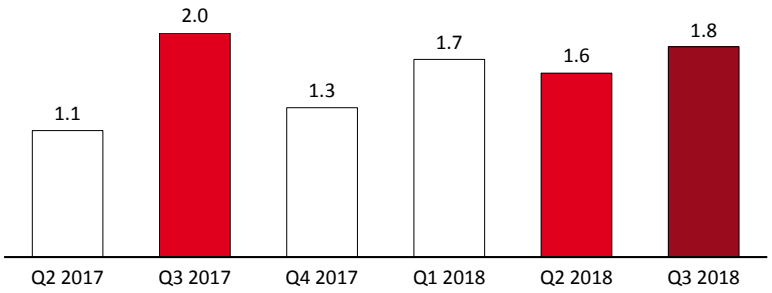
- Clean CCS EBITDA jumped 23% YoY in Q3 2018 to USD 708mn, bringing 2018 ytd EBITDA to just over USD 2bn
- Simplified FCF rose 22% YoY to USD 398mn, bringing the ytd FCF to USD 1.29bn, reaching the upper end of the full-year guidance range
- Upstream EBITDA jumped 70% YoY to USD 319mn on rising oil&gas prices
- Downstream Clean CCS EBITDA was around flat at USD 262mn in Q3 despite materially weaker margins
- Consumer Services EBITDA continued its double-digit growth to new all-time highs (+11% YoY to USD 147mn)
- Credit metrics further improved in Q3 2018 on the very strong cash generation and despite a large build in NWC; Net Debt/EBITDA and gearing fell to 0.46x and 13%, respectively

OPERATIONAL HIGHLIGHTS

- Oil & gas production was marginally lower in Q3 2018 at 108 mboepd, as rising UK production (Catcher) mostly offset the impact of the usual annual turnarounds
- MOL signed four lump-sum EPC contracts with thyssenkrupp for the implementation of the Polyol Project
- MOL and APK, a German recycling technology company, signed a strategic cooperation agreement
- For the third year in a row MOL was selected as an index component of the Dow Jones Sustainability Indices (DJSI) during the 2018 indices review process

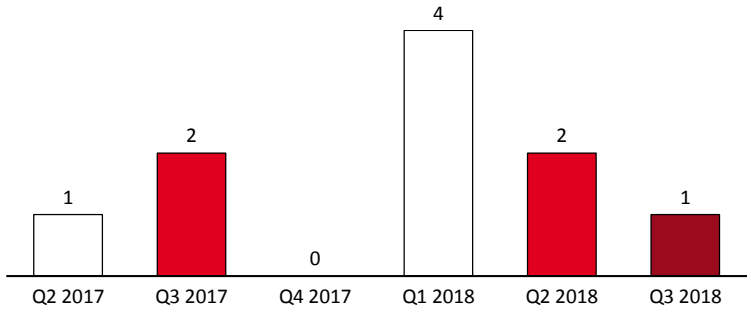
SUSTAINABLE DEVELOPMENT & HSE HIGHLIGHTS

GROUP TOTAL RECORDABLE INJURY RATE



- Higher than targeted number of TRIRs are mainly due to slips & trips type of injuries

GROUP TIER 1 PROCESS SAFETY EVENTS



- Heavy fuel oil leakage into the emergency tank during the sampling of a tank at Slovnaft Refinery

RECOGNIZING SUSTAINABILITY

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

- MOL demonstrated once again strong sustainability performance by being included in the **Dow Jones Sustainability Index** for the third year running.
- Being part of the DJSI places MOL in the **top 15%** global O&G industry, and is the **sole Emerging European corporate** to be included in the index.
- Given the rise of sustainable investing, **index inclusions** are key for MOL as these are used by a wide variety of capital market players to create and assess responsible investment funds.

GROUP & BUSINESS HIGHLIGHTS

HUMAN CAPITAL

- Given the persistently tight CEE labour market, MOL Group's employee referral program was rolled out across the group aiming at improving recruitment prospects, shortening time to fill open positions and enhance engagement

DOWNSTREAM

- Several site visits were undertaken by AON at MOL Petchem and Slovnaft Refinery resulting in closure of previous recommendations at both sites, and generating new recommendations to further improve process safety

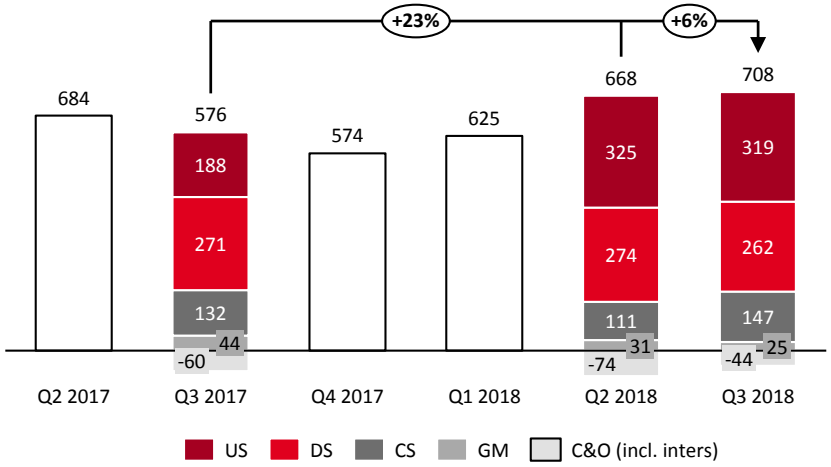
KEY GROUP QUARTERLY FINANCIALS

MOLGROUP

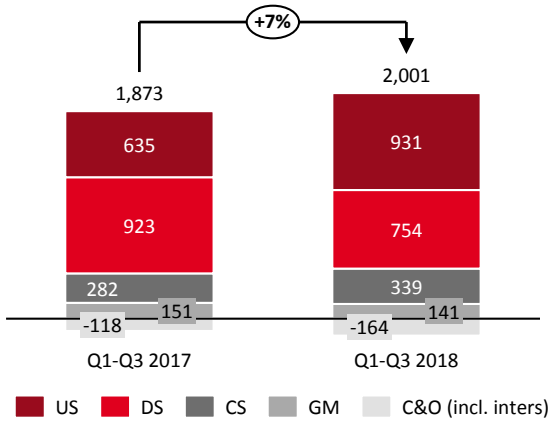
STRONGEST QUARTERLY EBITDA SINCE 2015

23% HIGHER EBITDA YOY DRIVEN BY UPSTREAM AND CONSUMER SERVICES

SEGMENT CLEAN CCS EBITDA (USD mn)



SEGMENT CLEAN CCS EBITDA YTD (USD mn)



Q3 COMMENTS

Downstream

- Much weaker refinery and petchem margins, offset by much stronger internal performance YoY

Consumer Services

- Strong growth is primarily non-fuel driven

Upstream

- Strong oil and gas prices, rising Catcher contribution

Gas Midstream

- Materially lower EBITDA YoY on significantly lower volumes and rising energy cost

Q1-Q3 COMMENTS

Downstream

- Affected by the weaker external environment

Consumer Services

- Fuel volumes, margins and non-fuel all contributed to EBITDA growth, partly offset by higher opex

Upstream

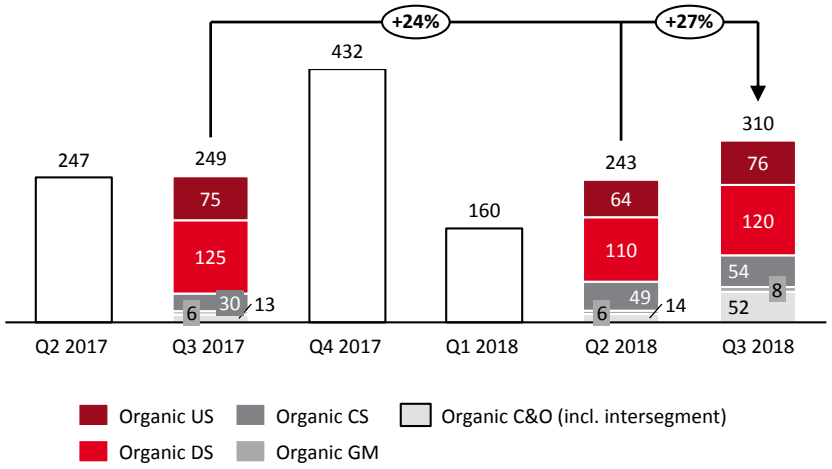
- Higher oil and gas prices, high-margin Catcher barrels

Gas Midstream

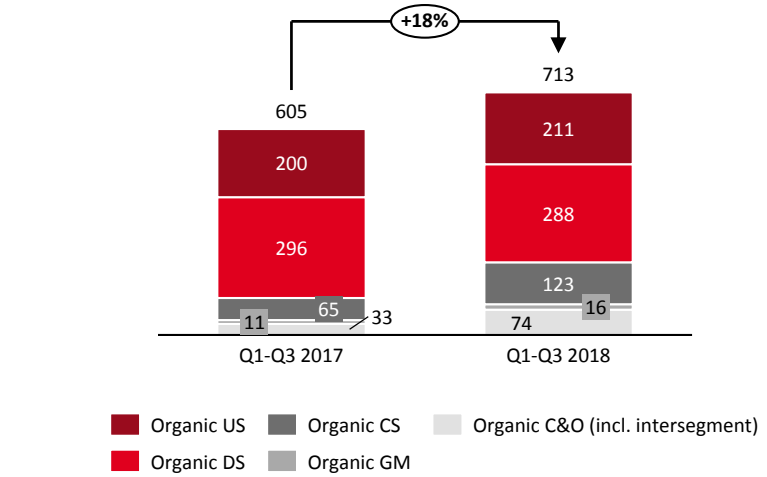
- Lower EBITDA on weak Q3 performance

HIGHER CAPEX IN Q3 FROM A LOW BASE

TOTAL GROUP CAPEX (USD mn)



TOTAL GROUP CAPEX YTD (USD mn)



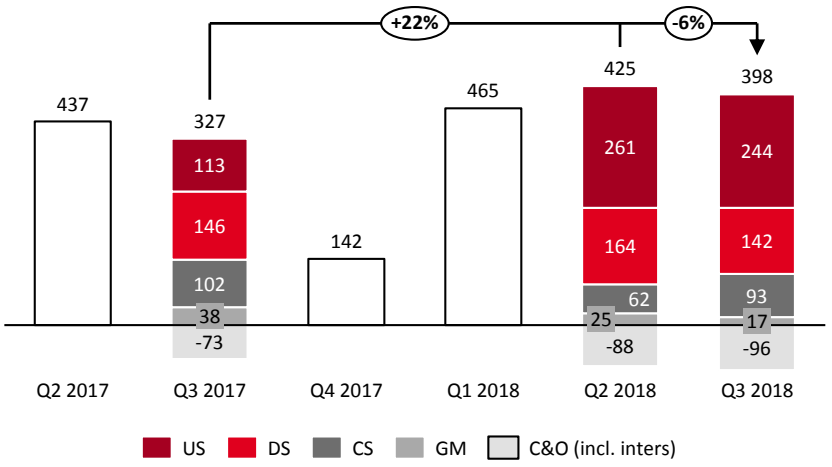
COMMENTS

- Organic capex was 24% higher YoY in Q3 2018 at USD 310mn
- Total Q1-Q3 2018 capex of USD 713mn represented a 18% increase from a fairly low base
- There was no material M&A in 2018 ytd
- Overall, there was no material changes in E&P and Downstream spending ytd vs the previous year
- Consumer Services capex nearly doubled both in Q3 and in Q1-Q3 YoY, in line with plans, mostly driven by the accelerated site reconstruction activity and the related rollout of the non-fuel concept, and the launch of new mobility services (e.g. Fleet management)
- Corporate and other (C&O) segment includes spending related to the new HQ

MASSIVE USD 1.3BN SIMPLIFIED FCF YTD

UPSTREAM GENERATED 50%+ OF GROUP FCF IN 2018 YTD

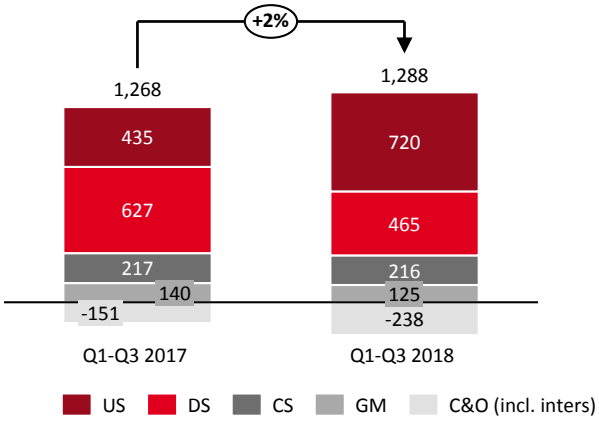
SIMPLIFIED FCF* (USD mn)



Q3 COMMENTS

- Group-level simplified FCF (Clean CCS EBITDA less organic capex) increased by 22% YoY to USD 398mn in Q3 2018 and was only slightly below the Q2 level
- Upstream more than doubled its FCF YoY, contributing more than half of the Group FCF in Q3
- Downstream FCF was flat YoY despite the adverse macro
- Rising investments kept FCF generation slightly weaker in Consumer Services in Q3

SIMPLIFIED FCF* YTD (USD mn)



Q1-Q3 COMMENTS

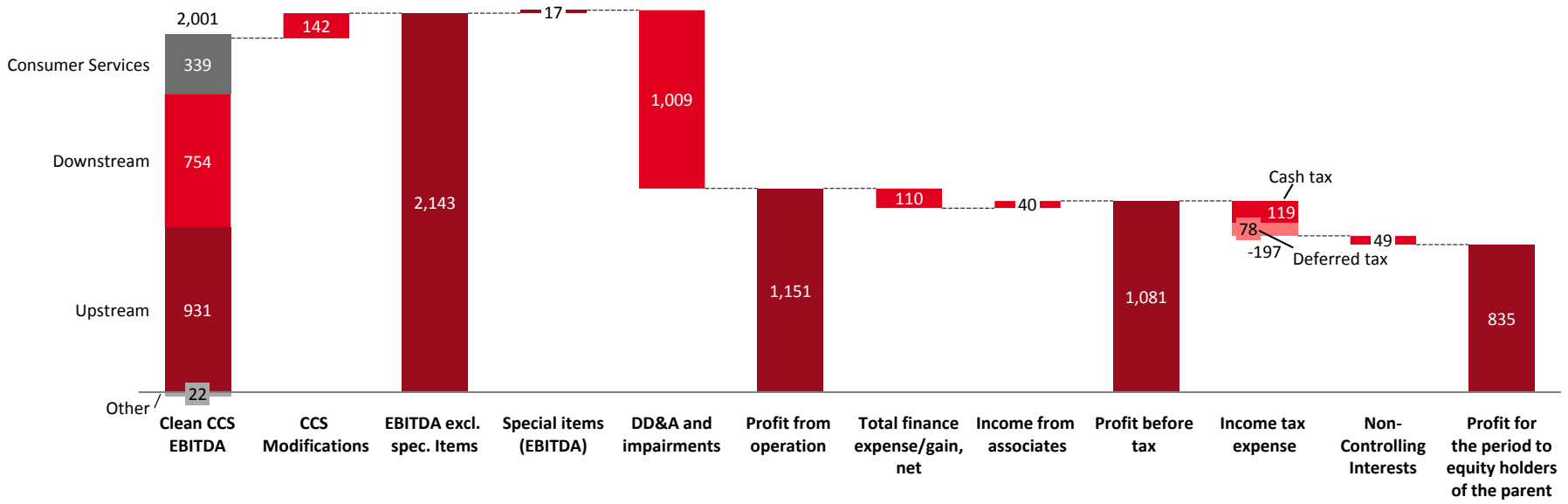
- Group-level simplified FCF edged up in Q1-Q3 2018 to 1.29bn, reaching the higher end of the previously upgraded full-year guidance range (of USD 1.1-1.3bn)
- Upstream contributed more than 50% of the Group FCF on jumping oil and gas prices
- Downstream FCF was affected by the materially weaker macro
- Consumer Services' simplified FCF was flat YoY, as higher capex offset higher EBITDA
- Gas Midstream saw a decline in FCF YoY due to the weaker Q3 performance

* Simplified Free Cash Flow = Clean CCS EBITDA – organic CAPEX

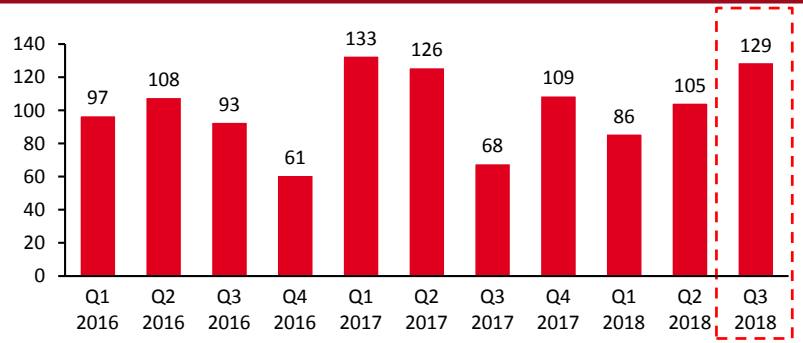
VERY STRONG Q3 BOOSTS YTD NET INCOME, EPS

CCS IMPACT AND INCOME FROM ASSOCIATES OFFSET HIGHER DD&A, FX LOSSES IN Q1-Q3

Q1-Q3 2018 EARNINGS (USD mn)



EPS (HUF)



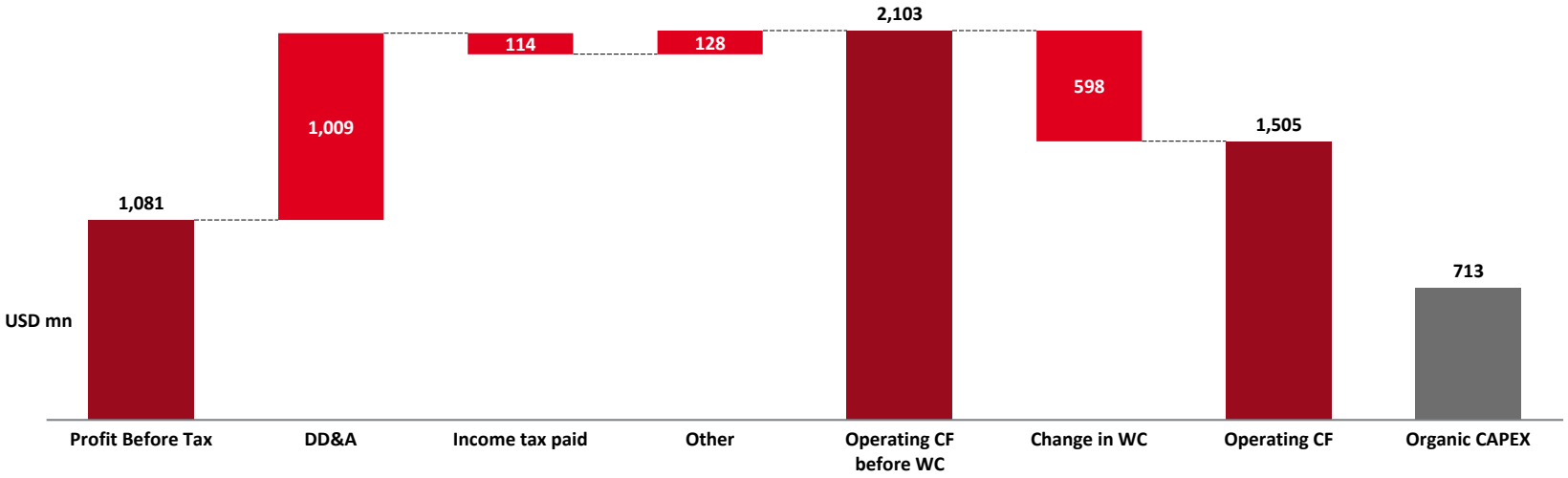
COMMENTS

- Materially higher DD&A in E&P (primarily on Catcher, also on Hungary, Norway)
- USD 142mn positive CCS modification on rising oil prices
- Small positive special item (USD 17mn from Q2)
- Financial items: FX losses (USD 56mn ytd) on the weaker HUF, slightly lower net interest expenses
- Associates: dominated by Pearl, Baitex contribution
- Around flat cash taxes YoY

OPERATING CASH FLOW SLIGHTLY LOWER YOY

DUE TO A LARGE BUILD IN NET WORKING CAPITAL IN Q3

OPERATING CASH FLOW YTD (USD mn)



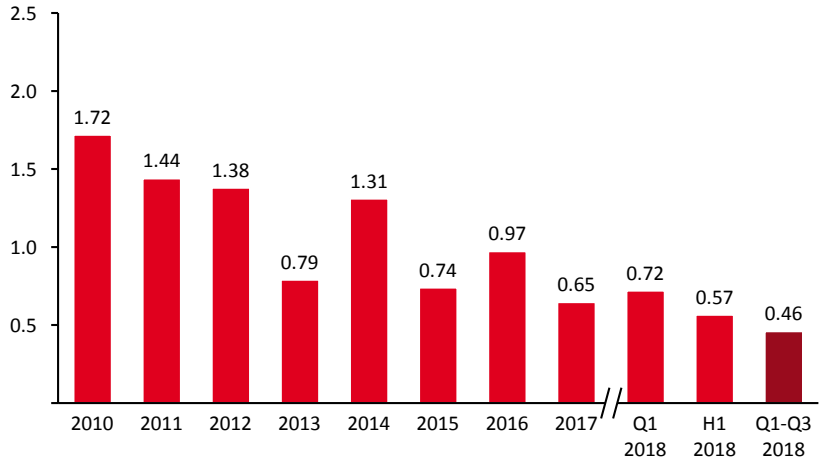
COMMENTS

- Operating Cash Flow before Working Capital came in at USD 2.1bn in Q1-Q3 2018, jumping by 27% YoY
- There was a substantial, USD 315mn build in net working capital (NWC) in Q3, as opposed to a draw a year ago, bringing to the total NWC build to close to USD 600mn ytd. The Q3 build was partly driven by the rising oil price environment, but partly also by timing issues. This latter may later be reversed.
- Operating Cash Flow (after NWC changes) was USD 1.51bn in Q1-Q3 2018, 6% lower YoY
- Operating Cash Flow could still very comfortably cover organic CAPEX as well as the 2017 dividend payment (including the special dividend)

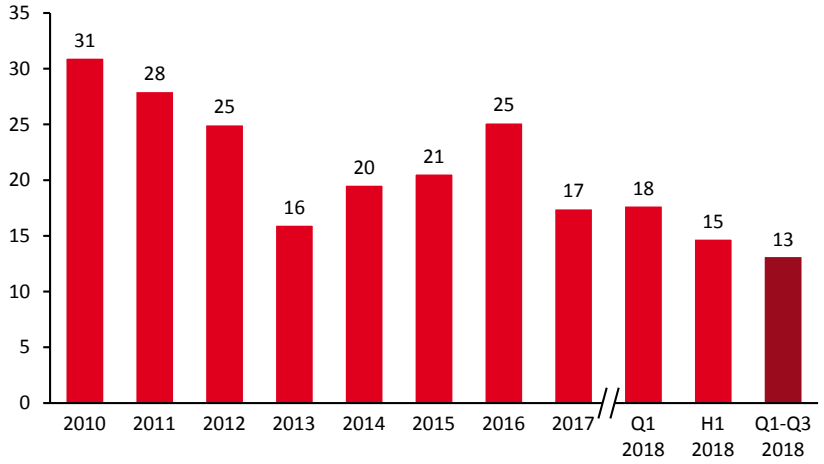
STRONGER BALANCE SHEET, MODERATE LEVERAGE

FURTHER IMPROVING CREDIT METRICS IN Q3 2018

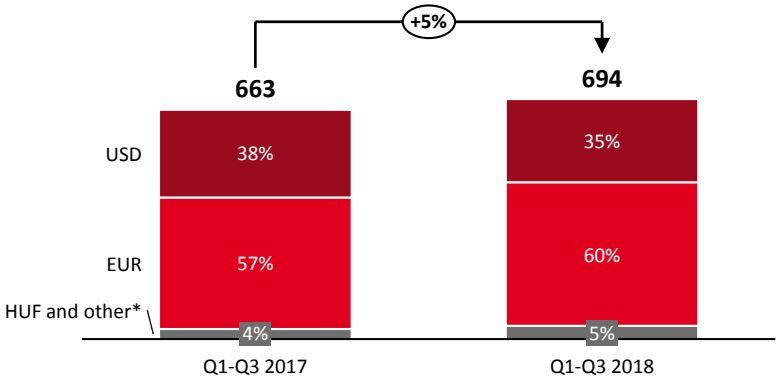
NET DEBT TO EBITDA (x)



GEARING (%)



DEBT CURRENCY COMPOSITION (HUF bn)



COMMENTS

- Net debt/EBITDA and net gearing declined further in Q3 2018 (to 0.46x and 13% resp.) on the back of the strong FCF generation, which was only partly used for financing the substantial working capital build
- Considerable financial headroom and liquidity maintained

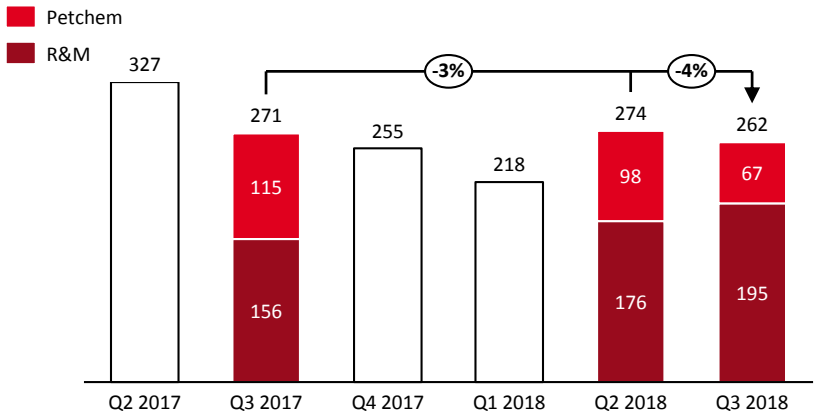
DOWNSTREAM
Q3 2018 RESULTS

MOLGROUP

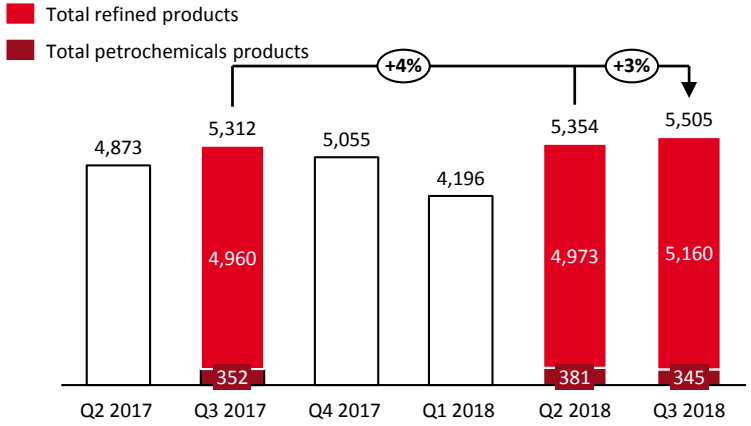
STABLE EBITDA IN Q3 DESPITE A WEAKER MACRO

STRONG VOLUMES AND IMPROVED INTERNAL PERFORMANCE VS. A LOWER BASE

QUARTERLY CLEAN CCS EBITDA (USD mn)



TOTAL PRODUCT SALES (kt)



KEY FINANCIALS (USD mn)

	Q3 2018	Q3 2017	YoY Ch %	Q1-Q3 2018	Q1-Q3 2017	YoY Ch %
EBITDA	320.3	254.3	26	912.5	881.5	4
EBITDA excl. spec.	320.3	254.3	26	895.7	881.5	2
Clean CCS EBITDA	261.6	271.1	(3)	753.7	922.9	(18)
o/w Petchem	66.7	115.2	(42)	282.6	371.4	(24)
EBIT	223.2	165.9	35	614.6	623.1	(1)
EBIT excl. spec.	223.2	165.9	35	597.8	623.1	(4)
Clean CCS EBIT	164.5	182.7	(10)	455.8	664.5	(31)

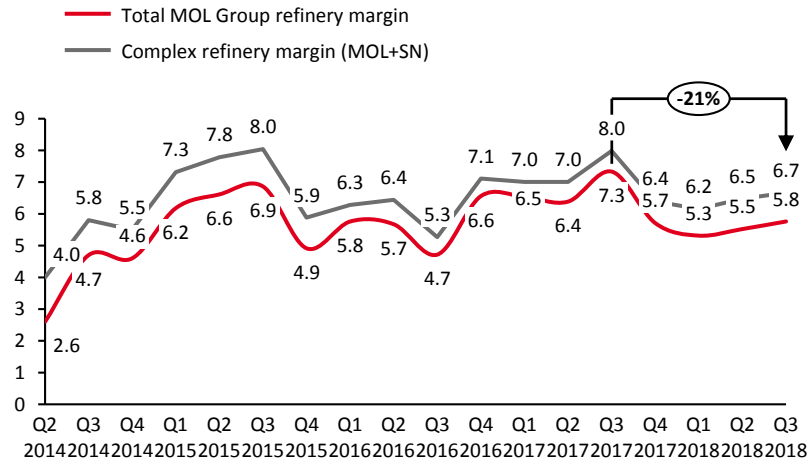
COMMENTS

- Downstream Clean CCS EBITDA amounted to USD 262mn in Q3, only marginally lower YoY
- Both refinery and petchem margins were down materially YoY, the integrated petchem margin averaged close to mid-cycle levels at 362 EUR/t
- Strong volumes and improved internal performance vs. relatively low base in R&M (larger one-offs a year ago) offset the deteriorating macro
- Motor fuel demand still on the rise (CEE +4% in Q1-Q3)

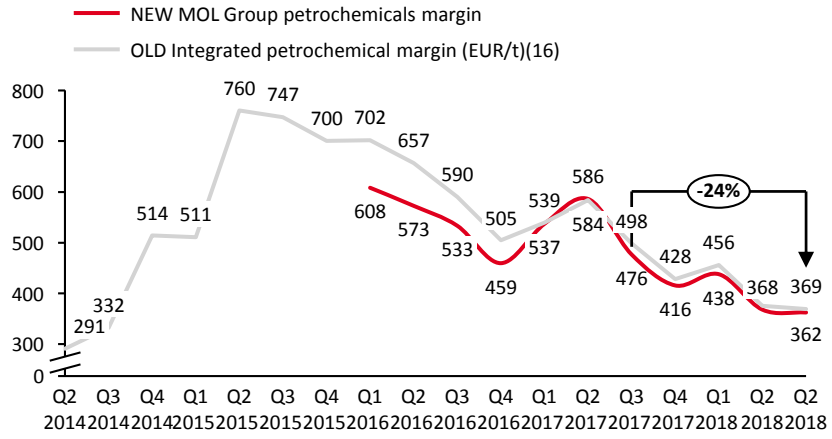
PETCHEM MARGIN DROPS TO MID-CYCLE LEVELS

REFINERY MARGINS STILL PROVIDED SUPPORT YTD DESPITE FALLING YOY

REFINING MARGIN (USD/bbl)



INTEGRATED PETCHEM MARGIN (EUR/t)



COMMENTS

- Refining margins edged up in Q3 as motor fuel cracks received support from healthy demand in the driving season
- However, margins dived in September driven by the collapsing gasoline crack and the further rising oil price
- The integrated petchem margin remains close to the 350 EUR/t level, representing a three-year low and corresponding to around „mid-cycle" levels; the butadiene–naphtha spread has been very healthy

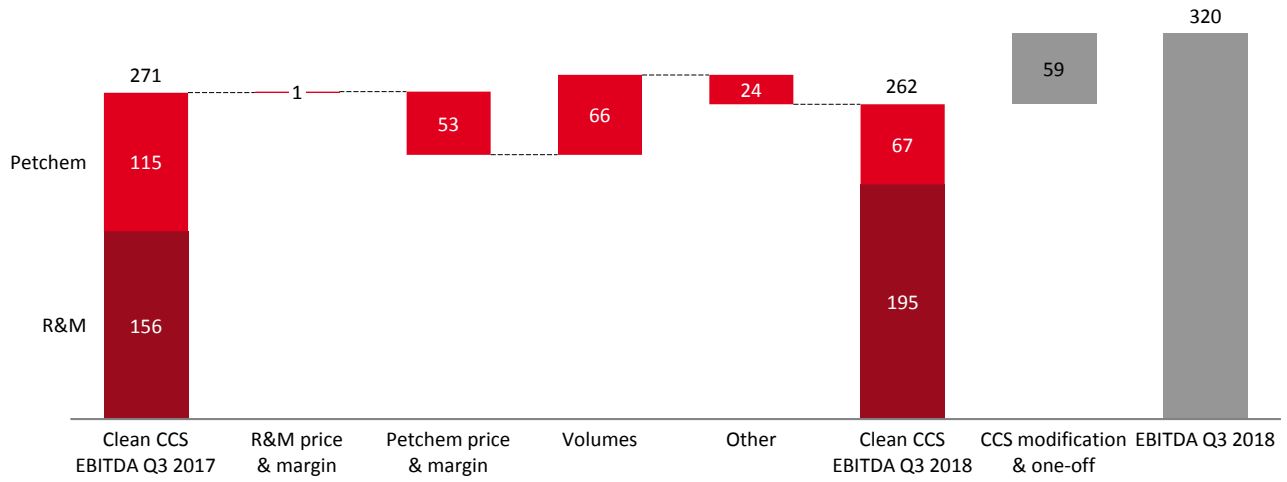
UTILIZATION & TURNAROUNDS

- Processing was up by 9% in Q3 YoY despite the unplanned event in Bratislava that resulted in 240 kt crude processing shortfall
- Late Q3/early Q4: Steam Cracker-2 planned maintenance in MOL Petrochemicals completed
- Early-2019 turnaround: major shutdown of Rijeka refinery is scheduled for Q1 2019

IMPROVED R&M, HIGHER VOLUMES SUPPORT Q3

DOWNSTREAM CLEAN CCS EBITDA PRACTICALLY UNCHANGED YOY

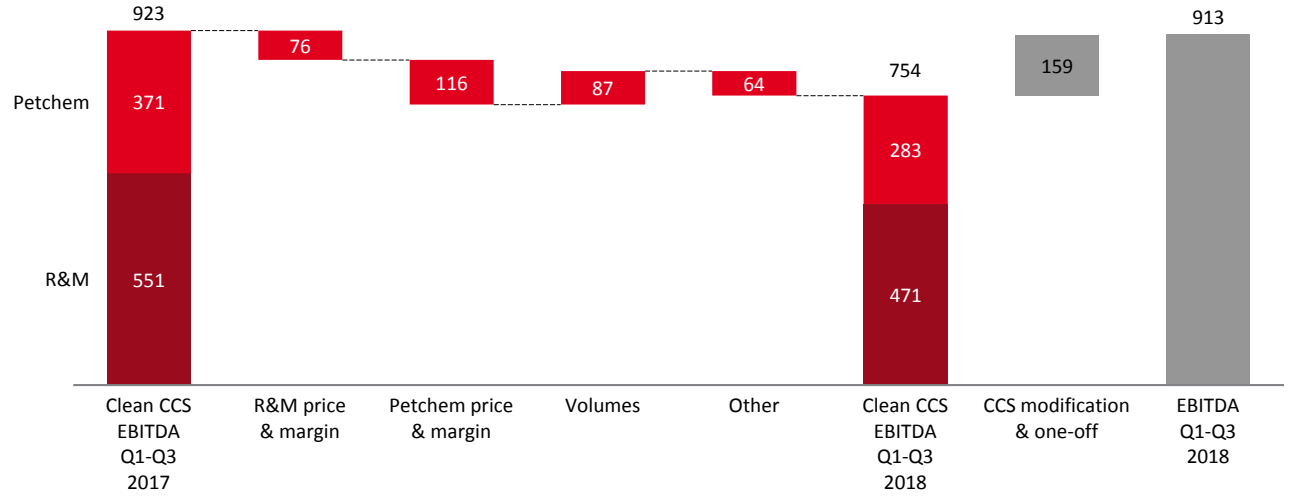
CLEAN CCS EBITDA YoY (USD mn)



COMMENTS

- Weaker macro in both petchem, and refining dented DS profits
- Improving pricing (sales margins) in R&M (from the low Q3 2017 base) offset the 1.3 USD/bbl headline margin drop
- 6% increase in processing in Danube and Bratislava refineries and 4% higher sales
- Others: higher opex mainly in R&M (higher CO_2 (USD 10mn) and material cost and wage pressure)

DOWNSTREAM EBITDA YTD (USD mn)



COMMENTS

- Negative macro developments remained in the driving seat ytd
- Stronger internal performance and higher volumes could only partly offset the weakening margin environment
- Others: mainly driven by the same items as in Q3

Note: price & margin includes FX impact

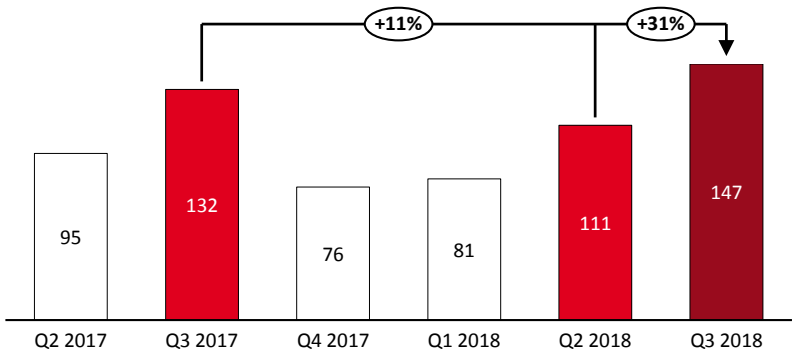
CONSUMER SERVICES
Q3 2018 RESULTS

MOLGROUP

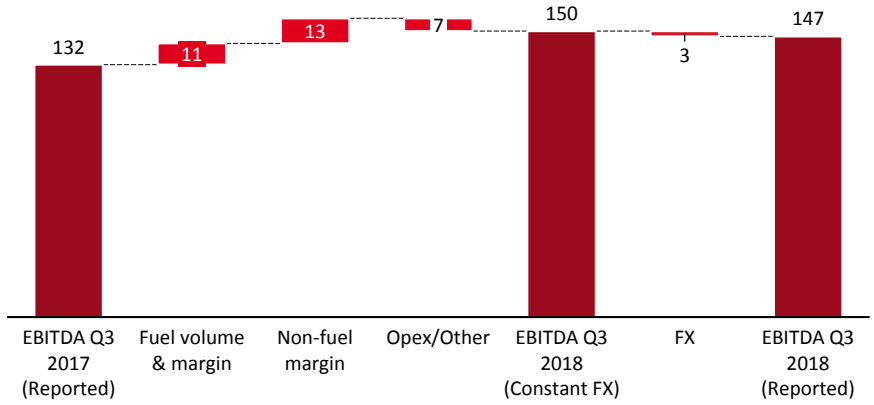
DOUBLE-DIGIT EBITDA GROWTH MAINTAINED

SUPPORTED BY STRONG NON-FUEL MARGIN GROWTH

QUARTERLY EBITDA (USD mn)



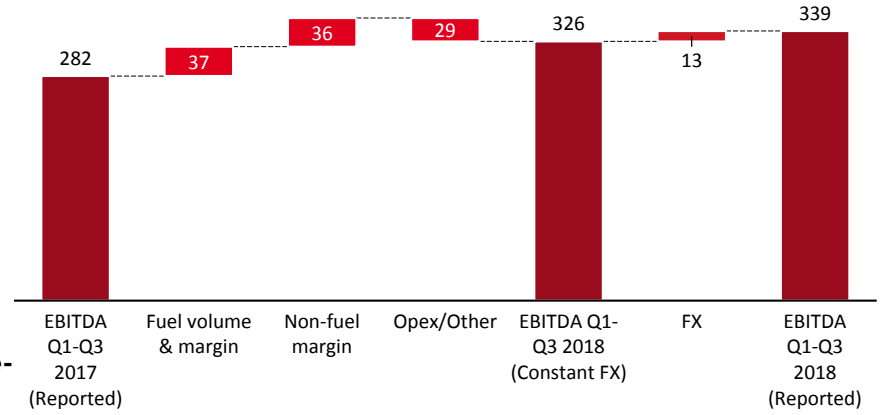
EBITDA YoY (USD mn)



KEY FINANCIALS (USD mn)

	Q3 2018	Q3 2017	YoY %	Q1-Q3 2018	Q1-Q3 2017	YTD %
EBITDA	147	132	11	339	282	20
EBIT	122	109	12	267	217	23
CAPEX and Investments	54	32	69	123	66	86

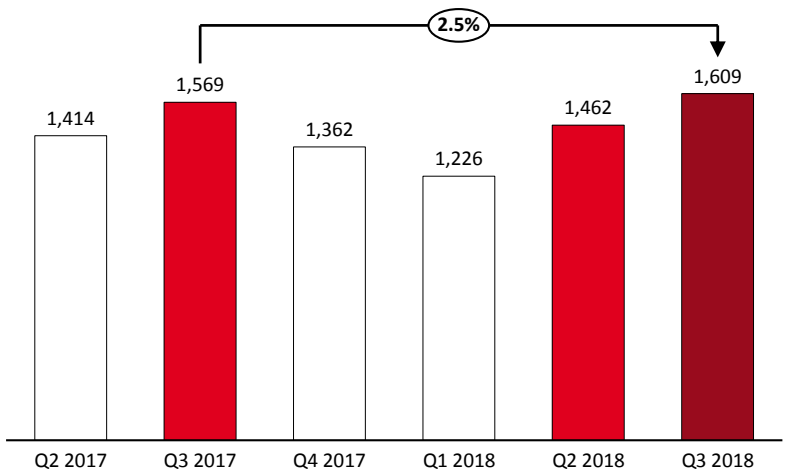
EBITDA YTD (USD mn)



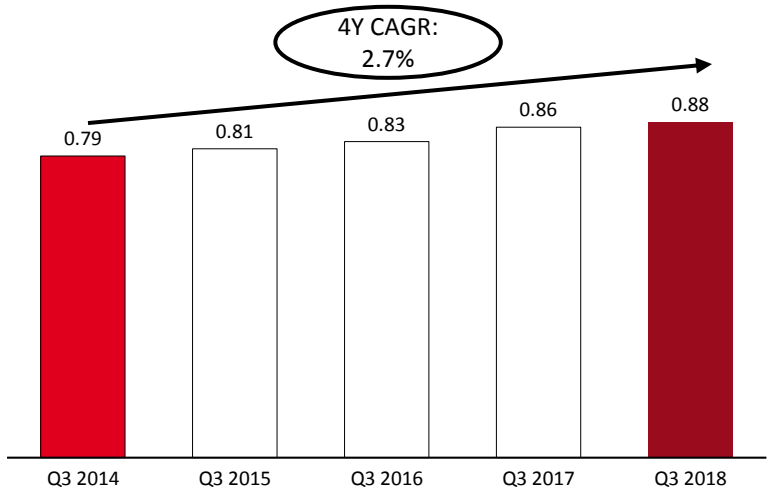
- EBITDA grew by 11% in Q3 2018 YoY, maintaining the double-digit growth driven by the dynamic expansion of non-fuel margin and also supported by healthy fuel market trends
- Higher investments reflect the increasing pace of the site reconstructions and Fresh Corner rollout
- Higher opex reflects regional wage pressure and higher commissions due to the new operational model in Slovakia

L-F-L FUEL SALES INCREASING 2.6% YOY

TOTAL VOLUMES SOLD (mn litres)



FUEL THROUGHPUT / SITE (mn litres)



COMMENTS

- Total sales volumes of MOL rose by 2.5%
- Like-for-like volumes growth was 2.6%, slightly behind the motor fuel demand growth in the relevant CEE markets (which showed significant differences in growth rates from country to country)
- Strong focus on total fuel margin optimization

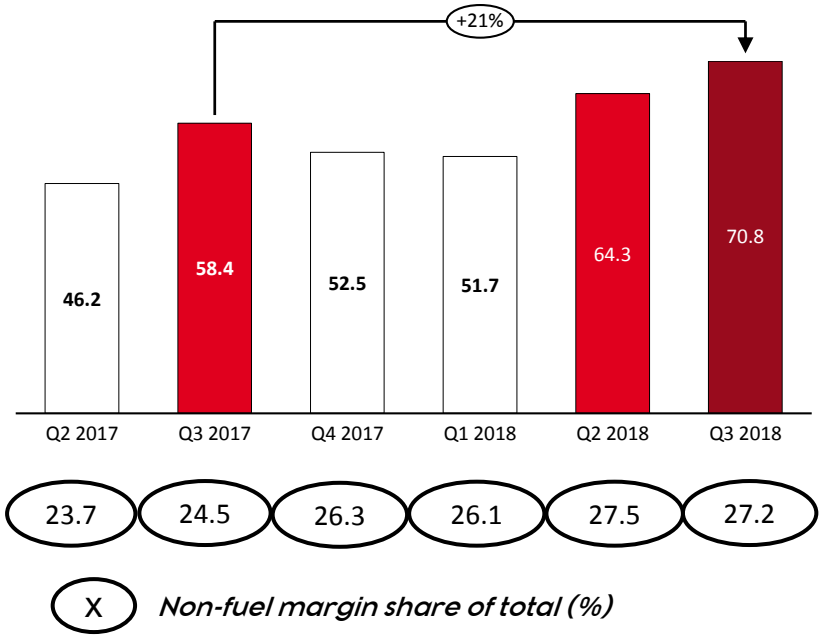
COMMENTS

- Fuel throughput/site (mn litres/year) continued to expand
- 4-year CAGR for throughput/site stands at 2.7% on a expanding network, reflecting relentless focus on efficiency

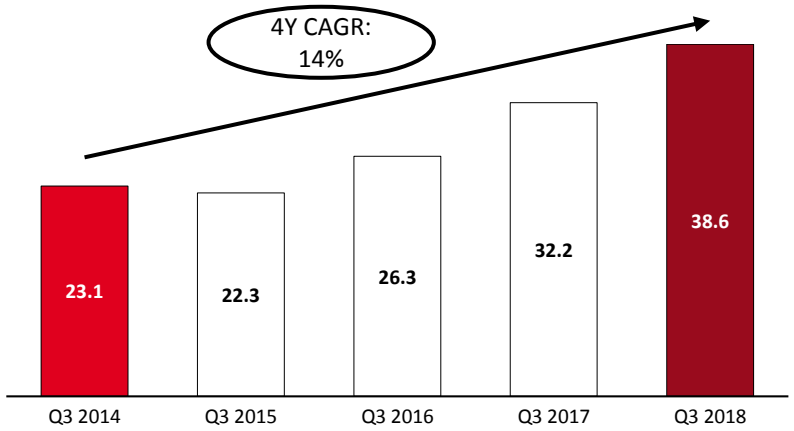
NON-FUEL CONTRIBUTION MATERIALLY HIGHER

4-YEAR CAGR OF NON-FUEL MARGIN PER SITE AT 14%

NON-FUEL MARGIN (USD MN)



NON-FUEL MARGIN / SITE ('000 USD)



COMMENTS

- Accelerated non-fuel concept rollout continued: number of reconstructed sites with Fresh Corners rose to 606 from 363 a year ago
- The share of non-fuel margin continued to dynamically grow YoY to 27% in Q3 2018 (up 3-ppt)

COMMENTS

- Non-fuel margin/site ('000 USD) grew 14% in the past four years on average
- This reflects the shifting focus to non-fuel margin generation and the roll-out of the non-fuel concept over the last three years

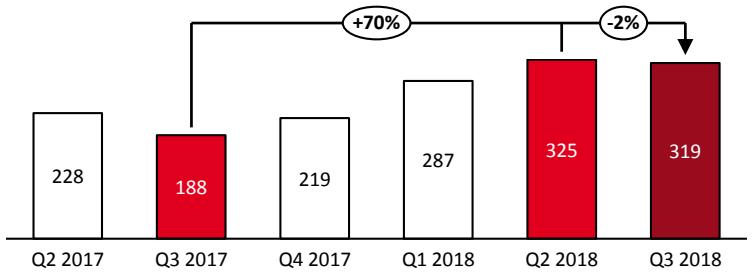
UPSTREAM
Q3 2018 RESULTS

MOLGROUP

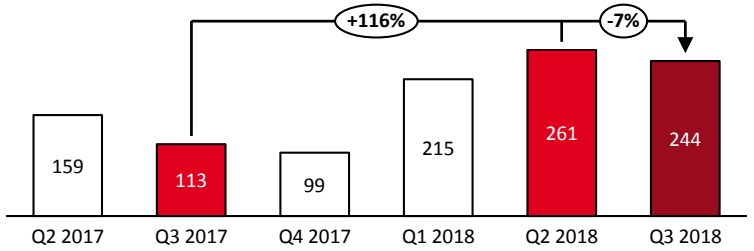
VERY STRONG E&P EBITDA AND FCF IN Q3

RISING OIL AND GAS PRICES CONTINUE TO BOOST CASH GENERATION

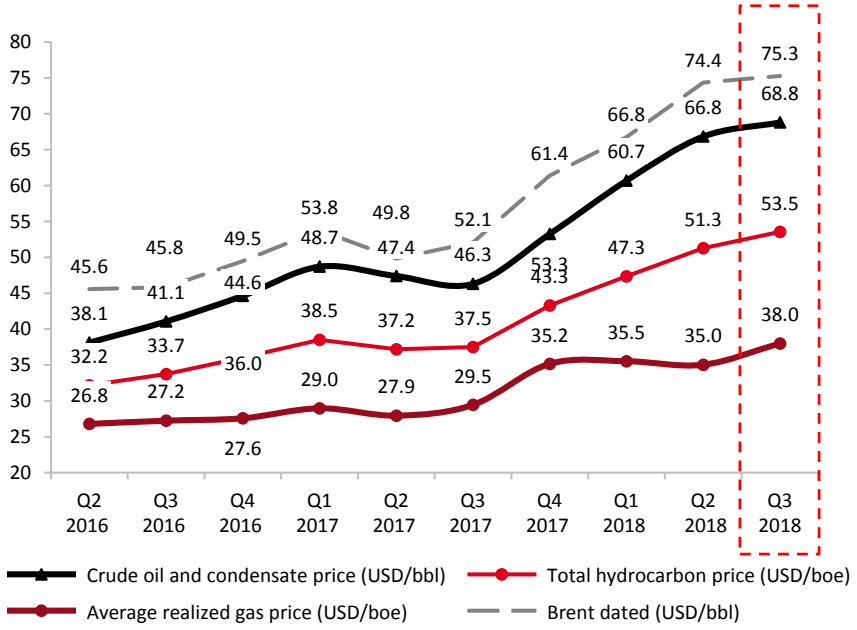
QUARTERLY EBITDA (ex-spec) (USD mn)



QUARTERLY SIMPLIFIED FCF (USD mn)



REALIZED HYDROCARBON PRICES



KEY FINANCIALS (USD mn)

	Q3 2018	Q3 2017 restated	YoY %	Q1-Q3 2018	Q1-Q3 2017 restated	YoY %
EBITDA	319	161	98	931	625	49
EBITDA excl. spec.	319	188	70	931	635	47
EBIT	141	24	477	391	253	55
EBIT excl. spec	141	51	177	391	263	49

Notes: consolidated figures, unless otherwise indicated

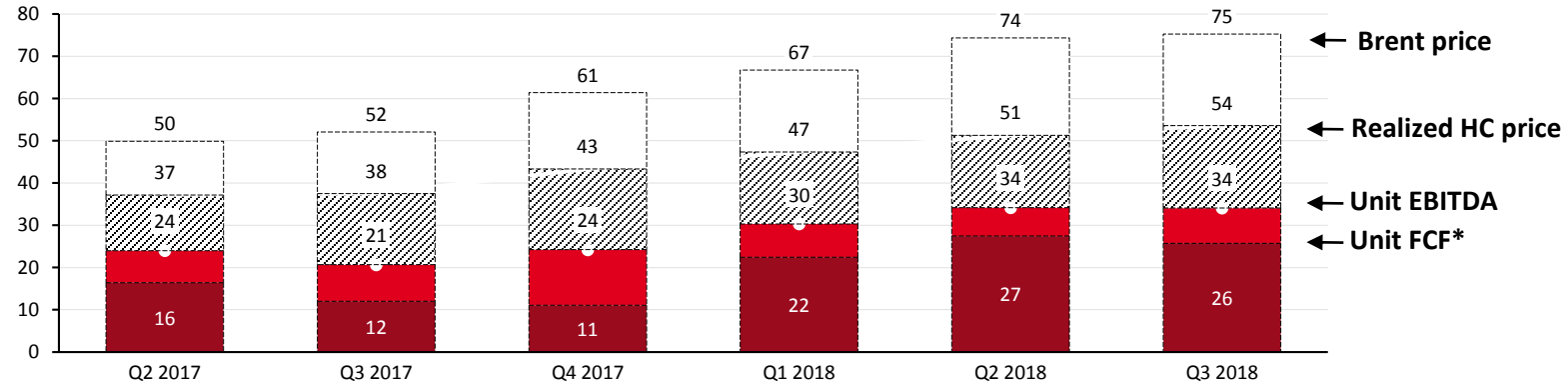
COMMENTS

- EBITDA ex-spec jumped 70% in Q3 YoY and was flat QoQ above USD 300mn
- No non-recurring income in Q3 (vs. USD 23mn cash collection in Egypt and KRI in Q2)
- More than USD 700mn Simplified FCF was generated in Q1-Q3 2018, up 64% YoY and implying a remarkable unit FCF of USD 25/boe

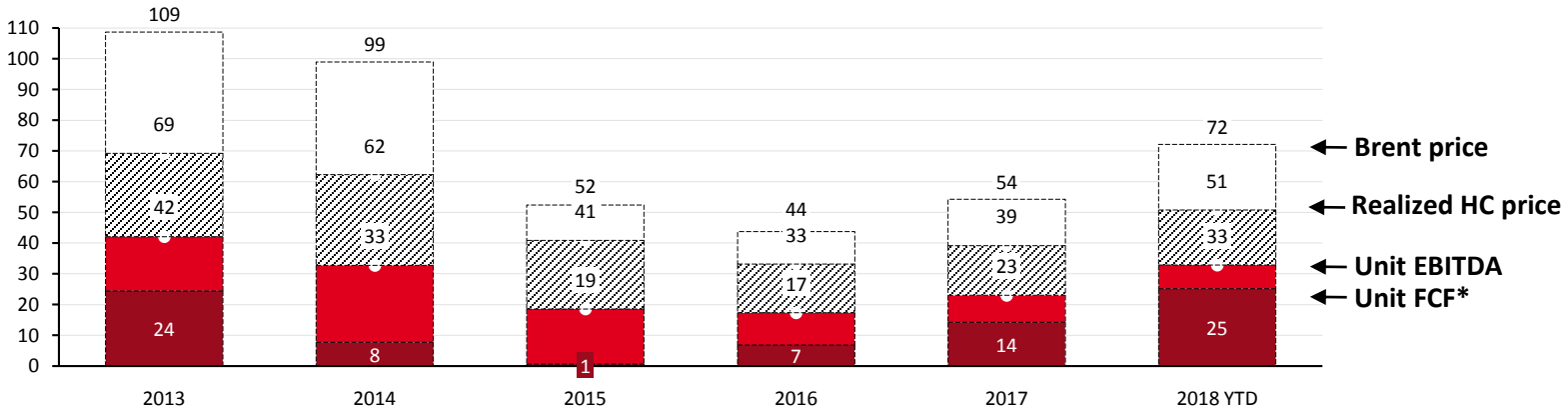
ROBUST UNIT FREE CASH FLOW

EXISTING BARRELS GENERATE IMPRESSIVE CASH AND CREATE MATERIAL VALUE

QUARTERLY PRICE REALIZATION, EBITDA, FCF (USD/boe)



ANNUAL PRICE REALIZATION, EBITDA, FCF (USD/boe)

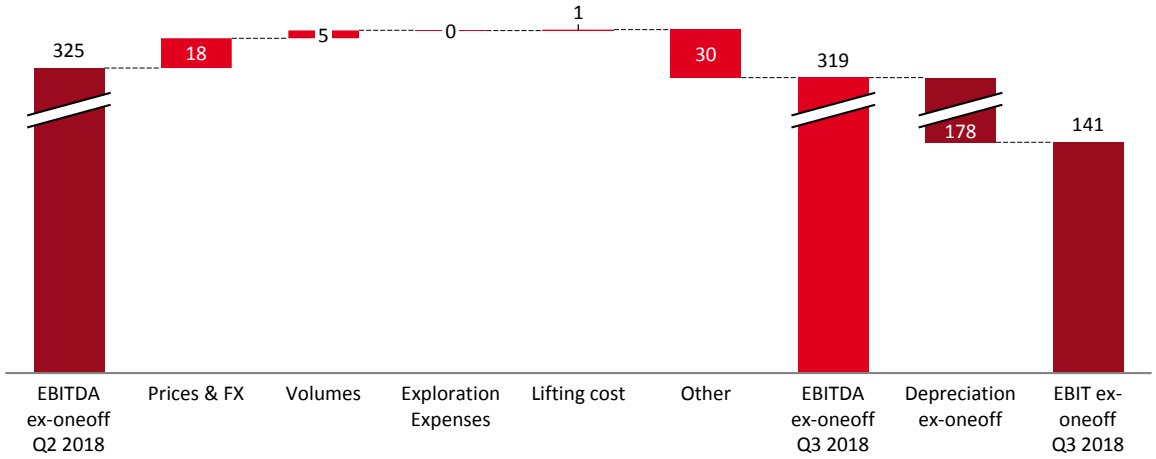


* Based on: Simplified FCF = EBITDA Excl. Special Items – Organic CAPEX

EBITDA BOOSTED BY RISING OIL AND GAS PRICES

RISING CATCHER PRODUCTION COMPENSATED SHRINKING CEE GAS VOLUMES

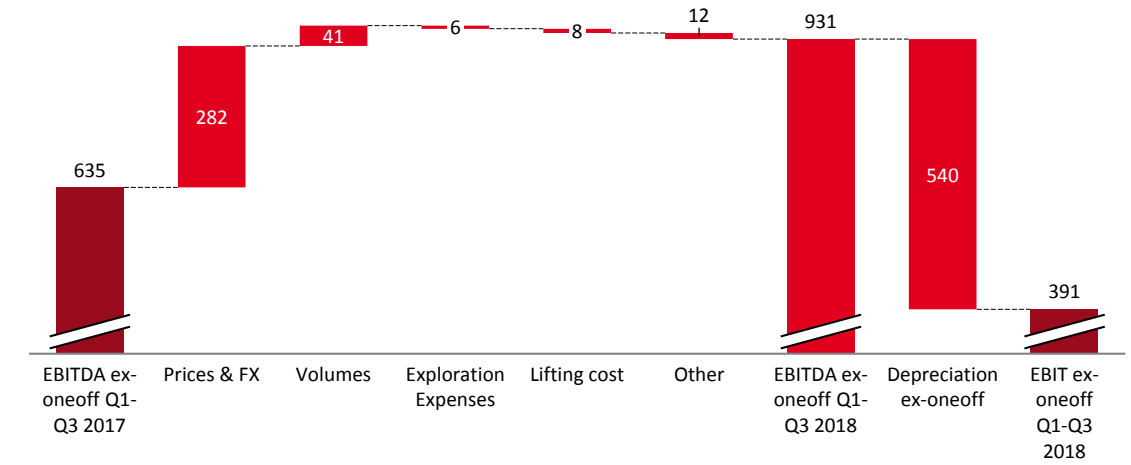
UPSTREAM EBITDA QoQ (USD mn)



COMMENTS

- Positive price impact reflects slightly higher Brent prices and 9% stronger gas prices QoQ
- Small positive volumes impact as sales exceeded production
- Others: primarily a base effect, as Q2 included overdue receivables collection in Egypt and KRI (around USD 23mn)

UPSTREAM EBITDA YTD (USD mn)



COMMENTS

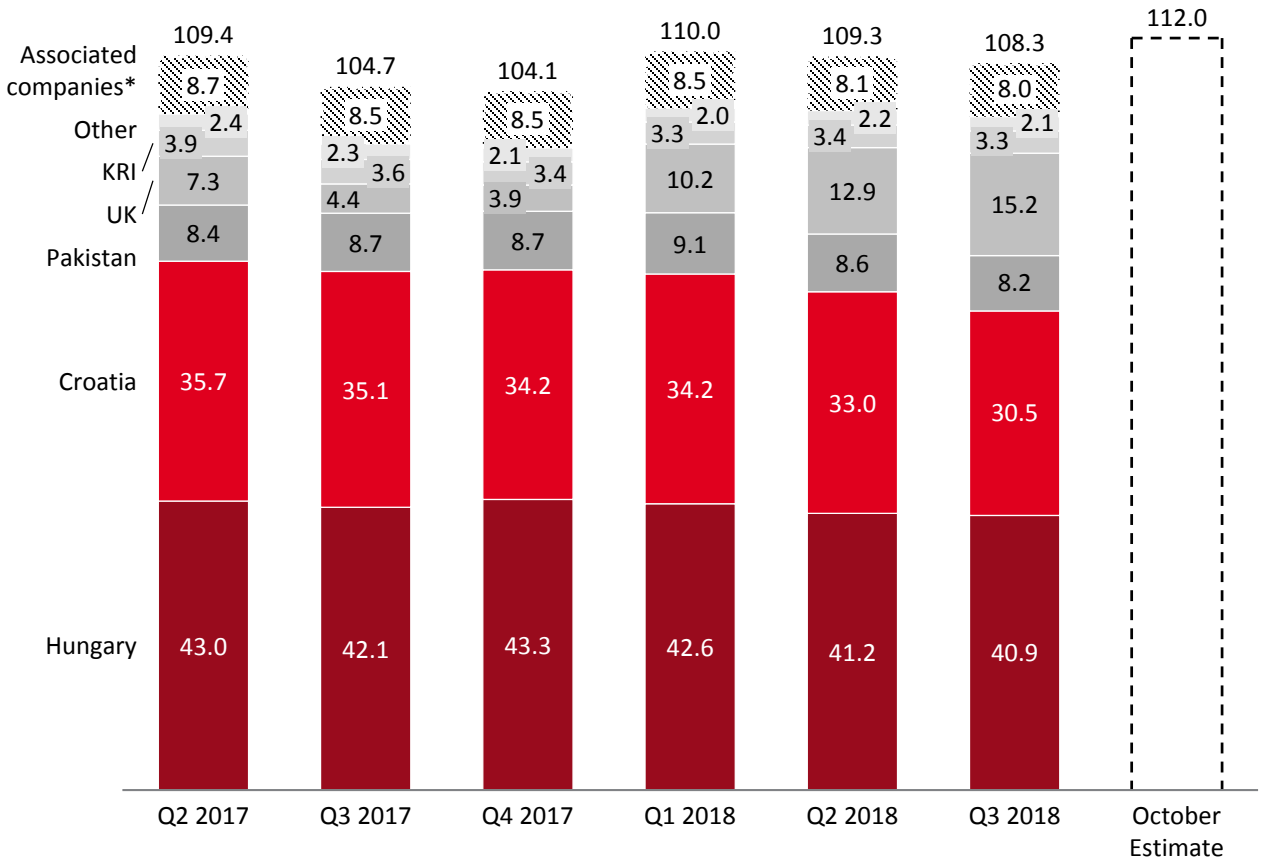
- Jumping oil and gas prices resulted in a 35% uplift in realized prices ytd
- Positive volumes impact reflects high-margin Catcher (UK) barrels
- Slightly higher lifting cost entirely related to FX changes (weaker USD)

Notes: consolidated figures, unless otherwise indicated

MARGINALLY LOWER PRODUCTION IN Q3 2018

IMPROVING UPTIME ON CATCHER MOSTLY OFFSET ANNUAL TURNAROUNDS

QUARTERLY PRODUCTION BY COUNTRY (mboepd)



COMMENTS

Q3 2018 QoQ (vs. Q2 2018):

- UK: +2.4 mboepd on rising Catcher contribution
- CEE: -2.8 mboepd on annual turnarounds in Croatia

Q3 2018 YoY:

- UK: +10.8 mboepd on Catcher starting up and ramping up
- CEE: -5.8 mboepd (o/w -1.2 mboepd off-shore decline), on lower gas production in both Croatia and Hungary

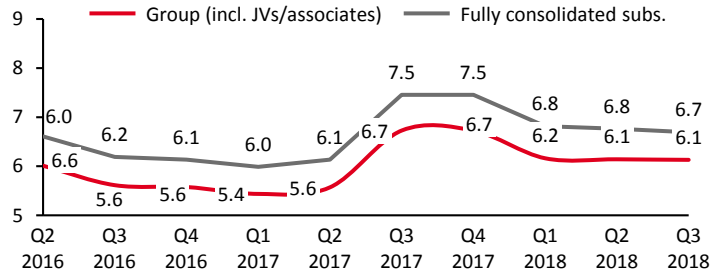
October production:

- Back to normal after annual turnarounds; strong uptime at Catcher

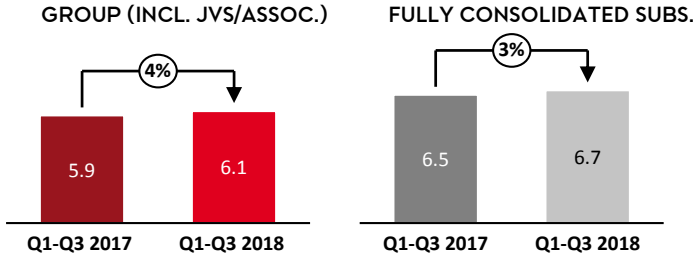
* Associated companies include Baitex (Russia) and Pearl (KRI); Q3 2018 production of Baitex was 5.6 mboepd, Pearl 2.4 mboepd

VERY COMPETITIVE AND STABLE UNIT OPEX

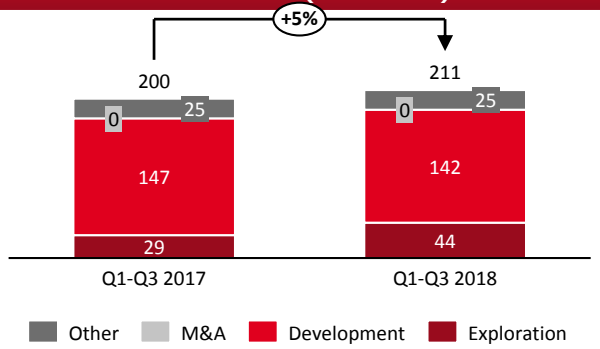
UNIT OPEX (USD/boe)



UNIT OPEX YTD (USD/boe)



CAPEX (USD mn)



COMMENTS

- Group-level unit opex (direct production cost), including JVs and associates stabilized at a low level of USD 6.1/boe in Q3
- Unit opex declined YoY from an unusually high base, which was hit by lower production, one-off issues

- In 1-3Q 2018 group-level unit opex (direct production cost), including JVs and associates was only marginally higher at USD 6.1/boe. The small increase vs. 2017 was entirely FX rates driven

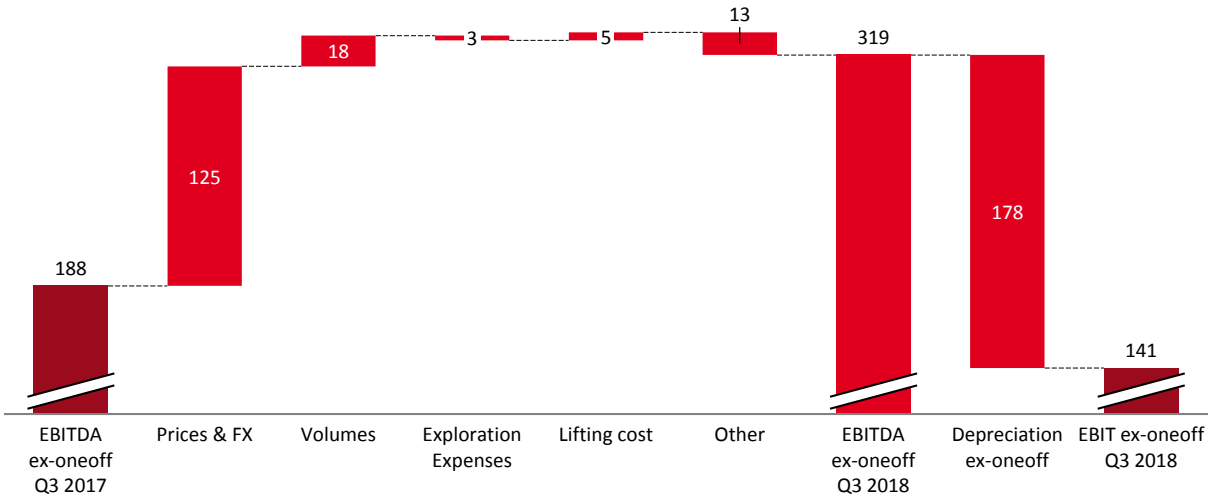
- Organic capex was 5% higher YoY at USD 211mn
- Exploration spending increased from a low base due to more activity in Norway, Hungary and Croatia
- USD 17mn was spent in Q1-Q3 2018 on equity consolidated operations (Baitugan, FED, Pearl, accounted for among „JVs and associates")

SUPPORTING SLIDES

MOLGROUP

UPSTREAM & DOWNSTREAM EBITDA CHANGES

UPSTREAM EBITDA YoY (USD mn)

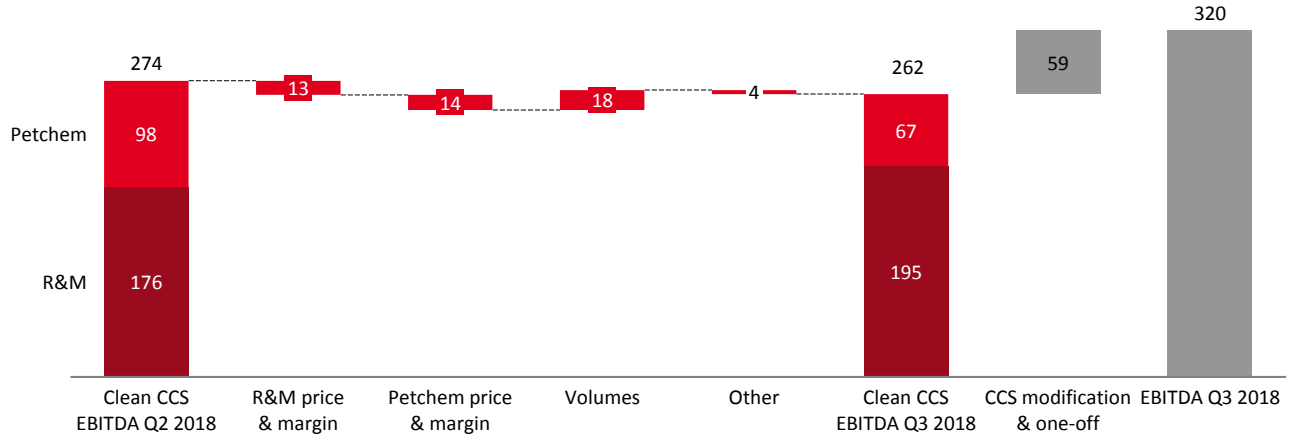


COMMENTS

Key drivers in Q3 2018 YoY

- Sharply higher Brent oil price (+45% YoY) and much stronger realized gas prices (+29% YoY)
- Positive volume impact driven by the inclusion of high-margin Catcher (UK) barrels
- Slightly lower lifting costs, as base was inflated by one-offs
- Others include production bonus payment in KRI in Q3 2018

DOWNSTREAM EBITDA QoQ (USD mn)



COMMENTS

Key drivers in Q3 2018 QoQ

- Higher seasonal volumes in R&M
- Deteriorating price/margin (mainly a function of rising energy prices in line with higher oil and gas prices)

UPSTREAM: OPERATIONAL UPDATE (1)

Hungary

- The intensive drilling program continued in Q3 with progress on 4 wells on track. Acceleration of first oils is ongoing. Production of Gomba-D-2 well (drilled in Q2) already started at 0.2 mboepd.
- Successful production optimization (PO) program is ongoing. 22 well workovers were completed in Q3 and 1 well was fracked. Incremental production of the 2018 PO wells is 3.5 mboepd.
- Two concession bids have been submitted in the 6th bid round

Croatia

- The material, 13% decline in production YoY was driven by the sharp natural decline of onshore and offshore gas fields
- Within the frame of production optimization, 24 well workovers were completed in Q3
- Drava-02 exploration program in progress: Severovci-1 well was drilled in Q1 and is being prepared for fracking in Q4 2018; Mala Jasenovača-1 well abandonment is being prepared
- Major maintenance on facilities at GTP Molve, FF Ivanić Grad and onshore gas fields in Northern Croatia took place in September affecting production

United Kingdom

- UK production increased 18% QoQ and jumped more than three-fold YoY to 15.2 mboepd in Q3 2018 due to the rising contribution of Catcher (10.3mboepd in Q3)
- Catcher (MOL 20% WI, non-operated): The Catcher FPSO is working towards final acceptance. Phase-II Burgman drilling was completed. Operating efficiency reached 86% in Q3.
- Scott: oil pump issues continued to affect production in Q3; J43 (latest infill well) production is above expectation
- Scolty & Crathes (MOL 50% WI, non-operated): pipeline replacement project is in progress

Norway

- MOL Norge current licence portfolio consists of 18 licenses, of which 8 are operated. The Company has 3 committed operated exploration wells to be drilled, the first one in Q4 2018 (PL860), the second in Q2 2019 (PL539) and the third one in Q3 2019 (PL820S). MOL has also committed to two non-operated wells in Q2 2019 (PL019C) and in Q3 2019 (PL814).
- MOL Norge submitted its application in APA 2018 Licensing Round for two areas

UPSTREAM: OPERATIONAL UPDATE (2)

Pakistan

- Production (net to MOL) was at 8.2 mboepd in Q3, 4% lower QoQ and 5% down YoY. TAL block gross production was 85 kboepd in Q3 2018 (MOL 8.421%, Dev. WI; 10.5% Expl. WI, operated).
- Exploration activities continued in TAL, Margala, Karak and DG Khan blocks. The Mamikhel Deep-1 well proved to be dry, Mamikhel South well site construction is in progress. Licence for TAL Upside Exploration was extended until December 2019.
- The Mardankhel-2 well was tied-in in September 2018 with gross production of ~3,600 boepd. The Makori Deep-2 well location has been approved.

Russia

- In Q3 2018, production at Baitugan field was 5.6 mboepd (MOL 51% WI, operated), down 2% QoQ and 10% lower than a year ago
- Drilling program is in progress – 19 wells were drilled, of which 6 wells were drilled and completed in Q3

Oman

- MOL and its JV partner Hydrocarbon Finder have identified the drilling target for the third exploration well in Block 66. The planned spud date is in Q1 2019.

Kurdistan Region of Iraq

- Shaikan production was 3.3 mboepd in Q3 2018, 1% lower QoQ and 9% below Q3 2017. Payments have been received on a regular basis throughout the year in line with the PSC and on the basis of a lifting agreement that was entered into in January 2018.
- Early gains have been achieved with respect to infield debottlenecking and the construction of a 400m spur pipeline which now connects Production Facility 2 with the Atrush export line. This pipeline connection reduces commercial risk, trucking requirements for a significant share of production and HSE risk.
- MOL and GKP continued to work on a revised Field Development Plan (FDP) and a draft FDP was submitted to MNR
- Pearl production was 2.4mboepd in Q3, flat QoQ and 4% higher YoY. A Gas Sales Agreement has been signed by the Operator and the KRG for an additional 80 MMscfpd allowing revenue generation on gas sales.

Kazakhstan

- 2019-2020 work program and budget were reviewed with the partners. Final approval expected in December.

UPSTREAM CAPEX BY REGION AND BY TYPE

CAPEX BY REGION AND BY TYPE (USD mn)

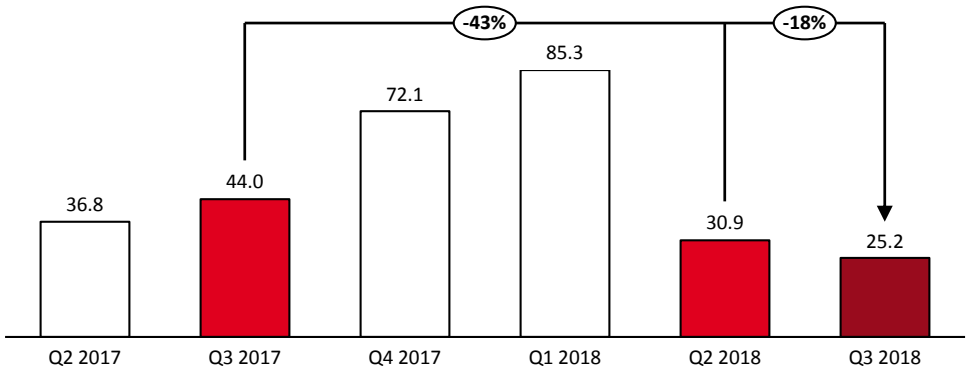
	HUN	CRO	KRI	PAK	UK	NOR	OTHER	Total – Q1-Q3 2018	Total – Q1-Q3 2017
EXP	15.2	11.5	0.0	3.7	0.0	14.1	0.0	44.4	28.8
DEV	59.4	32.4	4.0	0.7	37.1	0.0	8.5	142.1	146.8
M&A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	5.9	16.8	0.7	0.1	1.2	0.0	0.0	24.7	24.8
Total – Q1-Q3 2018	80.5	60.7	4.7	4.4	38.3	14.1	8.5	211.2	
Total – Q1-Q3 2017	75.8	60.8	1.2	8.3	51.1	2.0	1.0		200.3

CAPEX BY REGION AND BY TYPE (HUF bn)

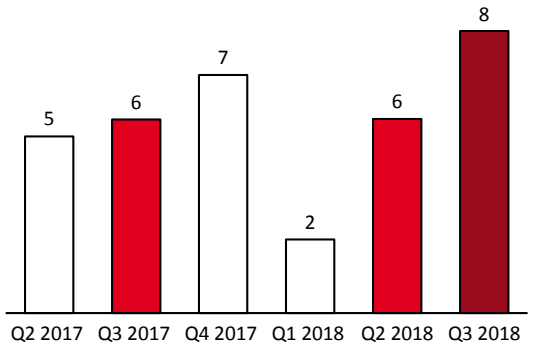
	HUN	CRO	KRI	PAK	UK	NOR	OTHER	Total – Q1-Q3 2018	Total – Q1-Q3 2017
EXP	3.9	3.0	0.0	1.0	0.0	3.7	0.0	11.6	8.0
DEV	15.9	8.7	1.1	0.2	9.9	0.0	2.2	38.0	40.4
M&A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.6	4.5	0.2	0.0	0.3	0.0	0.0	6.6	6.9
Total – Q1-Q3 2018	21.4	16.2	1.3	1.2	10.2	3.7	2.2	56.2	
Total – Q1-Q3 2017	20.9	16.8	0.3	2.3	14.2	0.5	0.3		55.3

GAS MIDSTREAM: KEY FINANCIALS

EBITDA (USD mn)



CAPEX (USD mn)



KEY FINANCIALS (USD mn)

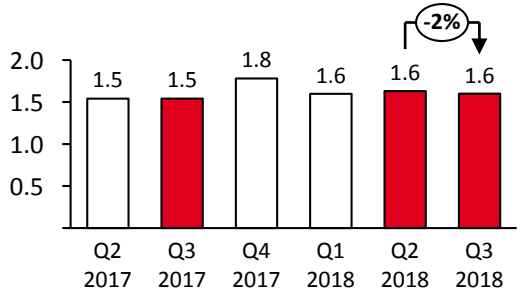
	Q3 2018	Q3 2017	YoY Ch %	Q1-Q3 2018	Q1-Q3 2017	Ch %
EBITDA	25.2	44.0	(43)	141.4	151.3	(7)
EBITDA excl. spec. items	25.2	44.0	(43)	141.4	151.3	(7)
Operating profit/(loss)	13.3	31.8	(58)	104.5	116.7	(10)
Operating profit excl. spec. items	13.3	31.8	(58)	104.5	116.7	(10)
CAPEX and investments	8.2	5.6	46	15.9	11.3	42

COMMENTS

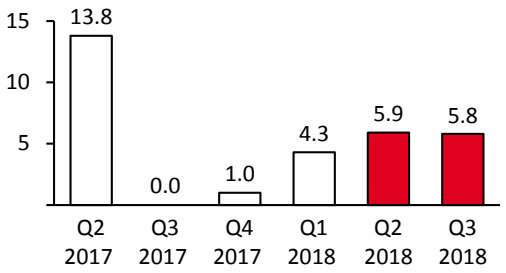
- EBITDA shrank by over 40% YoY in Q3 2018 and was affected by:
  - Lower domestic transmission volumes (-22% YoY), and lower non-regulated Serbian and Bosnian transit volumes (-19% YoY)
  - Lower demand for short term and annual capacity products resulting in significantly lower operating revenues
  - Higher operating costs in Q3 2018 as gas consumption costs increased due to sharply higher natural gas prices

SD & HSE INDICATORS

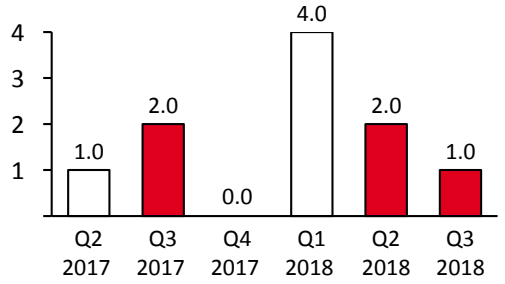
CO_2 under ETS (mn t)



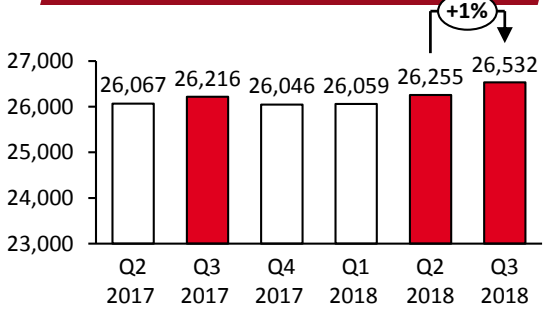
HC Spill above 1m³ (m³)



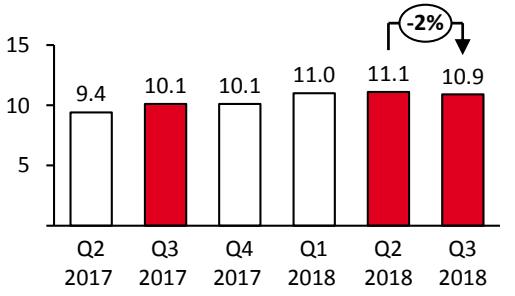
Tier1 PSE



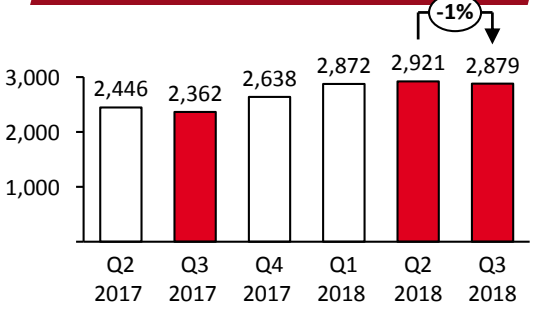
Total workforce



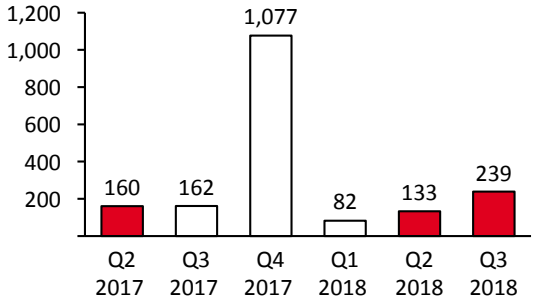
Turnover rate (%)



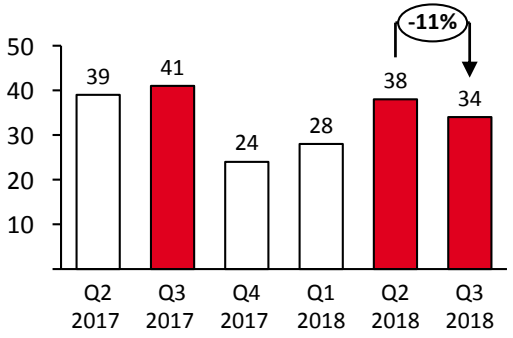
Leavers (12M rolling)



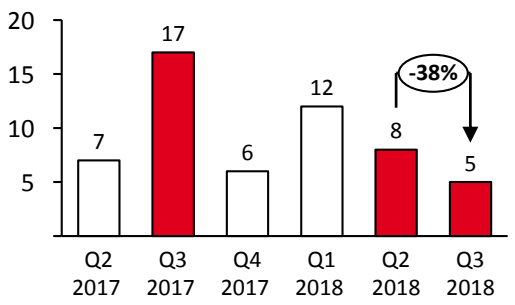
Donations (mn HUF)



N° of ethical reports

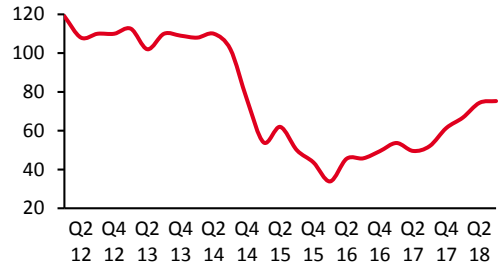


Ethical misconducts

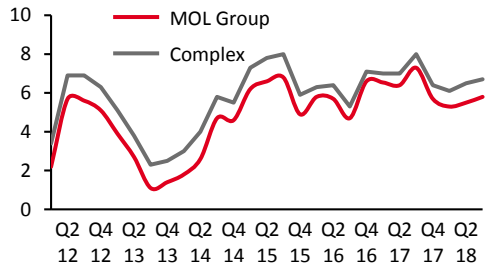


MACRO INDICATORS

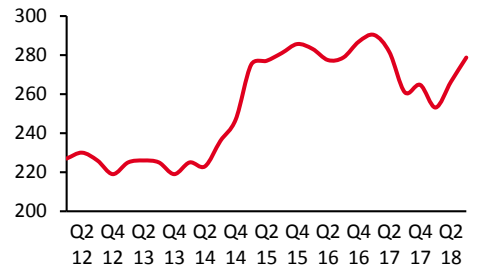
BRENT (USD/bbl)



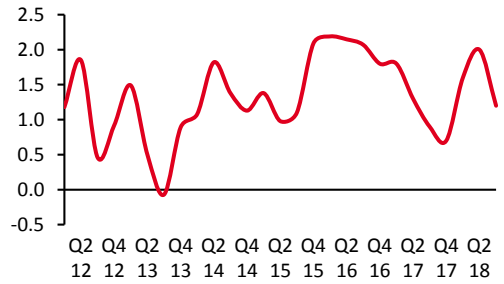
REFINERY MARGIN (USD/bbl)



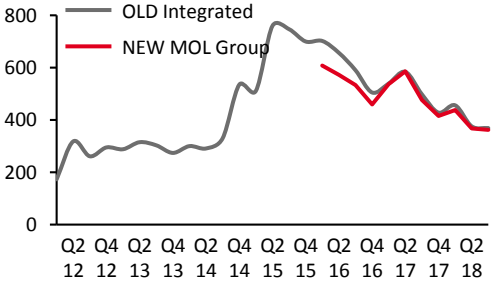
HUF / USD (Q avg.)



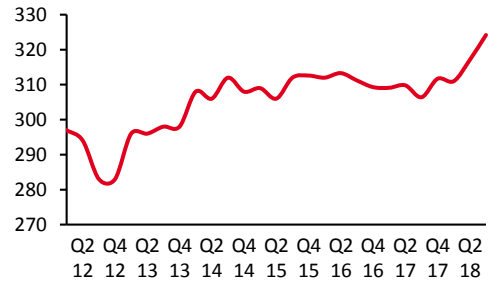
BRENT URAL SPREAD (USD/bbl)



PETCHEM MARGIN (EUR/t)

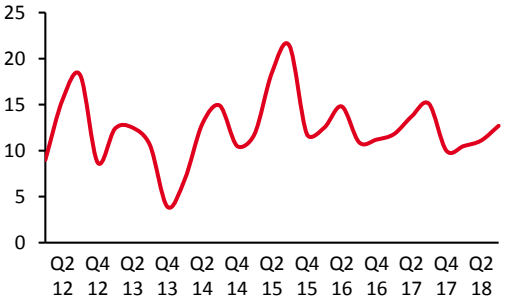


HUF/EUR (Q avg.)

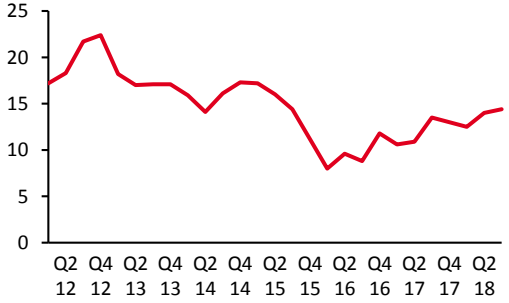


CRACK SPREADS (USD/bbl)

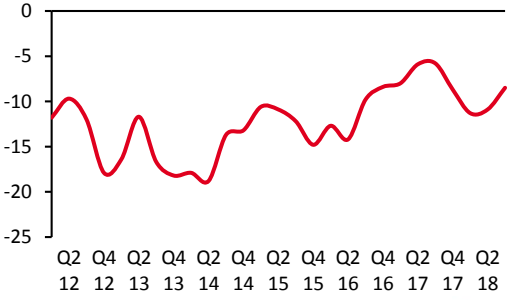
PREMIUM UNLEADED GASOLINE



GAS OIL



FUEL OIL



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Q2 2018	Q3 2018	Q3 2017	YoY Ch %	Income Statement (HUF mn)	Q1-Q3 2018	Q1-Q3 2017	Ch %
1,333,718	1,449,018	1,045,980	39	Net sales	3,784,704	3,009,643	26
9,292	5,248	(6,437)	n.a.	Other operating income	21,088	21,095	0
1,343,010	**1,454,266**	**1,039,543**	**40**	**Total operating income**	**3,805,792**	**3,030,738**	**26**
1,027,629	1,164,692	792,661	47	Raw material and consumables used	2,970,568	2,258,330	32
65,936	65,674	61,716	6	Personnel expenses	192,216	183,232	5
90,324	92,356	72,510	27	Depreciation, depletion, amortisation and impairment	268,319	215,444	25
(16,297)	(45,416)	(179)	n.a.	Change in inventory of finished goods & work in progress	(82,501)	(23,436)	252
(16,942)	(19,013)	(14,436)	32	Work performed by the enterprise and capitalized	(49,229)	(40,675)	21
72,966	74,569	61,167	22	Other operating expenses	196,973	145,322	36
1,223,616	**1,332,862**	**973,438**	**37**	**Total operating expenses**	**3,496,346**	**2,738,216**	**28**
119,394	**121,404**	**66,105**	**84**	**Profit / (loss) from operation**	**309,446**	**292,520**	**6**
22,692	28,865	13,549	113	Finance income	75,811	48,192	57
46,984	32,551	18,558	75	Finance expense	105,645	51,632	105
(24,292)	**(3,686)**	**(5,009)**	**(26)**	**Total finance gain / (expense), net**	**(29,834)**	**(3,440)**	**767**
5,361	4,304	5,920	(27)	Income from associates	10,788	6,428	68
100,463	**122,022**	**67,016**	**82**	**Profit / (loss) before tax**	**290,400**	**295,508**	**(2)**
20,837	23,552	11,765	100	Income tax expense	53,709	50,539	6
79,626	**98,470**	**55,252**	**78**	**PROFIT / (LOSS) FOR THE PERIOD**	**236,691**	**244,969**	**(3)**
				Attributable to:			
72,935	**89,955**	**47,675**	**89**	**Equity holders of the parent**	**223,152**	**230,345**	**(3)**
6,691	8,515	7,576	12	Non-controlling interests	13,539	14,624	(7)
105	**129**	**68**	**90**	**Basic earnings per share attributable to ordinary equity holders of the parent (HUF)**	**320**	**328**	**(2)**
105	**129**	**68**	**90**	**Diluted earnings per share attributable to ordinary equity holders of the parent (HUF) (6)**	**320**	**328**	**(2)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Balance Sheet (HUF mn)	30 Sep 2018	31 Dec 2017	Ch %
Assets			
Non-current assets			
Property, plant and equipment	2,267,404	2,261,166	0
Intangible assets	186,003	181,451	3
Investments in associated companies and joint ventures	194,664	206,374	(6)
Other non-current financial assets	85,079	78,400	9
Deferred tax asset	106,648	120,633	(12)
Other non-current assets	49,711	43,555	14
Total non-current assets	**2,889,509**	**2,891,579**	**0**
Current assets			
Inventories	521,877	436,572	20
Trade and other receivables	713,441	538,986	32
Securities	12,652	26,043	(51)
Other current financial assets	38,747	55,715	(30)
Income tax receivable	13,763	9,865	40
Cash and cash equivalents	339,418	202,041	68
Other current assets	85,063	69,828	22
Assets classified as held for sale	1,220	1,071	14
Total current assets	**1,726,181**	**1,340,121**	**29**
Total assets	**4,615,690**	**4,231,700**	**9**

Equity and Liabilities			
Shareholders' equity			
Share capital	79,298	79,279	0
Reserves	1,621,090	1,354,723	20
Profit/(loss) for the year attributable to equity holders of the parent	223,152	306,952	(27)
Equity attributable to equity holders of the parent	**1,923,540**	**1,740,954**	**10**
Non-controlling interest	326,288	314,817	4
Total equity	**2,249,828**	**2,055,771**	**9**
Non-current liabilities			
Long-term debt	363,898	491,701	(26)
Other non-current financial liabilities	6,507	6,565	(1)
Provisions - long term	452,318	434,291	4
Deferred tax liabilities	52,366	50,068	5
Other non-current liabilities	22,639	23,522	(4)
Total non-current liabilities	**897,728**	**1,006,147**	**(11)**
Current liabilities			
Short-term debt	330,042	171,561	92
Trade and other payables	588,677	516,737	14
Other current financial liabilities	232,540	229,250	1
Provisions - short term	41,049	40,149	2
Income tax payable	7,022	1,754	300
Other current liabilities	268,804	210,331	28
Total current liabilities	**1,468,134**	**1,169,782**	**26**
Total equity and liabilities	**4,615,690**	**4,231,700**	**9**

CONSOLIDATED STATEMENT OF CASH FLOW

Q2 2018	Q3 2018	Q3 2017	YoY Ch %	Cash Flow (HUF mn)	Q1-Q3 2018	Q1-Q3 2017	Ch %
100,463	**122,022**	**67,016**	**82**	**Profit / (loss) before tax**	**290,400**	**295,508**	**(2)**
				Adjustments to reconcile profit before tax to net cash provided by operating activities			
90,180	92,378	72,541	27	Depreciation, depletion, amortisation and impairment	268,504	215,475	25
(9,574)	4,405	(307)	n.a.	Increase / (decrease) in provisions	(5,757)	(18,448)	(69)
(117)	(1,065)	(651)	64	Net (gain) / loss on asset disposal and divestments	(1,583)	4,154	n.a.
6,568	5,706	5,844	(2)	Net interest expense / (income)	18,724	21,923	(15)
17,724	(2,020)	(851)	138	Other finance expense / (income)	11,110	(18,498)	n.a.
(5,360)	(4,304)	(5,920)	(27)	Share of net profit of associates and joint venture	(10,788)	(6,428)	68
15,174	8,429	13,832	(39)	Other adjustment item	23,114	(1,600)	n.a.
(3,145)	(14,219)	(10,291)	38	Income taxes paid	(30,175)	(30,740)	(2)
211,913	**211,332**	**141,213**	**50**	**Operating cash flow before changes in working capital**	**563,549**	**461,346**	**22**
16,827	**(88,014)**	**42,851**	**n.a.**	**Total change in working capital o/w:**	**(161,043)**	**(26,869)**	**499**
29,981	(51,002)	3,688	n.a.	(Increase) / decrease in inventories	(82,448)	(15,948)	417
(120,654)	(45,326)	(63,637)	(29)	(Increase) / decrease in trade and other receivables	(234,951)	(124,160)	89
83,610	5,221	65,271	(92)	Increase / (decrease) in trade and other payables	90,979	42,533	114
23,890	3,093	37,529	(92)	Increase / decrease in other assets and liabilities	65,377	70,706	(8)
228,741	**123,318**	**184,064**	**(33)**	**Net cash provided by / (used in) operating activities**	**402,506**	**434,477**	**(7)**
(64,280)	(86,762)	(64,654)	34	Capital expenditures	(209,713)	(187,773)	12
229	1,516	713	113	Proceeds from disposal of fixed assets	2,098	6,056	(65)
(808)	(40)	(876)	(95)	Acquisition of businesses (net of cash)	(848)	(2,601)	(67)
22,087	0	-	n.a.	Proceeds from disposal of businesses (net of cash)	22,087	9,996	121
9,522	13,572	(12,857)	n.a.	Increase / decrease in other financial assets	30,360	(489)	n.a.
9,973	6,241	1,885	231	Dividends received	17,229	14,252	21
1,929	2,171	1,010	115	Interest received and other financial income	4,775	3,399	40
(21,348)	**(63,302)**	**(74,779)**	**(15)**	**Net cash (used in) / provided by investing activities**	**(134,012)**	**(157,160)**	**(15)**
-	-	-	n.a.	Issuance of long-term notes	-	-	n.a.
-	-	-	n.a.	Repayment of long-term notes	-	(234,840)	(100)
151,309	267,964	241,273	11	Proceeds from loans and borrowings received	582,724	680,490	(14)
(151,081)	(232,026)	(286,958)	(19)	Repayments of loans and borrowings	(587,939)	(708,214)	(17)
(7,053)	(4,974)	(11,590)	(57)	Interest paid and other financial costs	(19,962)	(40,474)	(51)
(86,222)	(11)	381	n.a.	Dividends paid to shareholders	(86,233)	(52,992)	63
(889)	(18,133)	(429)	n.a.	Dividends paid to non-controlling interest	(19,028)	(3,787)	402
-	-	(1)	(100)	Transactions with non-controlling interest	-	(23)	(100)
(93,936)	**12,820**	**(57,324)**	**n.a.**	**Net cash (used in) / provided by financing activities**	**(130,438)**	**(359,840)**	**(64)**
13,580	**(792)**	**(472)**	**68**	**Currency translation differences relating to cash and cash equivalents**	**3,068**	**(2,021)**	**n.a.**
127,038	**72,044**	**51,489**	**40**	**Increase/(decrease) in cash and cash equivalents**	**141,124**	**(84,544)**	**n.a.**
138,235	**265,273**	**92,032**	**188**	**Cash and cash equivalents at the beginning of the period**	**196,193**	**131,838**	**49**
				from which:			
144,670	268,708	92,032	192	- presented as cash and cash equivalents (assets)	202,041	131,838	53
6,435	3,435	-		-presented as overdraft (liabilities)	5,848	-	
265,273	**337,317**	**143,521**	**135**	**Cash and cash equivalents at the end of the period**	**337,317**	**47,294**	**613**
				from which:			
268,708	339,418	143,521	136	- presented as cash and cash equivalents (assets)	339,418	47,294	618
3,435	2,101	-	n.a.	-presented as overdraft (liabilities)	2,101	-	n.a.