

MOL Group 2022 results: strong EBITDA despite a turbulent year

- ▶ Full-year 2022 clean CCS EBITDA amounted to USD 4,702mn, due to the Upstream and Downstream contribution driven by overall favorable oil macro environment
- ▶ Group-level Q4 2022 Clean CCS EBITDA reached USD 1,074mn, 26% lower than in the previous quarter
- ▶ Upstream Q4 2022 Clean EBITDA rose by 8% to USD 492mn year-on-year and decreased quarter-on-quarter, dented by extra royalty payments in Hungary and regulated gas price scheme in Croatia
- ▶ Downstream Q4 2022 clean CCS EBITDA reached USD 384mn, increased by 9% year-on-year, as diminishing Petchem contribution was offset by higher refining EBITDA generation
- ▶ Consumer Services Q4 2022 EBITDA decreased by 23% year-on-year and reached USD 89mn due to the negative effect of fuel price regulations in Central and Eastern Europe

Budapest, 17 February 2023 – Today, MOL Group announced its financial results for Q4 and full year 2022. Despite the unprecedentedly turbulent external environment, MOL Group generated USD 1,074mn in Q4 2022, bringing full-year EBITDA to USD 4,702mn. Upstream and Downstream together provided 95% of this result in half-half proportion, supported by the overall positive oil macro environment. The EBITDA-relevant estimated impact of fuel price regulations and windfall taxes across MOL's core CEE region amounted to more than USD 1.6bn in 2022.

Chairman-CEO Zsolt Hernádi commented the results:

“Last year was a real test from every possible aspect in our industry, I am proud to say that MOL managed to navigate successfully through the countless challenges and delivered both operationally and financially. The war in Ukraine and its consequences on supply security, the unpredictable macro conditions and regulatory measures have brought unprecedented challenges to MOL's skilled employees who did great during the constant crisis situation. The robust EBITDA in 2022 – even with the extreme high taxes, price caps and regulatory measures in place – gives the possibility to continue our transformational and development journey laid down in the Shape Tomorrow 2030+ strategy. Accordingly we made inaugural investments in green hydrogen production, and set foot in waste management that is a big step towards our circular economy-related strategic goals.

It is clear to us that 2023 will be no easier, but I believe that MOL's proven resilience will help us navigate through these uncertain times with confidence.”

Upstream 2022 Q4 Clean EBITDA grew by 8% to USD 492mn year-on-year, bringing full-year Upstream EBITDA to USD 2,212mn, 47% of MOL Group's full-year result. The excellent delivery was driven by the continuously high oil and the gas prices throughout the year, and by the reliable performance of MOL's international and domestic portfolio. However, regulated gas price scheme in Croatia and extra royalty in Hungary had significant negative impact on the results, that is visible in the Q4 EBITDA figures. Production volumes surpassed the annual guidance and stood at 92mboepd in 2022. Upstream provided almost 60% of MOL Group's free cash flow in 2022, bringing in USD 1,837mn. Group-level unit OPEX remained around 5,5 USD/bbl in 2022 despite the significant cost pressure across the value chain, UK divestment impacted the unit lifting costs favourably.

Downstream Q4 2022 clean CCS EBITDA slightly improved year-on-year and reached USD 384mn, as refining contribution was able to mitigate that Petchem's EBITDA turned negative in the quarter and despite the delayed start-up of the Danube refinery following a planned shut-down in November 2022. Motor fuel demand contraction continued in Hungary and Slovakia, both down by 4% in the quarter, while the Hungarian market was also affected by tight supply conditions as a result of the price cap. Annual Clean CCS EBITDA reached USD 2,240mn in 2022 due to the overall good performance of refining. A test run on Arab Light crude was successfully completed in the Slovnaft

refinery, where all preparations have been completed to increase the crude intake of non-Russian oil grades in line with the regulations banning Russian-origin oil product exports as of 5th Feb 2023.

Consumer Services EBITDA almost halved in 2022 compared to the 2021 full-year result and reached USD 320mn, due to the fuel price regulations in MOL's core CEE region. In Q4 2022, EBITDA remained under pressure and reached USD 89mn, 23% lower than in the previous year's same period, despite the early December phase out of the Hungarian fuel price cap. The increase of sales volume, the expansion of non-fuel margin and the inclusion of Lotos assets in Poland partly mitigated the negative drivers. In Q4 2022, MOL completed the deal covering Consumer Services portfolio expansion by purchasing 417 service stations in Poland. The number of reconstructed sites with Fresh Corners rose to 1,179 in Q4 2022 from 1,130 in Q3 2022.

The Gas Midstream segment reached USD 163mn EBITDA in 2022, 20% higher than in 2021, due to increased cross-border capacity demand, continuous storage filling and higher domestic transmission volumes. EBITDA climbed by 79% on year-on-year basis in Q4 2022 to USD 61mn, despite the challenging external environment throughout the whole year. Domestic transmission volumes declined by 30% in the Q4 2022, in line with decreasing household and industrial gas consumption.

Regulatory measures affected the Group-level results negatively: the EBITDA-relevant estimated impact of fuel price regulations and windfall taxes across MOL's core CEE region amounted to more than USD 1.6bn in 2022.

About MOL Group

MOL Group is an international, integrated oil, gas, petrochemicals and consumer retail company, headquartered in Budapest, Hungary. It is active in over 30 countries with a dynamic international workforce of 25,000 people and a track record of more than 100 years. MOL Group operates three refineries and two petrochemicals plants under integrated supply chain-management in Hungary, Slovakia and Croatia, and owns a network of almost 2400 service stations across 10 countries in Central & South Eastern Europe. MOL's exploration and production activities are supported by more than 85 years' experience in the field of hydrocarbons and 30 years in the injection of CO₂. At the moment, there are production activities in 8 countries and exploration assets in 10 countries.

MOL is committed to transform its traditional fossil-fuel-based operations into a low-carbon, sustainable business model and aspires to become net carbon neutral by 2050 while shaping the low-carbon circular economy in Central-and Eastern Europe.

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