

Hungarian oil and gas company MOL said that 2020 CAPEX will be at least 25 % lower than the original guidance of between 1.9 and 2.1 billion dollars. It could even fall below 1.5 billion dollars because of the delay of non-essential investments and supply chain bottlenecks caused by lockdowns.

MOL said that it is withdrawing its guidance for 2020 EBITDA because of uncertainty related to the coronavirus pandemic, the extreme volatility of the external environment and the unpredictability of volumes development across its businesses.

MOL said that it will soon complete a comprehensive review of operating costs to support its goal of cash preservation. All taken measures ultimately serve the purpose to preserve cash and allow for MOL to maintain cash neutrality, while its operations are running uninterrupted.

Even after closing the acquisition of a stake in the Azeri-Chirag-Gunashli oil field in the Caspian Sea, MOL said it will continue to have ample liquidity with around 2 to 2.5 billion dollars financial headroom in the form of cash and cash equivalents and undrawn credit facilities.

The company also said that its Board is proposing placing all of last year's profit into retained earnings, in line with short-term efforts focusing on cash preservation and retaining maximum flexibility. Once the situation normalizes and circumstances allow for it, these retained earnings may be used for cash dividend distribution upon the decision of shareholders.

MOL recorded a net income in the amount of 110 million euros in the fourth quarter of 2019, which is 53 % lower compared to the same period in the previous year, mostly due to a bigger tax bill. Revenues were practically flat at some 4.16 billion euros, while total operating costs were also close to 2018 level with the base period at around 4.02 billion euros. A 16 million euros financial gain, compared to a 20 million euros loss in the same period in 2018, supported an 11 % rise in pre-tax profit to some 130 million euros. But a 33 million euros cost for corporate profit tax weighed on the bottom line, unlike in the previous year, when deferred taxes lifted earnings by 83 million euros. MOL's net income for the full year fell by 26 % to 660 million euros, as operating costs rose a little more than revenues. Revenues increased slightly by 2 % to 15.7 billion euros, while total operating costs increased by 3 % to 14.85 billion euros. Operating profit fell by 17 % to 870 million euros.