

Due to the coronavirus pandemic, at Hungarian oil and gas company MOL sales plummeted and the company recorded a loss in the amount of 120 million euros in the second quarter of 2020.

Revenue fell 40 % to 2.35 billion euros as lockdowns reduced fuel sales and crude prices reached record lows. The cost of raw material and consumables fell at an even steeper rate, declining by 48 % to 1.62 billion euros, but total operating costs were down just by 35 % at 2.37 billion euros.

Net revenue of MOL's downstream business fell by 43 % to 1.96 billion euros while upstream revenue declined by 41 % to 212 million euros. Turnover of the consumer services business, a key element of MOL's 2030 strategy, fell at a more moderate rate, dropping by 31 % to 868 million euros. While the upstream business had an operating loss of 117.3 million euros and downstream operating profit dived by 80 % to 27.5 million euros, operating profit of the consumer services business rose by 5 % to 75.7 million euros.

MOL noted that it had closed a 1.5 billion dollars deal in April to acquire stakes in an Azeri oil field, one of the largest in the world, and a pipeline that delivers crude from the field, lifting its net debt to 2.85 billion euros and its gearing ratio to 29 %.

MOL said transformational projects that are part of its 2030 strategy are clearly prioritized and have been going ahead at full steam, as far as the mobility restrictions allowed. While the strategic directions remain intact, the current circumstances do necessitate a rethinking of priorities, resetting of the financial framework and updating the long term strategic and short-to-mid-term tactical and financial targets.

MOL said that the Board had initiated a strategy review and update process and would reveal the results in about six months. The company's financial targets are withdrawn for the next few years, pending the review process, but its primary goal is unchanged: generating enough cash to fund both sustain-type investments and its low-carbon energy transition, and also to reward its shareholders.