

The updated strategy seeks to accelerate the transformation process to enhance MOL's resilience and its ability to shape a sustainable future, said MOL's CEO Zsolt Hernadi. Hungarian oil and gas company MOL has updated its long-term strategy, by increasing its climate-friendly investments, aligned with the European Union's classification system for environmentally sustainable economic activities, to over 50 % of CAPEX by 2030 and close to 100 % by 2050. The company said it wants to play a key role in shaping the low-carbon circular economy with investments in new businesses such as waste integration and utilization, recycling, carbon capture, utilization and storage (CCUS), advanced biofuels, and potentially hydrogen-related opportunities. It will spend one billion dollars in the next five years on new, low-carbon and sustainable projects in order to become a key player in CEE in the circular economy. MOL confirmed goals outlined in its 2030 strategy, issued in 2016, to shift from fuels to chemicals, and from fuel retailing to consumer goods and mobility.

The updated strategy sees annual EBITDA rising from 2.3 billion dollars in 2021 to 2.6 billion dollars in 2025. It targets annual downstream EBITDA of over 1.2 billion dollars by 2025, supported by 150 million dollars of efficiency improvements, while EBITDA of the consumer services business climbs over 700 million dollars. The strategy puts simplified free cash flow of the upstream business around 1.8 billion euros in 2021-25, assuming crude prices of 50 dollars/barrel. MOL said operating cash flows in 2021-25 would be sufficient to cover sustain CAPEX as well as 3.5 billion dollars in strategic CAPEX and stable base dividends for shareholders. Keeping a strong financial profile through a robust balance sheet and ample financial headroom remains a priority. This flexibility may be used to fund new business opportunities including cash-generative M&A in any business lines.