

Last year, Romanian oil and gas company OMV Petrom's profit dropped by almost two-thirds (64 %) to 266 million euros. OMV Petrom estimates a 32 % rise of its net profit in 2021 to 370 million euros or approximately half of the net profit posted in 2019.

The sales revenues are projected to rise marginally by 3 % to around 3 billion euros due to price increases and higher sales volumes of electricity and petroleum products, partially driven by low base effects. Meanwhile, the gas sales to third parties are expected to drop by 26.5 %.

The management expects that 2021 operating results will benefit from an improved market environment, increased demand for electricity and oil products, and continued cost optimization programs. The hydrocarbon production for 2021 is estimated to 45.8 million barrels of oil equivalent, 9.3 % lower than in 2019, with a higher drop in gas production (-14 %) and a lower one for oil production (-3.8 %). Part of the decline is due to the sale of 40 marginal fields as the company plans to focus on the most profitable ones.

OMV Petrom built its budget on an average Brent oil price of 50 dollars/barrel, refining margins above 4 dollars/barrel and lower gas prices than in 2020. A drop in the average Brent oil price of just a dollars/barrel would have a negative impact of 20 million euros on the company's operating result.