

The largest Romanian oil and gas company OMV Petrom, a part of Austrian OMV Group, recorded a net profit in the amount of 579 million euros in 2021, which is more than double compared to the previous year.

The good performance was mainly facilitated by the favorable market environment, while in 2020 results were negatively impacted by lower prices and the Covid-19 crisis, as well as by the net impairments triggered by a revision of price assumptions. The global outbreak of the Covid-19 pandemic still has a major impact on global economic development. Commodity prices remained at elevated levels and volatile in the fourth quarter, which is expected to impact demand from customers.

OMV Petrom expects demand for oil products to be on a slight upward trend in 2022, while demand for electricity is expected to be similar to 2021. Demand for natural gas is expected to be lower than last year's.

OMV Petrom's sales rose 32 % year-on-year to 5.25 billion euros in 2021, mainly supported by higher sales of petroleum products in terms of both prices and volumes, partially offset by lower sales volumes of natural gas and electricity. Downstream oil contributed 74 % of total sales, downstream gas accounted for 25 %, and upstream for 1 %.

Capital expenditure amounted to 570 million euros in 2021, 12 % lower year-on-year, and was mainly directed to upstream investments of some 400 million euros. The company said it estimates capital expenditures around 525 million euros in 2022, as it plans to drill around 60 new wells and perform around 600 workovers.

In the upstream segment, OMV Petrom recorded a 335 million euros operating profit in 2021, compared to 200 million euros operating loss in 2020.

Total hydrocarbon production dropped by an annual 11 % to 47.21 million barrels of oil equivalent in 2021 due to the divestment of production assets from Kazakhstan as of May and natural decline in main fields in Romania.

Exploration expenditures were flat at 29 million euros in 2021, as lower costs related to abandoned deep exploration wells were counterbalanced by higher 3D seismic acquisition activities.

In the downstream segment, operating profit rose by 4 % year-on-year to 487 million euros in 2021. The Petrobrazi refinery utilization rate increased to 97 % in 2021 from 92 % in the previous year, reflecting improved demand.

Total sales of refined petroleum products increased by 7 % year-on-year in 2021. Retail sales volumes increased by 12 %, while non-retail sales slightly increased by 1 %, reflecting the partial recovery of the aviation business and market opportunities in the commercial sales channel as well as lower exports.

In the fourth quarter alone, OMV Petrom's net profit rose to 240 million euros from 94

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million euros in 2020. Sales in the fourth quarter of 2021 soared by an annual 95 % to over 1.8 billion euros.