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**ROMPETROL RAFINARE
Q3 AND 9M 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

Operational performance maintaining good level trends, while financials heavy pressured by unfavorable market environment

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange RRC, Reuters, ROMP.BX, Bloomberg, RRC RO) has released today its third quarter and 9 months 2019 financial and operational unaudited results. The figures include unaudited consolidated financial statements for this period prepared by the company in accordance with International Financial Reporting Standards („IFRS”).

Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare S.A and its subsidiaries Rompetrol Downstream S.R.L, Rompetrol Gas S.R.L, Rompetrol Quality Control S R L , Rom Oil SA, Rompetrol Logistics S.R.L and Rompetrol Petrochemicals S.R.L.

The document is posted on our website in the Investor Relations section:

www.rompetrol-rafinare.ro

HIGHLIGHTS – CONSOLIDATED

		Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Financial							
Gross Revenues	USD	1,041,480,755	1,533,869,684	-32%	3,906,680,039	4,138,011,919	-6%
Net Revenues	USD	1,017,865,111	1,170,257,360	-13%	2,906,226,873	3,156,305,076	-8%
EBITDA	USD	42,249,333	72,624,962	-42%	101,150,631	158,505,541	-36%
EBITDA margin	%	4.2%	6.2%		3.5%	5.0%	
EBIT	USD	9,744,868	42,670,272	-77%	17,450,984	70,537,208	-75%
Net profit / (loss)	USD	(7,481,293)	30,519,163	N/A	(26,919,405)	33,297,905	N/A
Net Profit / (loss) margin	%	-0.7%	2.6%		-0.9%	1.1%	

Rompetrol Rafinare consolidated gross revenues reached USD over 1.04 billion in Q3 2019 and over 3.9 billion in 9 months of 2019, lower by 32% as against Q3 2018 and lower by 6% as against first 9 months of 2018 being negatively affected by lower market quotation as against similar periods last year despite the similar level of sales volumes reached within the first nine months of 2019.

The company's consolidated results in terms of EBITDA and Net result were affected by the high volatility of oil and gas market environment in the period, mainly triggering significant pressure in the gross refinery margins in Q3 and 9M 2019, decreasing substantially from the comparison benchmark of 2018 similar periods (i.e. 41.1\$/t vs 54.3\$/t in Q3 2018 and 37.6\$/t vs 51.3\$/t in 9M 2018).



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ECONOMIC ENVIRONMENT

		Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Brent Dated	USD/bbl	62.00	75.16	-18%	64.59	72.13	-10%
Ural Mod	USD/bbl	61.05	74.10	10%	64.66	70.70	9%
Brent-Ural Differential	USD/bbl	0.05	1.00	-95%	-0.07	1.43	N/A
Premium Unleaded 10 ppm FOB Med	USD/tonne	606	712	16%	599	683	-12%
Diesel ULSD 10 ppm FOB Med	USD/tonne	578	668	-14%	588	638	-8%
RON/USD Average exchange rate		4.25	4.00	6%	4.22	3.90	8%
RON/USD Closing exchange rate		4.35	4.02	8%	4.35	4.02	8%
RON/EURO Average exchange rate		4.73	4.65	2%	4.74	4.65	2%
RON/EURO Closing exchange rate		4.75	4.66	2%	4.75	4.66	2%
USD/EURO Closing rate		1.09	1.16	-6%	1.09	1.16	-6%
Inflation in Romania*		-0.06%	0.27%	N/A	2.92%	2.70%	8%

Source: Platts, *INSSE

Dated Brent decreased by -13.16 \$/bbl. (-17.5%) in Q3 2019 against Q3 2018 and settled to an average of 62\$/bbl., and decreased by -7.54 \$/bbl. (-10.4%) in 9M 2019 against 9M 2018 and settled to an average of ~64.59 \$/bbl. mainly driven by increasing US crude inventories and pressured by an economic slowdown that has started to impact fuel consumption, following the trade conflict between US and China.

Despite this fall as against 9M 2018, crude price moved this year from 50.2\$/bbl. to 74.7\$/bbl., the highest level since October 2018, mainly as a result of the following key factors:

- OPEC oil supply decreased to a four-year low in March. The OPEC pumped 30.4 million barrels per day (bpd) in March, down 280,000 bpd from February and the lowest OPEC total since 2015;
- Russian oil output decreased at 11.34 million barrels per day (bpd) in February, down some 75,000 barrels per day from the October 2018 level, the baseline for a global deal between OPEC and Russia to reduce the crude supply;
- US sanctions against Iran and Venezuela;
- Russia stopped oil flows in the Druzhba pipeline to Eastern Europe and Germany in the last week of April because of contaminated crude by chemical compounds, contributing to a rise in global oil prices to a six-month high, leaving refiners in Europe scrambling to find supplies and affecting Russia's reputation as an exporter;
- United States eliminated in May all waivers granted to eight economies. The decision, taken by President Donald Trump, has sent oil prices to their highest in 2018 - 74.7\$/bbl. on 16th of May.
- Crude price remained low in June as result of U.S. oil output expectancy from seven major shale formations to further rise the daily production within July at record levels (EIA -i.e. Energy Information Administration - reports);
- The start of June has also brought the first signs of a downwards correction and Urals differentials have experienced a period of free fall, with differentials falling to their widest discount in more than seven months. As flows via all lines of the Druzhba network have restarted, contaminated crude started being transported to the seaborne ports, especially Novorossiysk, to be blended into the seaborne crude stream. This in turn lead to higher supply of seaborne Urals, something which has already helped push Urals into a steeper discount (-1.42\$/bbl.);
- Additional pressure on crude price came after OPEC oil output has risen in August for the first month this year as higher supply from Iraq and Nigeria outweighed restraint by top exporter Saudi Arabia and



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ROMPETROL RAFINARE Q3 AND 9M 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

losses caused by U.S. sanctions on Iran (Reuters). The OPEC has pumped 29.61 million barrels per day (bpd) in August, up 80,000 bpd from July's figure which was the lowest OPEC total since 2014;

- Crude price increased sharply on 14th of September after drone's attack struck two key oil installations inside Saudi Arabia, damaging facilities that process the vast majority of the country's crude output and raising the risk of a disruption in world oil supplies. Saudi Aramco, the kingdom's state-owned oil company, said that it had suspended production of 5.7 million barrels of crude oil. That is equivalent to roughly 80% of the kingdom's output and 6% of the world's oil production.

European margins decreased by -5.4\$/MI (-11.5%) in Q3 2019 against Q3 2018 and decreased by -12\$/MI (-27.4%) in 9M 2019 as against 9M 2018, as result of the following main factors which added significant pressure on the margins:

- Urals price strengthened as against Dated Brent from -1.43 discount to +0.07\$/bbl. premium, meaning a more expensive crude oil for the Mediterranean refineries which are designed to use this type of sour crude in their diet;
- European gasoline cracks fell during the beginning of the year into negative territory of -1.4\$/bbl. Having pressure coming from the high level of gasoline stock in Europe and in U.S.;
- European diesel cracks started to decrease in Q1 2019 due to lower demand (based on higher temperatures in Europe) and as result of refineries coming back from maintenance, especially in the Eastern Mediterranean area, which was more affected in this period;
- European diesel market is finding unexpected support in Q2 2019 from disruption in the refining sector after the shutdown of Russia's Druzhba pipeline due to contaminated oil;
- Naphtha cracks extended losses to new multi-year low levels, as result of global oversupply;
- In June however, the refinery margins recovered on the back of crude price decrease and Urals RCMB moving back to discounts of -1.42\$/bbl. against Dated Brent, while European gasoline market was pulled higher, based on continued demand out of the US;
- Moreover, gasoline exports from Europe to the Middle East and Asia increased during the second half of September after attacks on Saudi Arabia's oil facilities crippled output at the kingdom's refineries;
- Also, global middle distillate cracks showing good level increases in Q3 2019, however not enough to recuperate on the gap versus last year's similar period margins.

Refinery margins are however set to increase over Q4 2019 and further in 2020, for most refinery configurations as a result of 2020 IMO (i.e. International Maritime Organization) new regulation and triggering therefore its impact on crude and product markets, refinery operations, shipping market and trading.

Internally, the EUR/RON exchange rate witnessed a relatively abrupt increase in the last part of the first month of 2019, before remaining close to January's historical peak (i.e. 4.7648 on January 25th), on a relatively fluctuating path.

In mid-March, the EUR/RON posted, however, a renewed steeper rise, after which the currency pair stuck to levels in the immediate vicinity of the January peak.

In the first two months of Q2 2019, the EUR/RON exchange rate remained quasi-stable at the higher values recorded at the beginning of the year, before posting a relatively sharp downward correction towards the end of May and in the first days of June and at the beginning of Q3 2019, the downward trend continued and then towards the end of the third quarter an upward trend followed

Looking at the average annual exchange rate dynamics in 9M 2019, the national currency (i.e. RON) saw its nominal depreciation accelerate versus both the EURO and particularly the US dollar (the largest nominal depreciation in the past 15 quarters; i.e. maximum USD/RON exchange rate for the year 2019 was 4.3605 on the first day of Q4 2019).

**The information is based on analysis provided by JBC Energy GmbH and National Bank of Romania*



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ROMPETROL RAFINARE
Q3 AND 9M 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

REFINING SEGMENT

		Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Financial							
Gross Revenues	USD	1,159,418,402	1,312,724,103	-12%	3,314,068,814	3,560,653,420	-7%
Net Revenues	USD	849,488,119	1,010,723,813	-16%	2,483,817,627	2,724,961,604	-9%
EBITDA	USD	34,169,377	58,999,263	-42%	71,977,831	135,739,035	-47%
EBITDA margin	%	4.0%	5.8%		2.9%	5.0%	
EBIT	USD	7,832,656	39,830,618	80%	18,717,129	76,366,388	76%
Net profit / (loss)	USD	(647,895)	30,224,109	N/A	(9,804,148)	47,695,112	N/A
Net profit / (loss) margin	%	-0.1%	3.0%		-0.4%	1.8%	
Gross cash refinery margin/tonne (Petromidia)	USD/tonne	41.1	54.3	-24%	37.6	51.3	-27%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	5.7	7.5	-24%	5.2	7.1	-27%
Net cash refinery margin/tonne (Petromidia)	USD/tonne	18.6	33.9	-45%	12.6	27.5	-53%
Net cash refinery margin/bbl (Petromidia)	USD/bbl	2.6	4.7	-45%	1.8	3.8	-53%
Operational							
Feedstock processed in Petromidia refinery	thousand tonnes	1,630	1,651	-1%	4,756	4,738	0%
Feedstock processed in Vega refinery	thousand tonnes	123	120	3%	325	314	3%
Gasoline produced	thousand tonnes	408	421	-3%	1,212	1,277	-5%
Diesel & jet fuel produced	thousand tonnes	866	879	-1%	2,499	2,441	2%
Motor fuels sales - domestic	thousand tonnes	707	646	9%	1,903	1,731	10%
Motor fuels sales - export	thousand tonnes	520	618	-16%	1,643	1,828	-10%
Export Domestic	%	42%	49%		46%	51%	
	%	58%	51%		54%	49%	

Refining segment comprises the results of the company Rompetrol Rafinare related to Petromidia and Vega refineries. Rompetrol Rafinare computes Gross refinery margin as follows (Oil Product Sales - Cost of Feedstock) / Quantity of sales. Net Refinery margin is the EBITDA divided by quantity of sales

Gross revenues of refining segment reached over USD 1.1 billion in Q3 2019 and over USD 3.3 billion in 9M 2019 showing a 12% decrease on quarter level, and a 7% decrease as against first 9 months of 2018. Year on year variance was mainly influenced by the decrease of international oil & gas market quotation evolution of petroleum products, and also influenced by a slight decrease in the volume of products sold.



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ROMPETROL RAFINARE Q3 AND 9M 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

In Q3 and 9M 2019, the total throughput for Petromidia refinery was 1.63 million tonnes, respectively 4.76 million tonnes, lower by 1.26% on quarter level, but higher by 0.39% on 9M level if compared with the same periods last year when the total throughput was 1.65 million tonnes in the quarter, alongside 4.74 million tonnes in 9M 2018.

In Q3 and 9M 2019, the refining capacity utilization in Petromidia refinery was 96.92%, and 97.75%, lower by 3.68%, and lower by 1.42% compared with the same periods last year.

Petromidia refinery managed to achieve in 9M 2019 a very good operational performance, for its main technological and operational parameters such as:

- ✓ 9M 2019 total feedstock processed of 4.756 mil tons, the highest level reached by Petromidia refinery, on 9 months period, +18 kt above previous year record;
- ✓ 9M 2019 the highest Crude Unit total throughput of 4.135 mil tons, +22 kt above previous year according with improved crude diet;
- ✓ The highest 9M 2019 Jet group production in Petromidia history (312 kt almost in line with full year 2018) as a result of production optimizations;
- ✓ White finished products yield of 86.1%wt;
- ✓ Mechanical Availability of 97.5%;
- ✓ Technological loss of 0.814%wt;
- ✓ Energy Intensity Index of 96.9%, close to previous year.

In respect of Vega refinery (the oldest processing unit operating in Romania (since 1905) and the only domestic producer of bitumen and hexane), the total throughput was 123,060 tonnes in Q3 2019, and 324,663 tonnes in 9M 2019, higher by 2.66% on the third quarter, and higher by 3.46% for the first 9 months if compared with the same periods last year when the total throughput was 119,870 tonnes in Q3 of 2018 and 313,800 tonnes in 9M of 2018.

Vega refinery also managed to achieve in 9M 2019 very good performance results, of which the following are emphasized:

- ✓ Total feedstock processed of 325 kt, above previous record by 11 kt;
- ✓ Record for hexane production which reached 72 kt level, above previous record by 6 kt;
- ✓ Bitumen production of 84 kt, above previous year by 9 kt according with high market demand;
- ✓ Technological loss of 0.83%;
- ✓ Energy consumption of 2.34GJ/t, slightly below previous year;
- ✓ Mechanical Availability of 98.72%.

The refining segment's financial results in Q3 and 9M 2019, were negatively affected by unfavorable market conditions, Petromidia's gross refinery margin was lower in Q3 and 9M 2019 compared with the same periods last year (i.e. 41.1\$/t vs 54.3\$/t in Q3 2018 and 37.6\$/t vs 51.3\$/t in 9M 2018).

Petromidia refinery continued its production process optimization programs (i.e. increase of processing capacity alongside increased production performance of valuable products yields; reduce technological loss, crude diet optimization; constant supply of the crude, alternative and other feedstock; downstream Units operation optimization; mitigation of slowdown/shutdown/ unplanned events) and operating costs optimization (energy efficiency and processing cost reduction), programs that started in 2014 and successfully continued until present days.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 453 million in Q3 2019 and over USD 1.18 billion in 9M 2019.

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MARKETING SEGMENT

		Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Financial							
Gross Revenues	USD	876,630,346	896,905,679	-2%	2,298,552,271	2,352,458,955	-2%
ГПИТДА	USD	22,630,529	18,194,519	24%	49,523,015	37,324,778	33%
EBIT	USD	16,379,899	12,633,250	30%	33,198,766	20,047,416	66%
Net profit / (loss)	USD	10,730,300	11,405,114	-6%	22,028,198	16,834,158	31%
Operational							
Fuels quantities sold in retail	thousand tonnes	228	203	12%	583	532	10%
Fuels quantities sold in wholesale	thousand tonnes	373	364	2%	967	962	0%
LPG quantities sold	thousand tonnes	112	103	9%	321	329	-2%

Marketing segment includes the results of Rompetrol Downstream, Rom Oil, Rompetrol Quality Control Rompetrol Logistics and Rompetrol Gas

In Q3 and 9M 2019 the marketing segment had a turnover of over USD 876 million, and over USD 2.2 billion, lower by 2% compared with the same periods of 2018; Marketing Segment result performance for the third quarter of 2019 reached a level EBITDA of 22.6 million USD (i.e. +24%, or ~4.4 million USD above Q3 2018), while for 9M a level of 49.5 million USD (i.e. +33%, or ~12.2 million USD above 9M 2018).

In the Q3 2019, the Platts quotations (FOB Med Italy) in the reference currency (i.e. USD) averaged a decrease of ~ 14% for diesel and a decrease of ~ 15% for gasoline compared with the similar period of 2018. The USD exchange rate had a depreciation of the RON against the US dollar of ~ 6% (Q3 2019 vs. Q3 2018 on average).

The excise level was higher in 2019 compared to 2018, excise level increased with 3.2% for gasoline and for diesel. Excise duties on fuel increased starting with January 1, 2019 by 6.2 bani/liter for gasoline and by 5.8 bani/liter for diesel.

As of September 2019, the Rompetrol Downstream's distribution segment contained 944 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.



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APPENDIX 2 – CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2019, UNAUDITED
Amounts in USD

	September 30, 2019	December 31, 2018	%
Assets			
Non-current assets			
Intangible assets	7,518,613	7,606,675	-1%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,173,049,549	1,235,103,661	-5%
Right of use assets	62,797,684		N/A
Financial assets and other	40,450,162	40,930,859	-1%
Total Non Current Assets	1,366,687,614	1,366,512,901	0%
Current assets			
Inventories	295,544,247	292,898,693	1%
Trade and other receivables	522,763,199	409,254,839	28%
Derivative financial Instruments	528,306	2,608,512	-80%
Cash and cash equivalents	13,004,698	11,477,183	13%
Total current assets	831,840,450	716,239,227	16%
Total assets	2,198,528,064	2,082,752,128	6%
Equity and liabilities			
Total Equity	644,596,751	675,364,584	-5%
Non-current liabilities			
Long-term debt	240,000,000	224,103,204	7%
Hybrid instrument - long-term portion	17,009,920	17,009,920	0%
Provisions	85,664,505	85,664,505	0%
Net obligations under finance lease	61,341,685	-	N/A
Other	4,200,519	4,345,265	-3%
Total non-current liabilities	408,216,629	331,122,894	23%
Current Liabilities			
Trade and other payables	1,055,807,943	916,434,940	15%
Contract liabilities	30,138,926	25,947,213	16%
Derivative financial instruments	-	76,580	-100%
Net obligations under finance lease	4,572,665	-	N/A
Short-term debt	55,195,150	133,805,917	-59%
Total current liabilities	1,145,714,684	1,076,264,650	6%
Total equity and liabilities	2,198,528,064	2,082,752,128	6%



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The financial figures are extracted from Company's consolidated unaudited IFRS financial report as of 30 September 2019.

**Chairman of the Board of Directors
of ROMPETROL RAFINARE S.A.**

Saduokhas Merallyev

General Manager

Yedil Utekov



Financial Manager

Mircea-Stefan Stanescu

Prepared by,

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