

# 3<sup>rd</sup> Quarter 2019 results

Lars Christian Bacher  
Chief Financial Officer



equinor



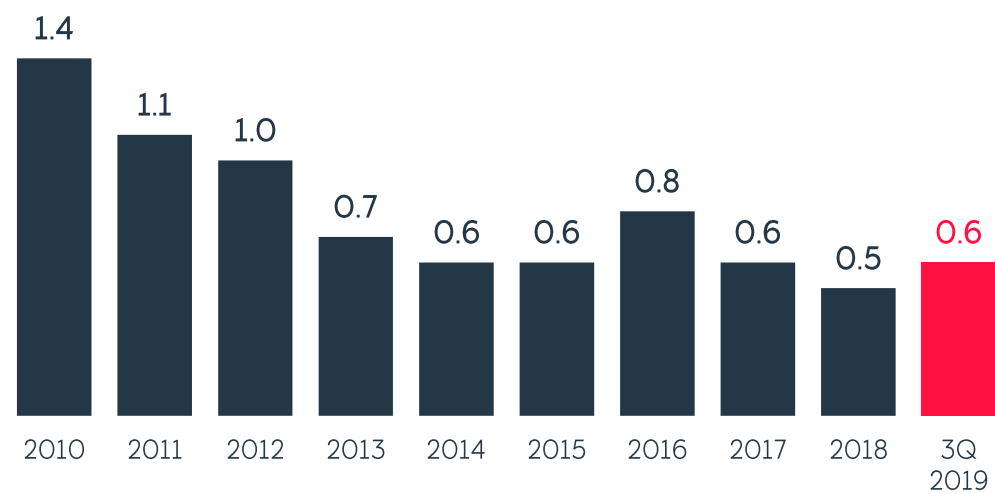
# Third quarter 2019

- Financial results impacted by lower prices
- Deferring gas production to capture value
- Strong industrial development
  - Five new fields on stream since second quarter
  - Two new offshore wind projects, and PDOs for Hywind Tampen
  - Value capture from farm down in Arkona
- Impairments mainly due to more cautious price assumptions
- Hurricane impacting South Riding Point oil terminal
- Stepping up capital distribution
  - Executing USD 5bn share buyback programme
  - Cash dividend of 26 cents per share



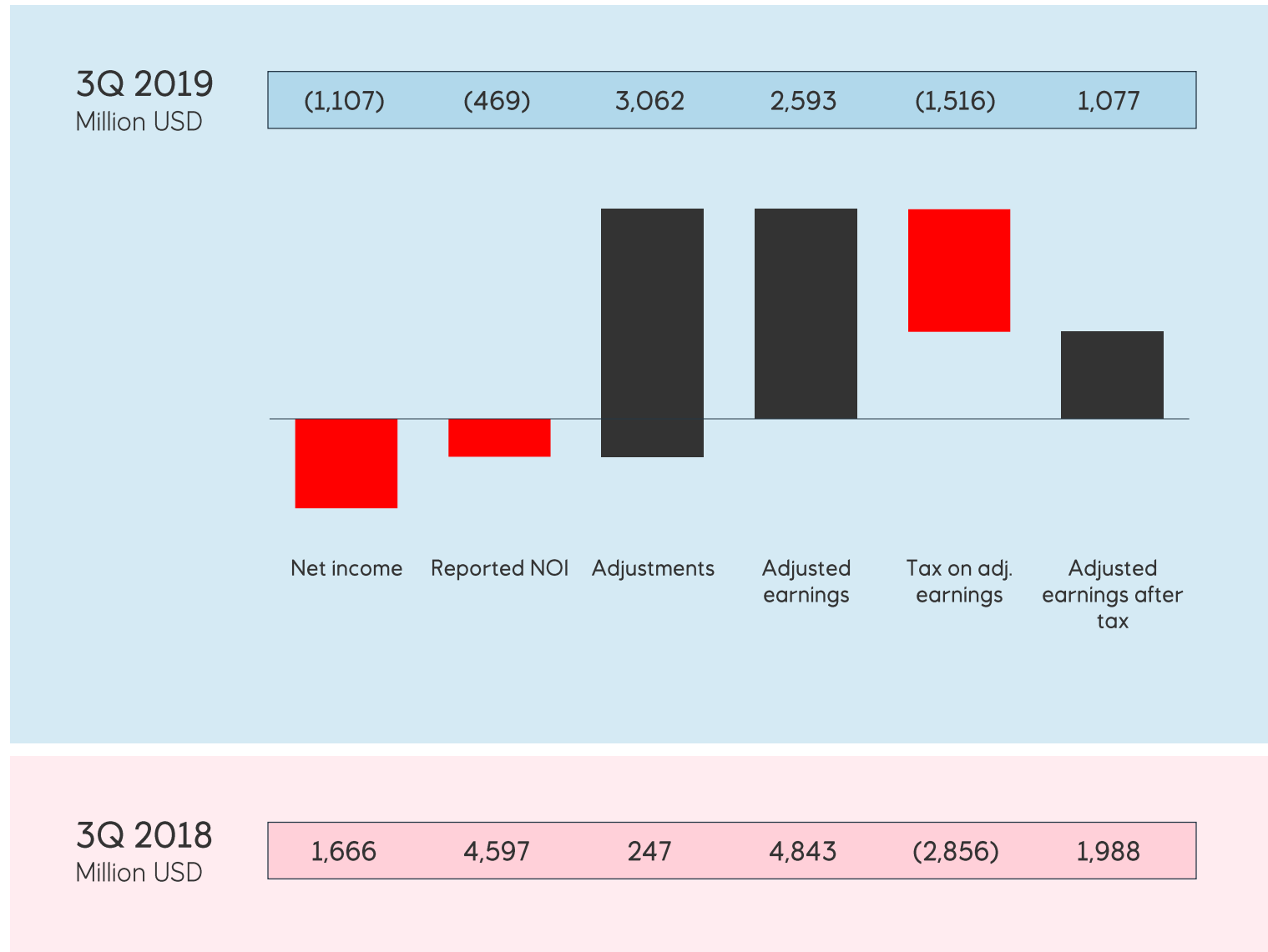
# Safety

Serious incidents per million work-hours  
12-month rolling figures



# Financial results

- Impacted by lower prices
- Impairments mainly due to more cautious price assumptions
- Realised European gas prices >50% above spot<sup>1</sup>
- Stable operating costs
- Adjusted tax rate of 59%



1. Realised European gas price vs NBP day ahead

# Adjusted earnings



## E&P Norway

- Deferred gas production and high turnaround activity
- Stable operating cost

## E&P International

- Solid operational performance
- Stable operating cost

## MMP

- Strong contribution from liquids trading in a backwardated market
- Solid gas marketing and trading

Million USD

Pre tax

After tax

Pre tax

After tax

Pre tax

After tax

3Q' 19

1,735

540

435

289

448

261

3Q' 18

3,393

930

994

774

481

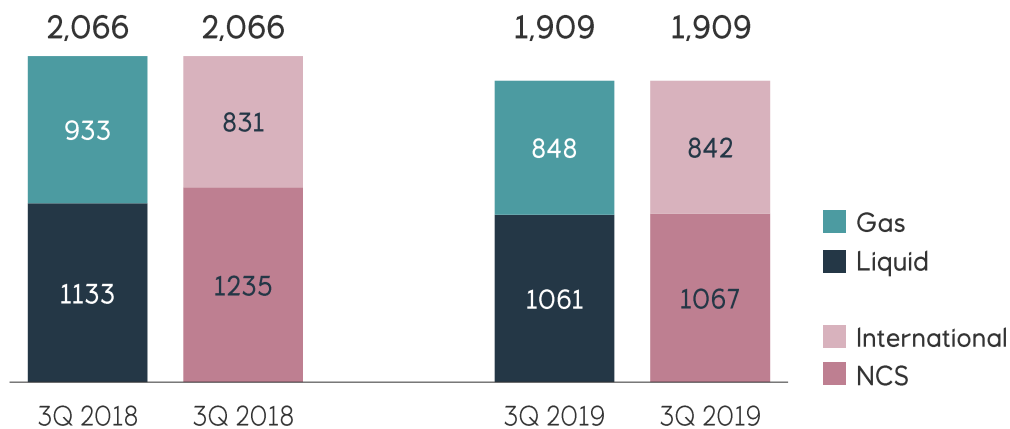
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# Production

- Deferring NCS gas production to capture value
- High E&P International production
- Five new fields on stream since second quarter
  - Adding average >200 mboe/d high value barrels in 2020

## Equity production

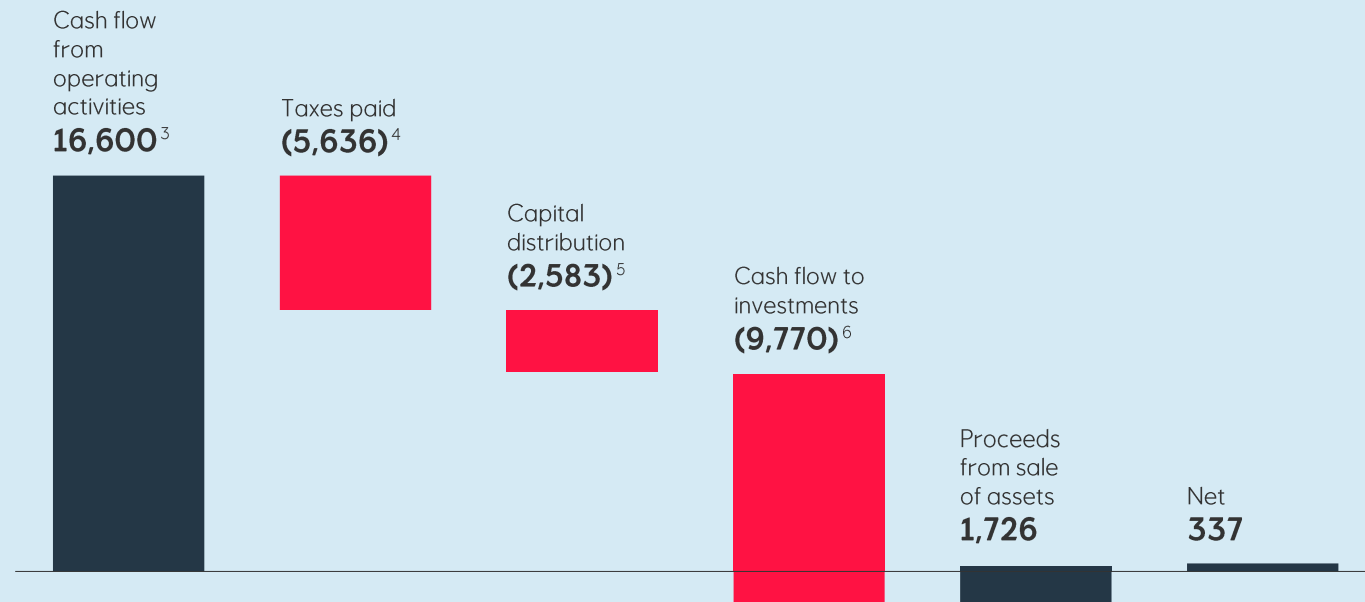
mboe/d



# Strong cash generation

- Net debt ratio at 22.5%<sup>1,2</sup>
- Organic capex USD 7.4 billion
- Executing first tranche of share buy-back programme

## 2019 YTD Cash flow Million USD



1. Adjusted, excluding IFRS16 impact.

2. Including USD 500 million for shares to be purchased in the market in the first tranche of share buy-back programme.

3. Income before tax (8,272) + non-cash adjustments (8,328).

4. Including four of six NCS tax instalments in 2019

5. Dividend (2,492) + share buyback (91)

6. Including inorganic investments

# Outlook

	Outlook 2019
Organic capex	10-11 bn USD <sup>1</sup>
Exploration expenditure	~1.7 bn USD
Production growth	2018-2019 Around same level
	2019-2025 ~3% CAGR
Maintenance	4Q 2019 ~30 mboe per day
	2019 ~40 mboe per day



1. Based on USD/NOK exchange rate of 8.25.



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# Forward-looking statements

This presentation contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "continue", "could", "estimate", "expect", "believe", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. Forward-looking statements include all statements other than statements of historical fact, including, among others, statements regarding Equinor's plans, intentions, aims and expectations with respect to Equinor's start-up of projects through 2025; intentions regarding the wind business and development as a broad energy company; market outlook and future economic projections and assumptions; production growth in 2020 and towards 2025 and production guidance for 2019, including plans and expectations to deliver 200,000 barrels per day from Trestakk, Utgard, Snefrid Nord, Mariner and Johan Sverdrup in 2020; CAGR for the period 2019 - 2025; organic capital expenditures for 2019; intention to mature its portfolio; estimates regarding exploration activity levels; ambition to keep unit of production cost in the top quartile of its peer group; scheduled maintenance activity and the effects on equity production thereof; expected dividend payments and dividend subscription price; share buy-back programme, including expectations regarding the timing and amount to be purchased using the remaining part of the first tranche of the programme, and the redemption of the Norwegian State's shares; clean-up costs relating to the damage caused to the South Riding Point oil terminal by Hurricane Dorian; expected lease commitments through 2024; planned and announced acquisitions and divestments, including the timing and impact thereof, including the acquisition of 100% of the shares of Danske Commodities and the share-sale transaction with Lundin.

You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons. These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels;

currency exchange rate and interest rate fluctuations; the political and economic policies of Norway and other oil-producing countries; EU developments; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions, including war, political hostilities and terrorism; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields or wells on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; unsuccessful drilling; an inability to find and develop reserves; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of field partners; the actions of governments (including the Norwegian state as majority shareholder); counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; labour relations and industrial actions by workers and other factors discussed elsewhere in this report. Additional information, including information on factors that may affect Equinor's business, is contained in Equinor's Annual Report on Form 20-F for the year ended December 31, 2018, filed with the U.S. Securities and Exchange Commission (and section 2.11 Risk review - Risk factors thereof). Equinor's 2018 Annual Report and Form 20-F is available at Equinor's website [www.equinor.com](http://www.equinor.com).

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.

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