

Borealis with a solid start into 2019

Key figures and ratios		Q1 2019	Q1 2018	Q4 2018	FY 2018
Net Sales	EUR million	2,143	2,051	2,091	8,337
Total Sales*	EUR million	2,543	2,387	2,551	9,937
Net Profit	EUR million	200	240	94	906
Reduction / (increase) in net interest-bearing debt	EUR million	(429)	(559)	151	(515)
Gearing	%	28%	23%		20%

* Net sales of Borealis plus pro-rata sales of at equity consolidated companies

Borealis, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, announces a net profit of EUR 200 million for the first quarter of 2019, compared to EUR 240 million in the same quarter of 2018. The deterioration in profit compared to the first quarter of 2018 was driven by lower European integrated polyolefin margins than in the same period of 2018. Additionally, the contribution from Borouge in the first quarter of 2019 was below the same period in 2018, mainly due to the Borouge 3 turnaround and weaker polyolefin sales prices in Asia. The contribution from the Fertilizer business improved compared to the first quarter of 2018, driven by an improved operability of the assets and an improved fertilizer market environment.

In the first quarter, net debt increased by EUR 429 million, largely due to the payment of a EUR 400 million final dividend payment over 2018 to Borealis' shareholders. In September 2018 a EUR 300 million interim dividend was already paid for 2018. A second main factor leading to the increased debt position was the implementation of the new accounting standard for lease contracts (IFRS 16) impacting the reported debt by EUR 210 million. The cash inflow from the solid business result and dividends from Borouge allowed Borealis' financial position to remain strong, with a gearing of 28% at the end of the first quarter of 2019.

Outlook

"While the European integrated polyolefins industry margin remained firm in the first quarter of 2019, the outlook on the full year remains uncertain, being driven by the looming risk of an economic slowdown as well as increased geopolitical uncertainty," comments Alfred Stern, Borealis CEO. "The Borouge result in the first quarter was solid, but was of course impacted by the Borouge 3 turnaround. The continued strong financial performance delivered last year and Borealis' excellent financial position has enabled us to pay a total dividend of EUR 700 million to our shareholders for the business year 2018."

“In the second quarter, Borealis expects a stronger result supported by the polyolefins business. Borouge is also expected to perform well after the successful completion of the Borouge 3 turn-around. Our focus in 2019 shall remain on driving top performance of our existing business and on advancing the major global growth projects.”

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With its head office in Vienna, Austria, the company currently has more than 6,800 employees and operates in over 120 countries. Borealis generated EUR 8.3 billion in sales revenue and a net profit of EUR 906 million in 2018. Mubadala, through its holding company, owns 64% of the company, with the remaining 36% belonging to Austria-based OMV, an integrated, international oil and gas company. Borealis provides services and products to customers globally, in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC) and with Bayport Polymers, a joint venture with Total and NOVA Chemicals in Texas, USA.

For further information visit:

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