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## Press Releases and Events

### NOVATEK Announces Consolidated IFRS Results for the First Quarter 2021

**Moscow, 28 April 2021.** PAO NOVATEK today released its consolidated interim condensed financial statements for the three months ended 31 March 2021 prepared in accordance with International Financial Reporting Standards (“IFRS”).

#### IFRS Financial Highlights

*(in millions of Russian roubles except as stated)*

	1Q 2021	1Q 2020
Oil and gas sales	240,749	182,595
Other revenues	3,834	1,967
<b>Total revenues</b>	<b>244,583</b>	<b>184,562</b>
<b>Operating expenses</b>	<b>(178,819)</b>	<b>(146,535)</b>
Other operating income (loss)	(622)	(33,236)
<b>Normalized profit from operations*</b>	<b>65,142</b>	<b>38,901</b>
<b>Normalized EBITDA of subsidiaries*</b>	<b>76,625</b>	<b>45,383</b>
<b>Normalized EBITDA including share in EBITDA of joint ventures*</b>	<b>143,836</b>	<b>100,668</b>
Finance income (expense)	1,608	141,453
Share of profit (loss) of joint ventures, net of income tax	14,847	(145,231)
Profit before income tax	81,597	1,013
<b>Profit (loss) attributable to shareholders of PAO NOVATEK</b>	<b>65,152</b>	<b>(30,680)</b>

<b>Normalized profit attributable to shareholders of PAO NOVATEK*, excluding the effect of foreign exchange gains (losses)</b>	<b>75,773</b>	<b>53,547</b>
Normalized basic and diluted earnings per share*, excluding the effect of foreign exchange gains (losses) (in Russian roubles)	25.23	17.80
Cash used for capital expenditures	41,446	41,143

\* Excluding the effects from disposal of interests in subsidiaries and joint ventures (recognition of a net gain on disposal and subsequent non-cash revaluation of contingent consideration).

#### *COVID-19 and Macro-Economic Environment*

The impacts from the COVID-19 virus spread and stricter quarantine measures enforced by some countries continued to have a destabilizing effect on global economic activities, resulting in maintaining restricted production targets by the OPEC+ participants during the first quarter. These restrictions as well as an increase in hydrocarbons consumption due to the severe cold winter weather in Europe, Asia and North America has led to a significant increase in benchmark hydrocarbons prices in the first quarter 2021, which correspondingly impacted our hydrocarbons sales prices.

Further developments surrounding the COVID-19 virus spread remain uncertain and are outside of the Group's management control, and the scale and duration of these developments are difficult to assess. Despite these uncertainties, the Group continues to demonstrate strong operating results and implement its investment projects in accordance with the Group's approved corporate strategy. The Group's management continues to assess the current situation and present macro-economic environment and takes appropriate actions if deemed necessary.

#### *Revenues and EBITDA*

Our total revenues and Normalized EBITDA, including our share in the EBITDA of joint ventures, increased to RR 244.6 billion and RR 143.8 billion, or by 32.5% and 42.9%, respectively, as compared to the corresponding period in 2020. The increases in total revenues and Normalized EBITDA were largely due to an increase in global commodity prices for hydrocarbons, as well as an increase in natural gas and gas condensate production from the launch of gas condensate deposits of the North-Russkiy cluster in the third quarter 2020.

#### *Profit (loss) attributable to shareholders of PAO NOVATEK*

In the first quarter 2021, our profit attributable to shareholders of PAO NOVATEK amounted to RR 65.2 billion (RR 21.70 per share) as compared to a loss of RR 30.7 billion in the corresponding period in 2020.

Normalized profit attributable to shareholders of PAO NOVATEK (excluding the effects from foreign exchange differences and the disposal of interests in subsidiaries and joint ventures) increased to RR 75.8 billion (RR 25.23 per share) from RR 53.5 billion (RR 17.80 per share) in the first quarter 2020.

The main factors positively impacting the Group's Normalized profit in the first quarter 2021 were improved macroeconomic conditions, which resulted in an increase in our hydrocarbons sales prices, as well as an increase in natural gas and gas condensate production volumes (see above).

#### *Cash used for capital expenditures*

Our cash used for capital expenditures aggregated RR 41.4 billion as compared to RR 41.1 billion in the corresponding period in 2020. A significant portion of our capital expenditures was attributable to the ongoing development of our LNG projects, further development and the launch of the fields within the North-Russkiy cluster (the North-Russkoye, East-Tazovskoye, Dorogovskoye and Kharbeyskoye fields), the development of crude oil deposits of the East-Tarkosalinskoye and Yarudeyskoye fields, and capital spent on exploratory drilling.

### **Hydrocarbon Production**

	<b>1Q 2021</b>	<b>1Q 2020</b>
<b>Total hydrocarbon production (million boe)</b>	<b>158.1</b>	<b>150.2</b>
<i>Total production (million boe per day)</i>	1.76	1.65
<b>Natural gas production including proportionate share in the production of joint ventures (mmcm)</b>	<b>20,155</b>	<b>19,079</b>
Natural gas production by subsidiaries	10,811	9,774
Group's proportionate share in the natural gas production of joint ventures	9,344	9,305
<b>Liquids production including proportionate share in the production of joint ventures (mt)</b>	<b>3,129</b>	<b>3,048</b>
Liquids production by subsidiaries	1,698	1,571
Group's proportionate share in the liquids production of joint ventures	1,431	1,477

Our total natural gas and liquids production including our proportionate share in the production of joint ventures increased by 5.6% and 2.7%, respectively, mainly due to the commissioning of gas condensate deposits within the fields of the North-Russkiy

cluster (the North-Russkoye and East-Tazovskoye) in the third quarter 2020. An increase in the production at these fields completely offset declines in production at mature fields of our subsidiaries and joint ventures.

### Hydrocarbon Sales Volumes

	1Q 2021	1Q 2020
<b>Natural gas (mmcm)</b>	<b>21,429</b>	<b>20,686</b>
<i>including:</i>		
Sales in the Russian Federation	19,556	18,236
Sales on international markets	1,873	2,450
<b>Liquids (mt)</b>	<b>4,028</b>	<b>4,003</b>
<i>including:</i>		
Stable gas condensate refined products	1,613	1,696
Crude oil	1,020	1,164
Liquefied petroleum gas	843	724
Stable gas condensate	548	414
Other oil products	4	5

Our natural gas sales volumes totaled 21.4 billion cubic meters (bcm), representing an increase of 3.6% as compared to the corresponding period in 2020, mainly resulting from an increase in natural gas volumes sold on the domestic market by 1.3 bcm, or 7.2%, due to the launch of additional production facilities, as well as higher demand from end-customers due to colder winter seasonal weather conditions. This positive effect was partially offset by a decline in natural gas volumes sold on the international markets due to a decrease in LNG sales volumes purchased primarily from our joint venture OAO Yamal LNG, as a result of an increase in the share of Yamal LNG's direct LNG sales under long-term contracts and the corresponding decrease in LNG spot sales to shareholders, including the Group.

As at 31 March 2021, we recorded 124 mmcm of natural gas in inventory balances compared to 288 mmcm at 31 March 2020. Natural gas inventory balances fluctuate period on period and depend on the Group's demand for natural gas withdrawals for the sale in subsequent periods.

Our liquid hydrocarbons sales volumes totaled 4.0 million tons, representing a marginal increase of 0.6% as compared to the corresponding period in 2020. As at 31 March 2021, we recorded 904 thousand tons (mt) of liquid hydrocarbons in transit or storage and

recognized as inventory as compared to 824 mt at 31 March 2020. Our liquid hydrocarbon inventory balances tend to fluctuate period on period and are usually realized in the following reporting period.

**Selected Items of Consolidated Statement of Financial Position**  
(in millions of Russian roubles)

	31 March 2021	31 December 2020
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>1,725,188</b>	<b>1,696,244</b>
Property, plant and equipment	760,992	729,407
Investments in joint ventures	467,797	450,632
Long-term loans and receivables	368,729	391,053
<b>Current assets</b>	<b>372,790</b>	<b>362,934</b>
<b>Total assets</b>	<b>2,097,978</b>	<b>2,059,178</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Non-current liabilities</b>	<b>253,003</b>	<b>260,755</b>
Long-term debt	161,963	168,988
<b>Current liabilities</b>	<b>140,232</b>	<b>159,996</b>
<b>Total liabilities</b>	<b>393,235</b>	<b>420,751</b>
<b>Equity attributable to PAO NOVATEK shareholders</b>	<b>1,686,905</b>	<b>1,619,964</b>
<b>Non-controlling interest</b>	<b>17,838</b>	<b>18,463</b>
<b>Total equity</b>	<b>1,704,743</b>	<b>1,638,427</b>
<b>Total liabilities and equity</b>	<b>2,097,978</b>	<b>2,059,178</b>

The full set of consolidated interim condensed IFRS financial statements, the notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations are available on the Company's web site ([www.novatek.ru](http://www.novatek.ru)).

PAO NOVATEK is the largest independent natural gas producer in Russia, and in 2017, entered the global LNG market by successfully launching the Yamal LNG project. Founded in 1994, the Company is engaged in the exploration, production, processing and marketing of natural gas and liquid hydrocarbons. The Company's upstream activities are concentrated mainly in the prolific Yamal-Nenets Autonomous Region, which is the world's largest natural gas producing area and accounts for approximately 80% of Russia's natural gas production and approximately 15% of the world's gas production. NOVATEK is a public joint stock company established under the laws of the Russian Federation. The Company's shares are listed in Russia on Moscow Exchange (MOEX) and the London Stock Exchange (LSE) under the ticker symbol "NVTK".

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