



Figure 12: Petrobras – Base-case Forecasts by DB Credit Research

Financial figures in USD millions	2014A	2015E	2016E	2017E	2018E	2019E	2020E
Net Revenue	143,210	91,062	79,920	82,370	84,685	87,107	89,641
COGS (without D&A)	(97,545)	(57,965)	(51,067)	(53,028)	(54,448)	(55,904)	(57,398)
Operating Expenses (without D&A)	(14,239)	(9,088)	(7,029)	(6,917)	(6,808)	(6,702)	(6,600)
Dry Wells	(2,604)	(794)	(794)	(794)	(794)	(794)	(794)
<b>EBITDA (excluding one-off items)</b>	<b>28,822</b>	<b>23,215</b>	<b>21,029</b>	<b>21,631</b>	<b>22,635</b>	<b>23,707</b>	<b>24,850</b>
Interest Expense	(7,045)	(5,498)	(6,766)	(6,484)	(6,381)	(6,505)	(8,036)
Interest Income	1,085	448	351	98	100	102	104
Cash Taxes	(1,902)	(1,297)	(1,727)	(1,918)	(2,227)	(2,494)	(2,424)
<b>FFO (Funds From Operations)</b>	<b>27,193</b>	<b>17,662</b>	<b>13,682</b>	<b>14,121</b>	<b>14,921</b>	<b>15,605</b>	<b>15,288</b>
Changes in WC	(6,755)	(1,995)	(5,054)	(720)	(710)	(737)	(764)
Capex	(34,732)	(25,000)	(19,081)	(19,058)	(19,036)	(19,015)	(18,996)
Asset Sales	-	-	10,000	3,000	-	-	-
Dividends and other FCF items	1,825	-	-	-	-	-	-
<b>FCF</b>	<b>(12,469)</b>	<b>(9,333)</b>	<b>(453)</b>	<b>(2,657)</b>	<b>(4,825)</b>	<b>(4,147)</b>	<b>(4,472)</b>
Debt Amortizations	(10,033)	(10,819)	(11,578)	(11,126)	(16,780)	(22,999)	(14,115)
<b>New Debt</b>	<b>30,943</b>	<b>13,771</b>	<b>5,000</b>	<b>13,902</b>	<b>21,723</b>	<b>27,265</b>	<b>18,707</b>
Impact of FX on Cash Position	-	(1,442)	(318)	(119)	(119)	(119)	(119)
Net Change in Cash & Equiv	9,634	(7,822)	(13,000)	-	-	-	-
Cash & Equiv	25,822	18,000	5,000	5,000	5,000	5,000	5,000
Total Debt	131,474	121,902	114,717	116,541	120,327	123,271	126,312
<b>Net Debt</b>	<b>105,651</b>	<b>103,902</b>	<b>109,717</b>	<b>111,541</b>	<b>115,327</b>	<b>118,271</b>	<b>121,312</b>
Total Debt / Recurring EBITDA	4.6	5.3	5.5	5.4	5.3	5.2	5.1
<b>Net Debt / Recurring EBITDA</b>	<b>3.7</b>	<b>4.5</b>	<b>5.2</b>	<b>5.2</b>	<b>5.1</b>	<b>5.0</b>	<b>4.9</b>
EBITDA / Interest Expense	4.1	4.2	3.1	3.3	3.5	3.6	3.1
EBITDA Margin	20.1%	25.5%	26.3%	26.3%	26.7%	27.2%	27.7%
Net Revenue - Domestic Crude Oil Exports	7,435	4,233	4,409	5,069	5,746	6,439	7,150
Net Revenue - Domestic Downstream Exports	6,381	4,773	4,332	3,027	2,130	1,216	284
Net Revenue - Domestic Downstream ex- gasoline/diesel	24,505	12,073	11,017	11,763	12,289	12,826	13,374
Net Revenue - Domestic Gasoline & Diesel	65,176	44,979	37,879	40,002	41,842	43,775	45,806
Net Revenue - Domestic Natural Gas	7,628	6,312	6,154	6,422	6,806	6,794	6,986
Net Revenue - Domestic Power and Other	19,578	10,884	9,169	9,156	9,169	9,183	9,198
Net Revenue - International	12,506	7,808	6,961	6,931	6,902	6,873	6,844
EBITDA - Domestic E&P	33,006	15,516	14,882	15,582	16,321	17,073	17,839
EBITDA - Domestic Downstream	(5,270)	9,352	6,954	6,844	7,098	7,407	7,773
EBITDA - Overhead and Other Businesses	(1,746)	(1,653)	(806)	(796)	(785)	(774)	(762)
Domestic E&P Production (kboepd)	2,458	2,568	2,620	2,672	2,726	2,780	2,836
Domestic Oil & NGL Production (kbpd)	2,034	2,125	2,168	2,211	2,255	2,301	2,347
<b>Domestic Oil &amp; NGL Production growth, yoy</b>	<b>5.3%</b>	<b>4.5%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>
Domestic Refining Production (kbpd)	2,169	2,142	2,142	2,142	2,142	2,142	2,142
<b>Domestic Refining Production growth, yoy</b>	<b>2.1%</b>	<b>-1.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Domestic Net Exports (kbpd)	(448)	(170)	(127)	(235)	(296)	(357)	(419)
Domestic Net Exports (USDmn)	(24,995)	(12,603)	(11,220)	(12,885)	(13,806)	(14,741)	(15,691)
Domestic Sales Volume (kboepd)	2,998	2,823	2,826	2,910	2,968	3,027	3,088
<b>Domestic Sales Volume Growth, yoy</b>	<b>4%</b>	<b>-6%</b>	<b>0%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
<b>Brent Reference Price (USD/boe)</b>	<b>99</b>	<b>55</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>BRL/USD (eop)</b>	<b>2.67</b>	<b>4.10</b>	<b>4.25</b>	<b>4.46</b>	<b>4.69</b>	<b>4.92</b>	<b>5.17</b>
<b>BRL/USD (avg)</b>	<b>2.36</b>	<b>3.35</b>	<b>4.20</b>	<b>4.33</b>	<b>4.46</b>	<b>4.59</b>	<b>4.73</b>
% of Net Revenue in BRL	58%	61%	59%	60%	60%	61%	61%
% of Cash Costs and SG&A in BRL	37%	37%	35%	35%	35%	35%	35%
Domestic Gasoline Refinery Price Change in BRL, yoy	4%	4%	6%	6%	6%	6%	6%
Gasoline Refinery Price (Brazil vs. US)	-9%	20%	12%	15%	18%	22%	25%
Domestic Diesel Refinery Price Change in BRL, yoy	5%	5%	6%	6%	6%	6%	6%
Diesel Refinery Price (Brazil vs. US)	-7%	23%	15%	18%	22%	25%	29%

Source: Deutsche Bank