



# REPSOL CONFERENCE CALL

Third Quarter 2020 Results

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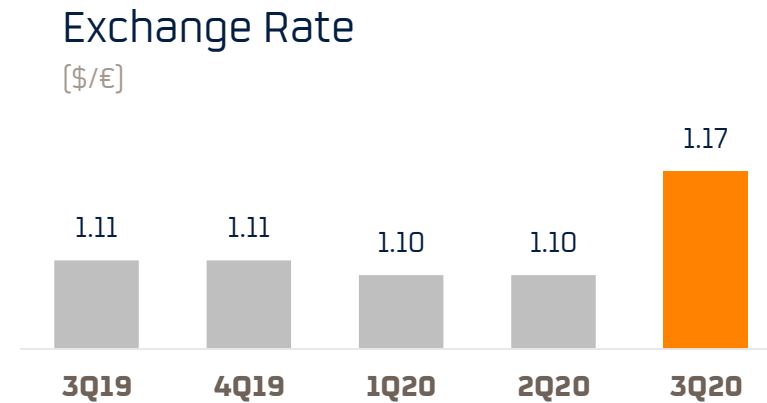
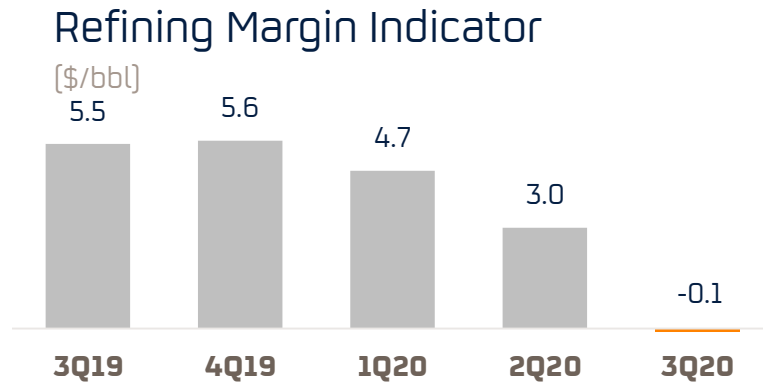
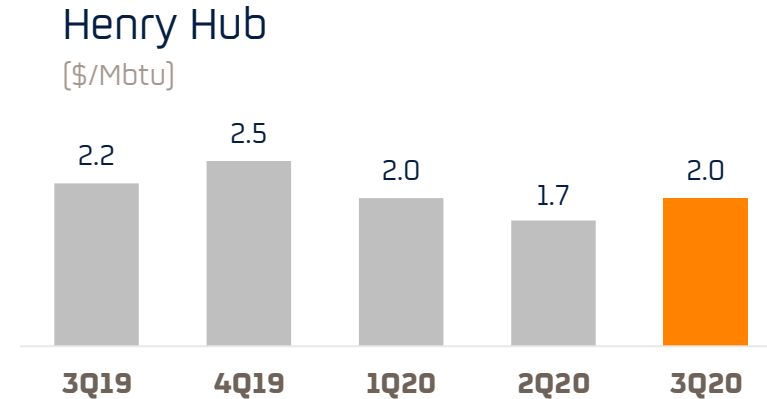
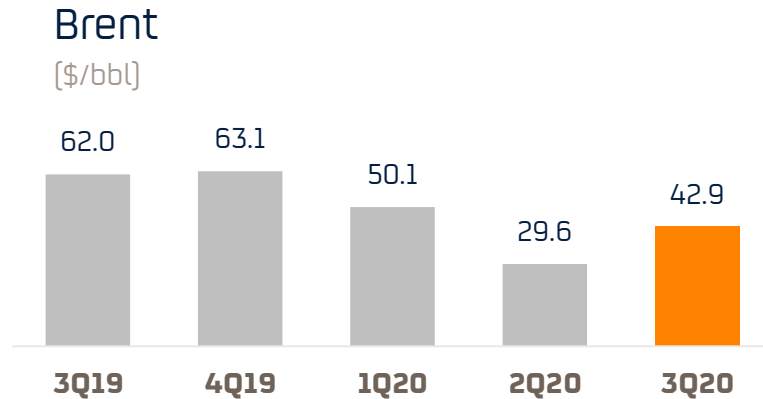
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# Higher oil and gas prices, challenging refining environment



## Strong cash performance demonstrates strength of Resilience Plan

### Strong CFFO in very challenging scenario

- **CFFO 3Q20:** €1.3 Bn [vs. €0.9 Bn in 1H20]
- **Organic FCF 3Q20:** €0.8 Bn [€0.5 Bn in Upstream division]

### Resilience Plan delivering ahead of targets

- On track to surpass the €2.2 Bn of targeted savings in 2020
- **Net Debt: €3.3 Bn [-€649 M vs. June].** On track to achieve main financial objective of Resilience Plan

### Delivered shareholder remuneration commitments

- Canceled shares issued with 2020 scrips
- Share capital reduction executed in October [99 M shares]

### COVID-19 impacting business performance

- **Upstream:** operations adapted to market environment
- **Refining:** negative margin indicator but positive premium
- **Commercial and Renewables:** increased contribution to cash and results

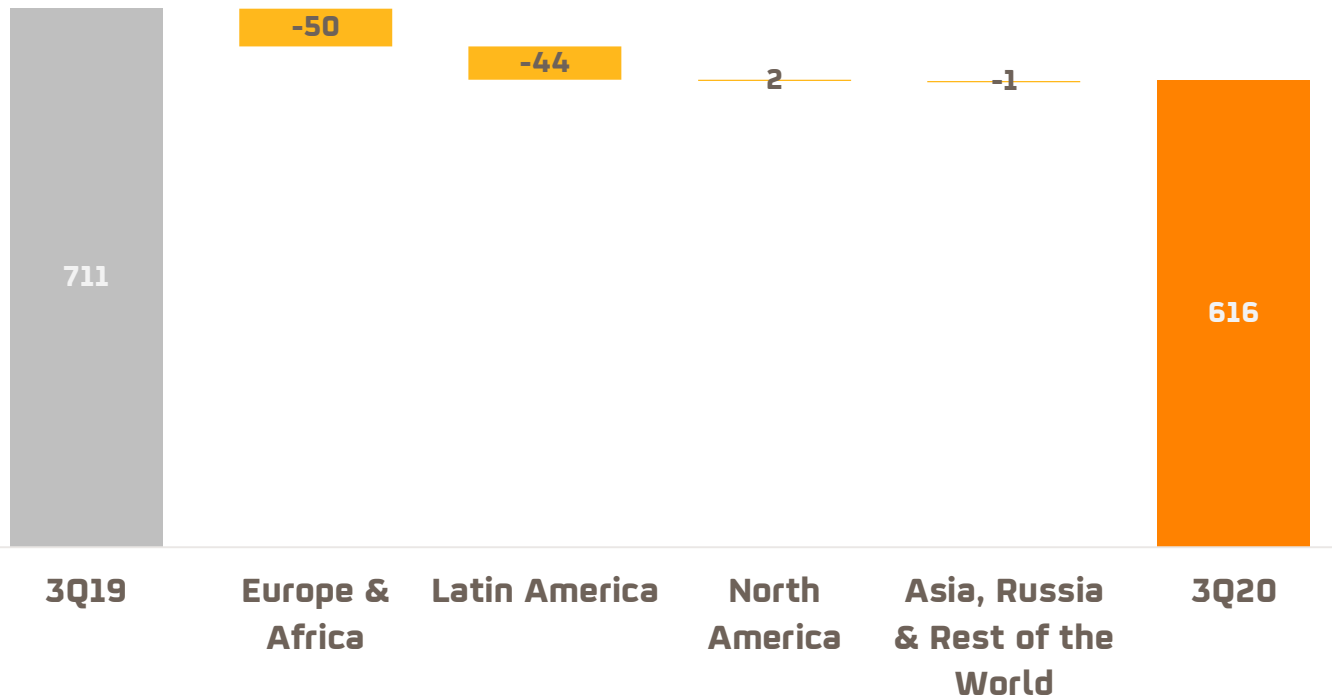
### Continue progress in Energy Transition

- First **biojet** producer in Spain
- Approval for **new advanced fuels plant** in Cartagena

# Upstream: adapting operations to current environment

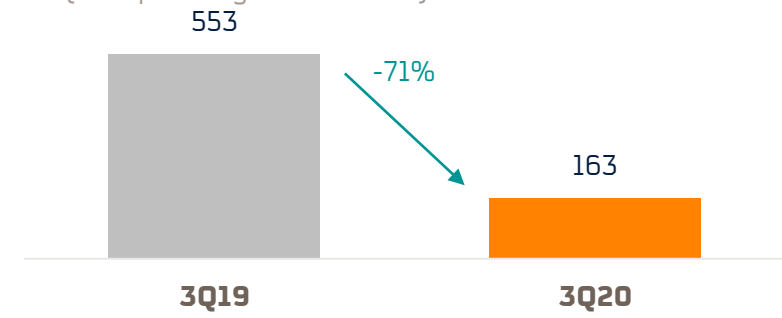


Upstream production  
[kboed]



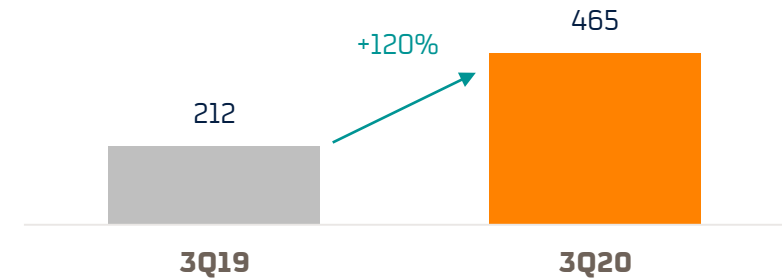
Capex flexibility

[M€ operating investments]



Organic FCF delivery

[M\$]



- **Libya** restarted production on October 11<sup>th</sup> after the force majeure was lifted in El Sharara. Currently producing ~160,000 bpd [gross].

## Industrial: challenging Refining, resilient Chemicals



### Refining

Repsol assets remain among most competitive in Europe

- **Middle-distillate spreads** at narrowest level in more than 20 years
- **All refineries under operation.** Run-rates in line with 2Q20
- **1.8 \$/bbl premium** over refining margin indicator

### Chemicals

Resilient through COVID-19 crisis

- **International margins** impacted in 3Q20 by recovery of naphtha price
- **Feedstock advantage for flexible crackers** [wider naphtha-propane spread in 3Q20]
- Increased demand for packaging and healthcare compensating impact to other sectors and applications

Distillation utilization

[%]

69.9

70.0

2Q20

3Q20

Conversion utilization

[%]

82.4

83.9

2Q20

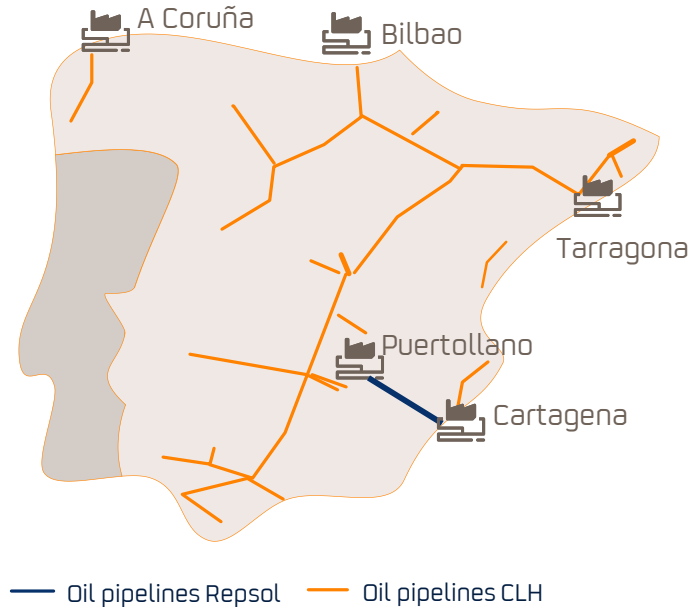
3Q20

## Further progress in the decarbonization of industrial operations

### 1<sup>st</sup> batch of biojet

Repsol produces in Puertollano **airplane biofuel** for the first time in Spain:

- **First 7,000 tons of aviation fuel** made from biomass [save 440 tons of CO2 emissions]
- Production **to be extended to other Repsol facilities** in Spain
- **Low-Carbon fuels** for industries where alternatives like electrification are not viable today



### FID for advanced biofuels plant

Repsol to build Spain's **first low emissions advanced biofuels plant** in Cartagena:

- **Capacity of 250,000 tons/y** of hydrobiodiesel, biojet, bionaphtha, and biopropane
- Will produce advanced biofuels from **recycled raw materials**
- Enables the **reduction of 900,000 tons/y of CO2** emissions
- **Start-up in 1H 2023**. €188 M investment





# Commercial and Renewables: higher contribution despite investing phase

## Mobility

- **Sales in Service Stations** -13% 3Q20 vs. 3Q19
- **Gasoline and diesel** demand recovery: ~10% below 2019 level in September
- **Kerosene** demand remains weak: ~74% below 2019 level in September

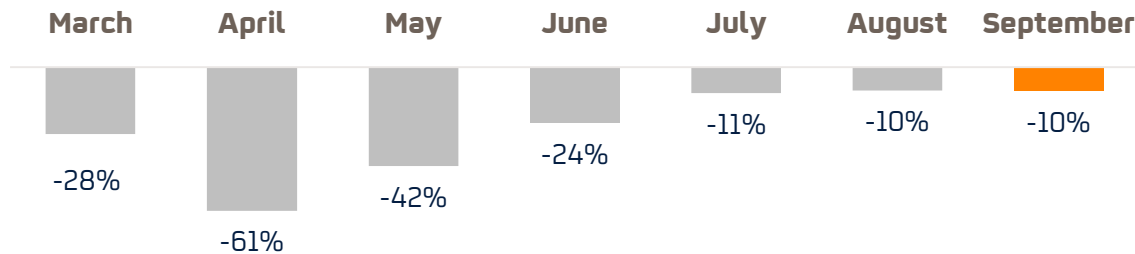
## Lubricants, Asphalts and Specialties

- International expansion supports **solid performance**

## Electricity and Gas

- **Retail growth** continues in competitive environment
- **Delta** wind farm: supplies first MWh
  - 335 MW installed capacity
  - 1 TWh/y production
  - 300 M€ CAPEX
- **Chile JV**: agreement with Ibereolica closed in October

Transportation fuel demand monthly variation in Spain 2020 vs. 2019



Source: CLH

## 3Q20 and 9M20 Results



Results [€ Million]	Q3 2020	Q2 2020	Q3 2019	9M 2020	9M 2019
Upstream	51	[141]	218	0	864
Industrial	[67]	8	223	229	671
Commercial and Renewables	169	42	153	332	418
Corporate and Others	[146]	[167]	[72]	[365]	[316]
<b>Adjusted Net Income</b>	<b>7</b>	<b>[258]</b>	<b>522</b>	<b>196</b>	<b>1,637</b>
<b>Net Income</b>	<b>[94]</b>	<b>[1,997]</b>	<b>333</b>	<b>[2,578]</b>	<b>1,466</b>

Financial data [€ Million]	Q3 2020	Q2 2020	Q3 2019	9M 2020	9M 2019
EBITDA	882	240	1,597	1,471	5,309
EBITDA CCS	828	641	1,764	2,924	5,386
Operating Cash Flow	1,258	268	1,544	2,122	4,074
Net Debt	3,338	3,987	3,836		

## Resilience Plan delivering above original targets

**Self-financed Resilience Plan 2020 expected to exceed the €2.2 Bn of initially targeted cash savings**

	Original target	9M20 captured	New 2020 estimate
Opex savings	€350 M	> €350 M	€500 M
Capex savings	€1,000 M	~ €1,000 M	€1,200 M
WC optimization	€800 M	> €400 M	€700 M

**Net debt as of September already in line with the end of 2019**

- **€3.3 Bn Net Debt** (in line with €4.2 Bn at the end of 2019, excluding €0.9 Bn impact of hybrid bonds transactions)

**Reinforced liquidity position in 3Q20**

- **€850 M Eurobond** issuance (settled in October) achieved Repsol's lowest interest rate
- **Liquidity covers debt maturities until 2036** and 3.3x short-term gross debt maturities

## Updated FY2020 outlook



Production	<b>640-645 kboed</b>	<ul style="list-style-type: none"> <li>• Libya producing from 4Q20</li> </ul>
Refining Margin Indicator	<b>2.2-2.5 \$/bbl</b>	<ul style="list-style-type: none"> <li>• Uncertain demand recovery</li> </ul>
Net debt	<b>≤ €3.3 Bn</b>	<ul style="list-style-type: none"> <li>• In line with 2019 with the positive effect of hybrid bonds transactions of 2Q20</li> </ul>
Energy Transition	<p><b>-3% Carbon Intensity Indicator</b></p> <p><b>-2.1 Mton CO2</b></p>	<ul style="list-style-type: none"> <li>• vs. 2016 baseline</li> <li>• from 2014</li> </ul>

## Repsol's Capital Markets Day [Thursday 26 November]

### Agenda

[CET]

- 12:00 – 13:30 h **CEO Investor presentation**
- 13:30 – 14:00 h Break
- 14:00 – 15:00 h **Business presentations**
  - Upstream Strategy**  
Tomas Garcia Blanco, EMD Exploration and Production
  - Customer Centric Strategy**  
Mavi Zingoni, EMD Commercial Businesses and Chemicals
- 15:00 – 16:30 h **Q&A session**

## Strategic progress despite negative impact of COVID-19

### **Delivering on the objectives of Resilience Plan 2020**

- Prioritizing health, safety and continuity of operations
- On track to surpass the €2.2 Bn cash savings objective in 2020

### **Strong cash performance and net debt reduction in 3Q20**

- CFFO in 3Q20 > 1H20 despite challenging scenario
- Net Debt at €3.3 Bn in-line with year-end objective
- Leveraged on portfolio flexibility and financial strength

### **New 5-year Strategic Plan to transform Repsol**

- More profitable and competitive
- Repsol's Capital Markets Day on November 26<sup>th</sup>

### **Dual future of energy**

- Electricity + low carbon fuels
- Projects in industrial complexes Bilbao, Puertollano and Cartagena
- Contribution from all forms of decarbonization to accelerate Energy Transition



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## Third Quarter 2020 Results

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