

# WEBCAST – CONFERENCE CALL

**First Quarter 2020 Results**

# Disclaimer

ALL RIGHTS ARE RESERVED

@ REPSOL, S.A. 2020

*Given the COVID-19 spread, the disease caused by SARS-CoV-2 virus [commonly known as coronavirus], global economic growth is expected to be lower than 2019. If the coronavirus pandemic is short-lived, the economy is expected to approach recession during the first half of 2020, but could experience an upturn afterwards. However, if the virus spread continues for longer and affects the main economies to a greater extent, growth consequences would be extended, maybe significantly, including the possibility of a recession in 2020 and beyond.*

*The evolution of the pandemic and the mitigation measures applied by health authorities generate uncertainty regarding with the key assumptions used to assess asset value and measure the Group's liabilities. These key assumptions include, among others, commodity prices, inventories and our products, changes in crude oil and gas demand, and the discount rate to be applied. The information included in this document is inside information pursuant to the provision of article 226 of the Spanish Securities Market Law.*

*This document contains statements that Repsol believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words "expects", "anticipates", "forecasts", "believes", "estimates", "notices" and similar expressions. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol's control or may be difficult to predict. Within those risks are those factors described in the filings made by Repsol and its affiliates with the "Comisión Nacional del Mercado de Valores" in Spain and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.*

*Repsol does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.*

*This document mentions resources which do not constitute proved reserves and will be recognized as such when they comply with the formal conditions required by the system "SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System" [SPE-PRMS] [SPE – Society of Petroleum Engineers].*

*In October 2015, the European Securities Markets Authority [ESMA] published its Guidelines on Alternative Performance Measures [APMs]. The guidelines apply to regulated information published on or after 3 July 2016. The information and breakdowns relative to the APMs used in this presentation are included in Appendix I "Alternative Performance Measures" of the consolidated Management Report 2019 and are updated with quarterly information on Repsol's website.*

*This document does not constitute an offer or invitation to purchase or subscribe shares, pursuant to the provisions of the Royal Legislative Decree 4/2015 of the 23rd of October approving the recast text of the Spanish Securities Market Law and its implementing regulations. In addition, this document does not constitute an offer to purchase, sell, or exchange, neither a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.*

*The information contained in the document has not been verified or revised by the External Auditors of Repsol.*

# Index

- 01.** Market Environment
- 02.** Operational Highlights
- 03.** Financial Results
- 04.** Impact of COVID-19
- 05.** Resilience Plan and outlook 2020
- 06.** Repsol and Society



# COVID-19 challenges the energy industry

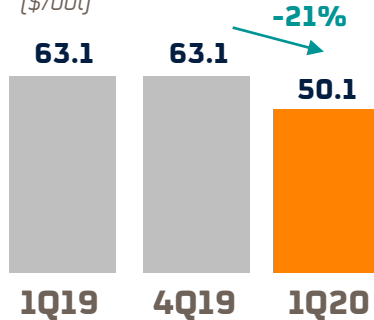
## Market Environment



- Combined demand and supply shock caused by **COVID-19** and **oil price war**
- Repsol has taken rapid action and defined an ambitious **Resilience Plan for 2020**

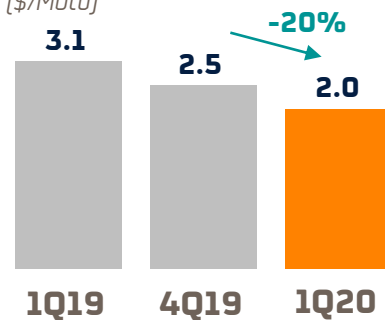
### Brent

[\$/bbl]



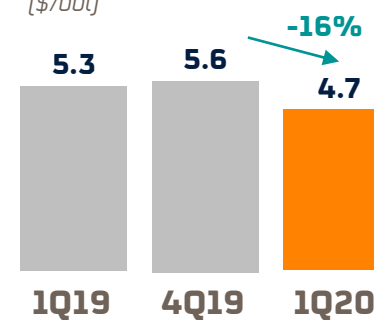
### Henry Hub

[\$/Mbtu]



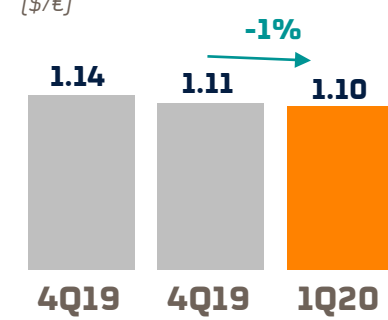
### Refining margin indicator

[\$/bbl]



### Exchange rate

[\$/€]



Brent plummeted below 20 \$/bbl at the end of the period 1Q20

**Repsol's Resilience Plan for 2020 ensures the robustness of the balance sheet and the investment grade while advancing towards net zero carbon emissions by 2050**



# New business segments aligned with strategic vision

Operational Highlights



## Upstream

Hydrocarbon Exploration  
and Production

**Yield & Focus**



## Industrial

- Refining
- Chemicals
- Trading
- Wholesale & Gas trading
- Repsol Peru

**Yield & Tier1**



## Commercial and Renewables

- Mobility
- Lubricants
- LPG
- Gas & Power

**Profitable growth**

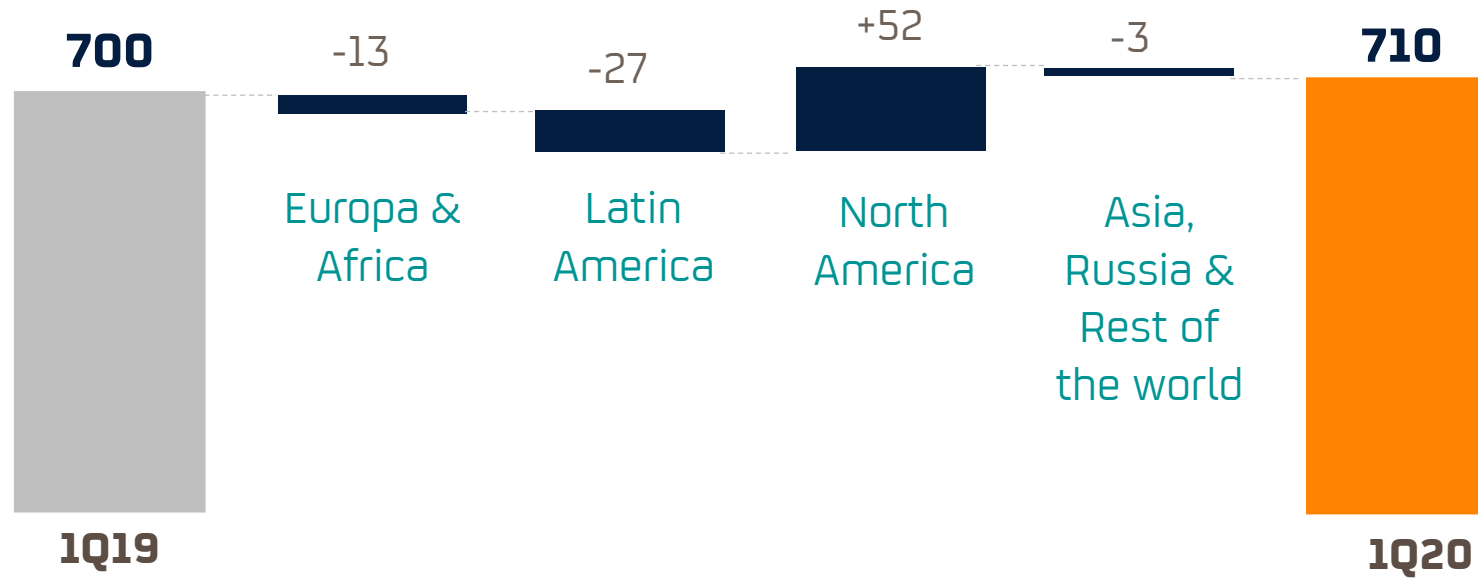


**New business segments reflect Repsol's multi-energy and  
ESG-ready approach**

# Upstream production increases Y-o-Y

## Operational Highlights

[Kboed]

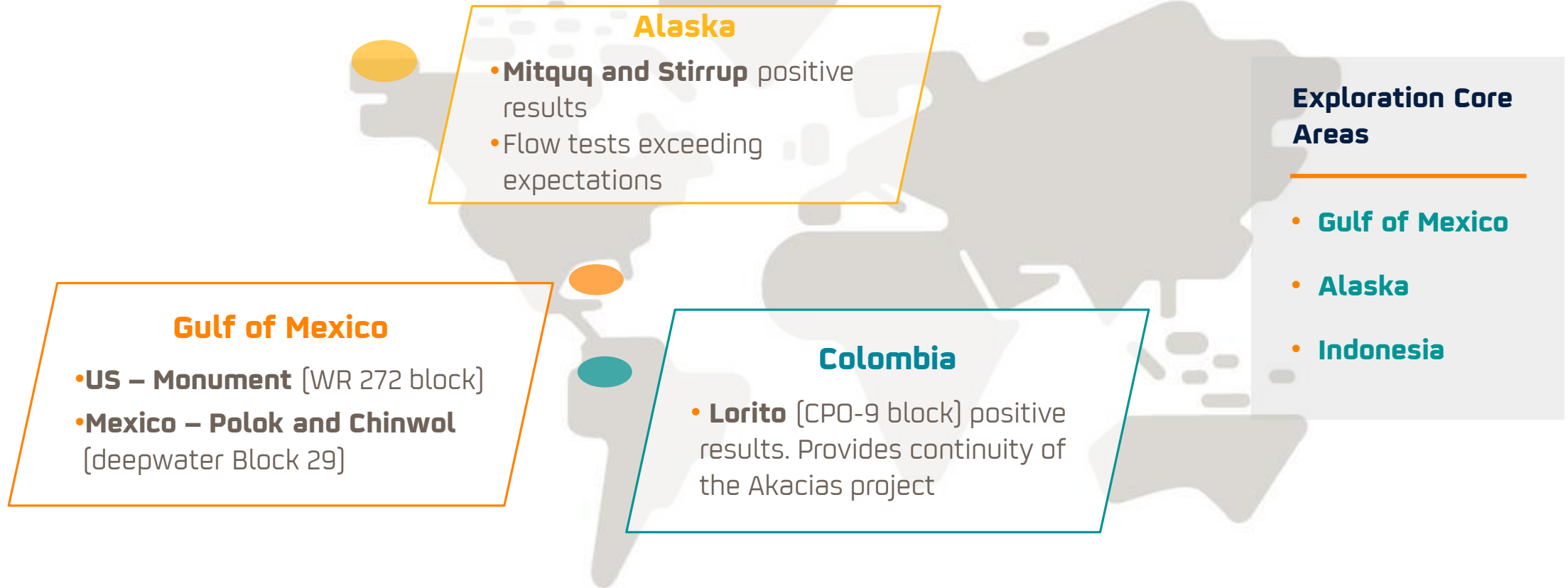


Higher volumes in Eagle Ford, Marcellus and the first oil in Buckskin in June 2019 partially offset by lower gas demand, maintenance activities and the expiration of the Equion license



# Exploration success in core areas

## Operational Highlights



**6 discoveries with combined gross resources ~650 Mboe, mainly located in our core exploration areas**

# Resilient performance of Industrial businesses

## Operational Highlights

### Refining

Premium in the CCS unit margin despite volatile environment and lower utilization rates

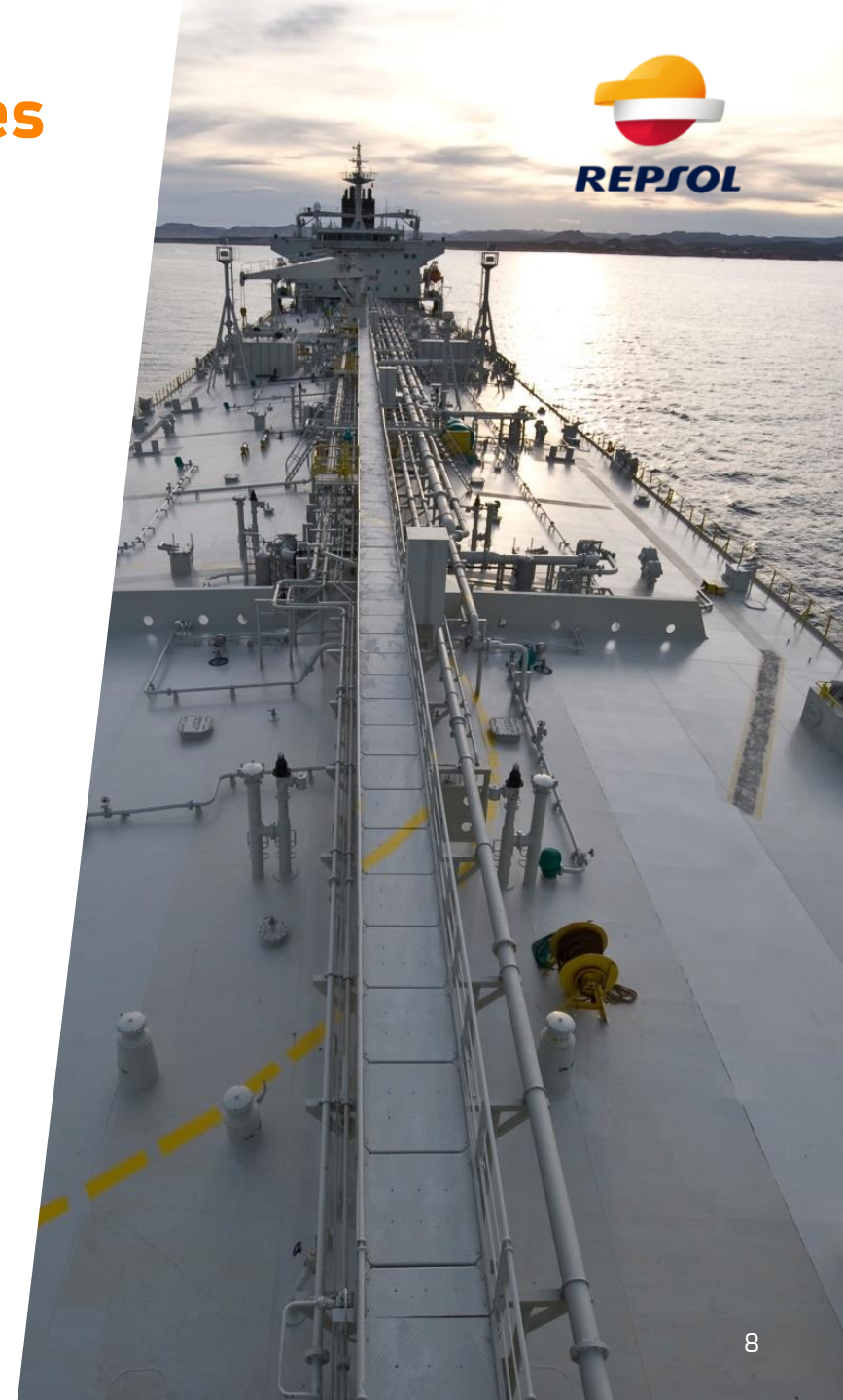
- **4.7 \$/bbl refining margin indicator**
- **82% distillation utilization**

### Chemicals

Cracker downtimes partially offset by healthy margins

- **International margins improvement**
- **Run rates affected by maintenance and IQOXE<sup>1</sup> shut down**

1. Third party highly integrated with Repsol's chemical operations in Tarragona. Shut down following an accident earlier in the year. Repsol has implemented alternative logistic arrangements to guarantee the supply of the required products.





# Commercial and Renewables

## Operational Highlights

### Mobility

- **COVID-19** negatively impacting sales since mid-March

### Lubricants

- **Robust performance:** higher margins and international businesses contribution

### LPG

- Negative impact from **lower regulated bottle margins and a mild winter**

### Gas & Power

- **Growing retail** client base
- **~2 GW renewable** power generation under construction or advanced development
- **Two new projects added** to renewable pipeline



**Kappa**  
127 MW

Construction began in April



**Delta 2**  
860 MW



# 1Q20 results

## Financial Results

| Results (€ Million)        | Q1 2020                   | Q1 2019    |
|----------------------------|---------------------------|------------|
| Upstream                   | 90                        | 323        |
| Industrial                 | 288                       | 271        |
| Commercial and Renewables  | 121                       | 137        |
| Corporate and Others       | -52                       | -113       |
| <b>Adjusted Net Income</b> | <b>447</b>                | <b>618</b> |
| <b>Net Income</b>          | <b>-487<sup>[1]</sup></b> | <b>608</b> |
| Financial Data (€ Million) | Q1 2020                   | Q1 2019    |
| EBITDA                     | 349                       | 1,810      |
| EBITDA CCS                 | 1,455                     | 1,803      |
| Operating Cash Flow        | 596                       | 1,161      |
| Net Debt                   | 4,478                     | 3,686      |

1. Inventory effect post tax €-790 M

# Commitment to safeguard health and safety

## Impact of COVID-19



- **Executive Committee** monitors the situation and supports **COVID-19 Coordination Committee**
- Continuity of Repsol's industrial and commercial **operations fully guaranteed**

### Industrial

#### Refining

##### Balancing production with sales and storage capacity

- 80% conversion utilization in April
- Minimum kerosene production
- Healthy naphtha and LPG demand
- >80% of May and June production already sold

#### Chemicals

##### Benefitting from feedstock flexibility

- Solid margins
- Good demand levels
- Crackers at almost full capacity

### Commercial and renewables

#### Mobility

##### Demand decline in Service Stations and Wholesales

- Demand in Service Stations now ~57% below normal levels (vs. 85% at highest point)
- Urban vs. main roads

#### Gas and Power

##### Stable number of clients

- Demand decrease: Power [-15%] and gas [-20%]
- Client base increasing after resuming sales operations

### Upstream

#### Exploration and Production

##### On course to adapt to the current situation

- Operated activity reduced to the essential
- Lower gas demand (Algeria, Bolivia, Peru, Indonesia and Malaysia)
- Development activity impacted by constraints and work-plan optimizations



# Tier-1 resilience plan and leadership in low cycle

Resilience Plan 2020



## Resilience Plan 2020<sup>(1)</sup>

- **Opex** €350 M
- **Capex** €1,000 M (60% in Upstream)
- **Working Capital** €800 M

## Strengthened liquidity

Eurobonds issuances €1,500 M  
Increased credit lines by €1,300 M

## Rating

**S&P**

BBB

Stable outlook

**Fitch**

BBB

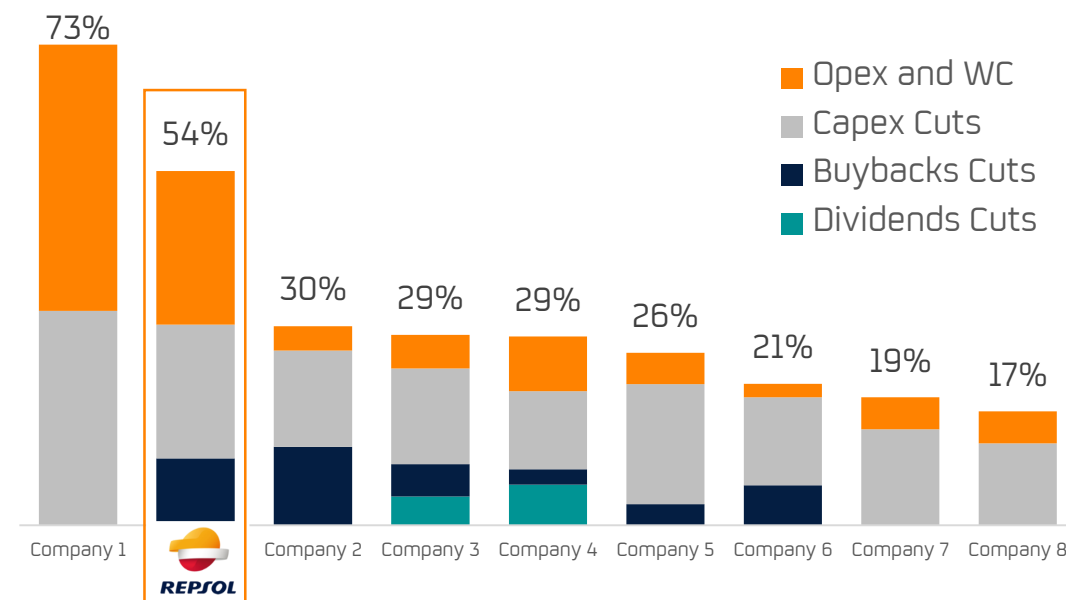
Stable outlook

**Moody's**

Baa2

Negative outlook

## Public Domain Companies' Cuts over 2019 CFFO



**With these measures, and in the current conditions, net debt by the end of 2020 will remain in line compared to Dec'2019**

1. Savings compared to initial 2020 annual budget



# Updated outlook for 2020

Outlook 2020



## FY2020

### Operating metrics

Production

~ 650 kboed

- Value over volume. 630 Kboed without Libya.

Ref. margin indicator

~ 4 \$/bbl

- Demanding macroeconomic environment

### Financial outlook

Net Debt (Dec'20)

€4.2 Bn

- Flat year-on-year

### Shareholder remuneration

Dividend

0.55 €/share

- Upcoming July scrip dividend

Remove scrip dilution

100 %

- Cancelation of shares issued with Scrip

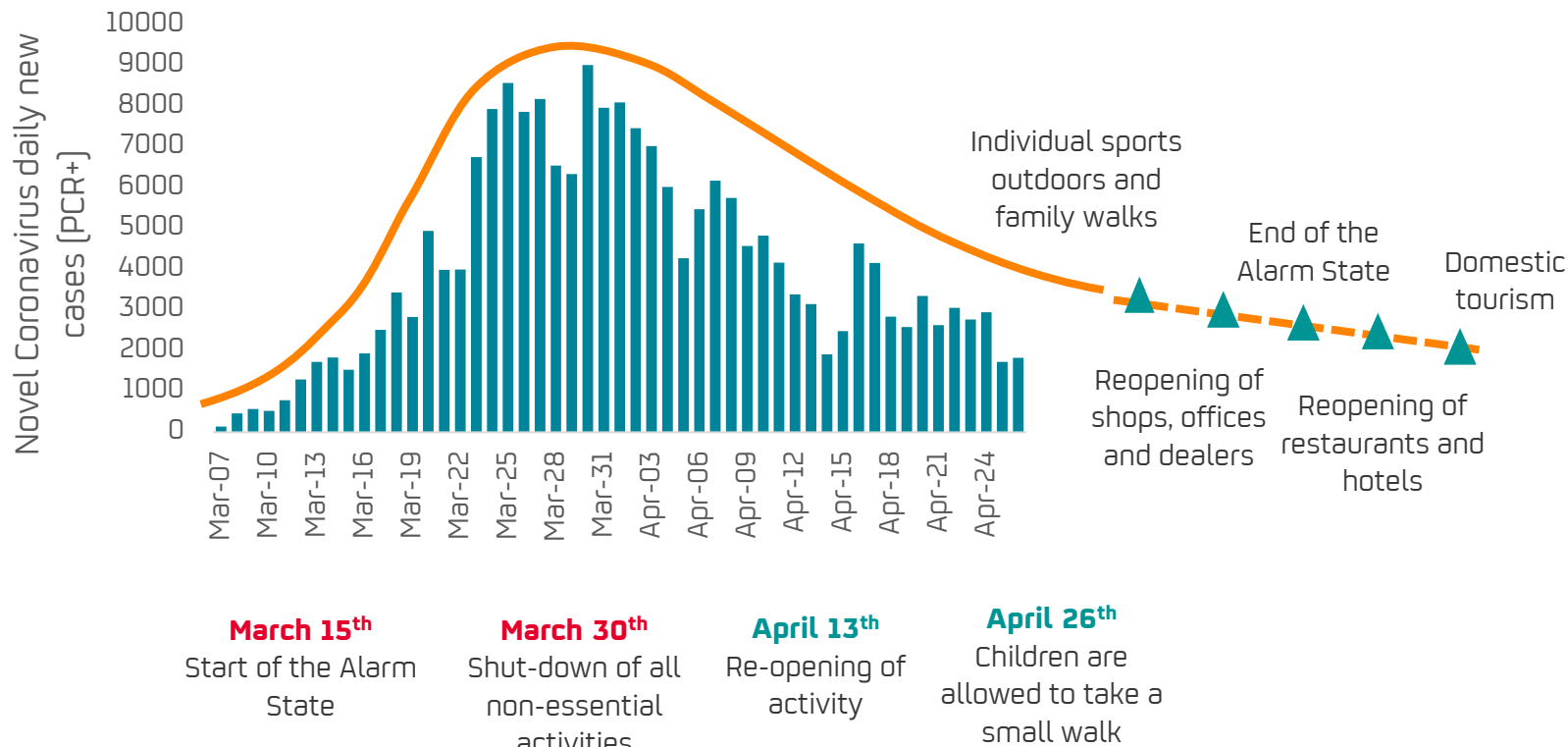
**Repsol ensures its short term financial strength to progress in its commitment to become a net zero emissions company by 2050**

# All Repsol's resources at the disposal of society

Repsol and Society



## Daily new COVID cases in Spain



Source: Ministerio de Sanidad de España as of April 27th 2020.

## Repsol's initiatives

**40,000 liters of hydrogel**  
manufactured in **Móstoles, Puertollano, Cartagena** and **Sines**

**400,000 masks**  
**donated to Spanish public health system**

**1,500 kg of polypropylene**  
to manufacture **face shield visors**  
**for healthcare personnel**

**Collaboration at institutional level**  
In **all geographies** in which we operate

**Repsol has maintained under operation all its plants, infrastructures and essential services, ensuring the availability of critical products and services**

# Integrated model and portfolio flexibility to withstand crisis

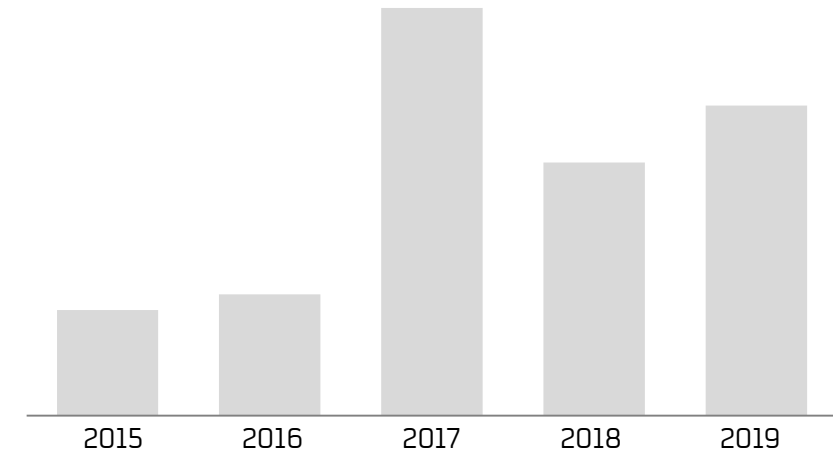
## Conclusions



- **Tier-1 Resilience Plan** that stands out in the sector
- **2020 self-finance commitment** to face the crisis: **Net Debt** flat vs. Dec'2019
- Sustainable **multi-energy project: decarbonization strategy reaffirmed**
  - Reduce Carbon Intensity indicator by 3% in 2020
  - 7.5 GW low carbon generation target by 2025
  - Reduce CO<sub>2</sub> emissions in all businesses
- **Industry leading dividend yield**

### Organic Free Cash Flow

[€Bn]



Repsol is organic FCF positive each and every year since the previous oil price downturn

Source: Repsol

**Repsol is a renowned resilient leader to navigate through down cycles**

# WEBCAST – CONFERENCE CALL

## First Quarter 2020 Results

Repsol Investor Relations  
[investorsrelations@repsol.com](mailto:investorsrelations@repsol.com)