

# 2Q21 Results

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# REPSOL CONFERENCE CALL



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# Agenda

01. Key messages
02. Operational highlights
03. Financial results
04. Outlook 2021



## Solid 2Q21 results back to pre-pandemic levels



### Improving results in all business divisions

- **Adjusted Net Income:** +4% vs. 1Q21 and -2% vs. 2Q19
- **Higher O&G prices, exceptional Chemicals and improving demand in Spain**
- **CFFO:** +124% 1H21 vs. 1H20

### Delivery of strategic objectives

- **Value-over-volume** and **portfolio rationalization** in Upstream
- **Expansion of Sines petrochemical complex**
- **Increased H<sub>2</sub> ambition** to 0.55 GW eq. by 2025 and 1.9 GW eq. by 2030 <sup>(1)</sup>
- **Entry into the US renewables market** through 40% acquisition of Hecate Energy
- **Increased Low Carbon generation objective to 2025** from 7.5 to 8.3 GW <sup>(2)</sup>

### Financial strength & improved outlook to end-2021

- **Net Debt:** €6.4 B vs €6.8 B at Dec'20 (-6%)
- **Improved FY2021 guidance**

### New Transition Financing Framework

- **Sustainability roadmap** included into financial strategy
- Issuance of two **Sustainability-Linked bonds** in July for **€1.25 B**

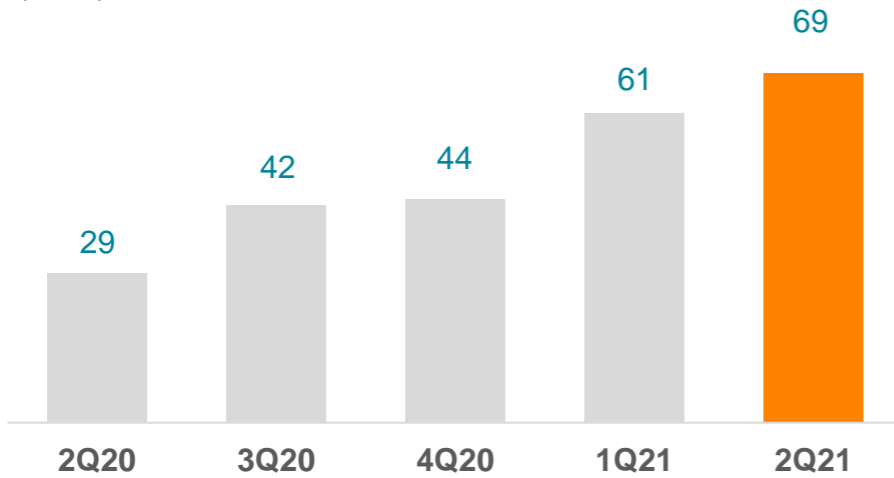
(1) From 0.4 GW eq. in 2025 and 1.2 GW eq. in 2030 in SP (2) Includes CCGT's and cogenerations. Renewable generation target to 2025 increases from 5.2 to 6 GW

# Stronger oil and gas prices. Highest refining margin indicator in last four quarters



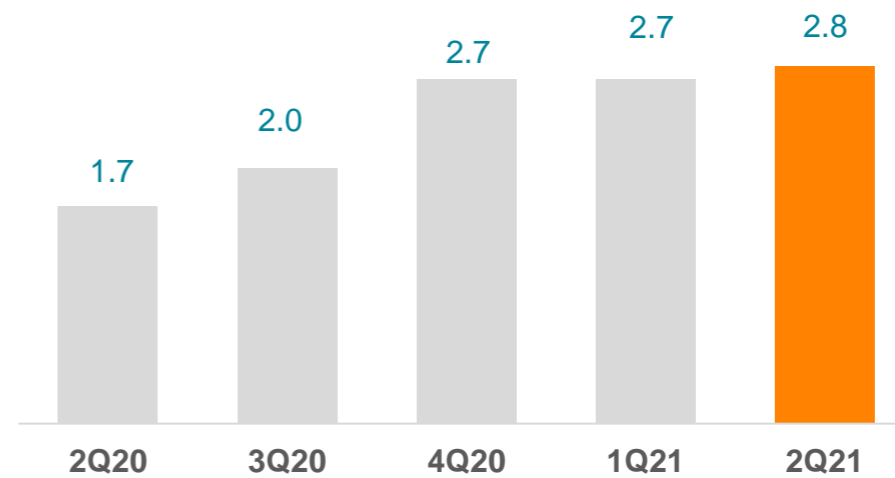
### Brent

(\$/bbl)



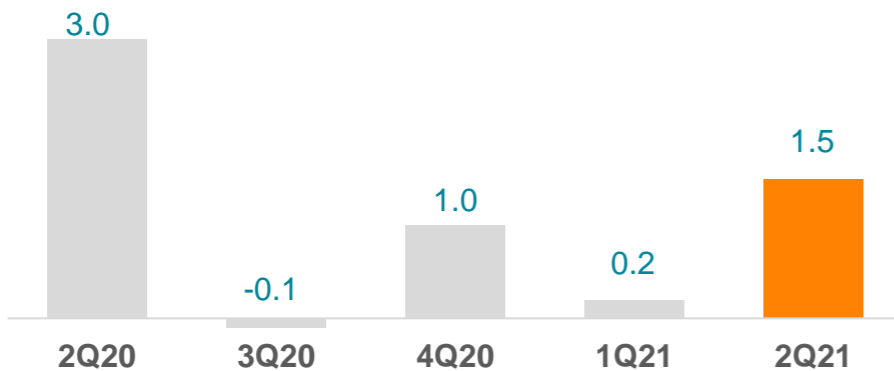
### Henry Hub

(\$/Mbtu)



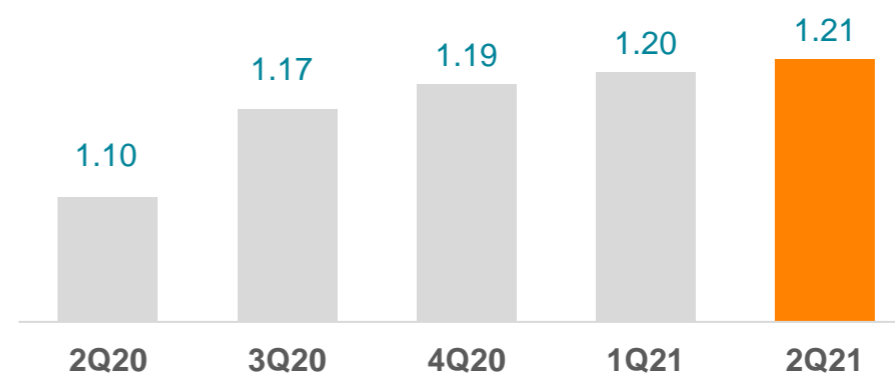
### Refining Margin Indicator

(\$/bbl)



### Exchange Rate

(\$/€)

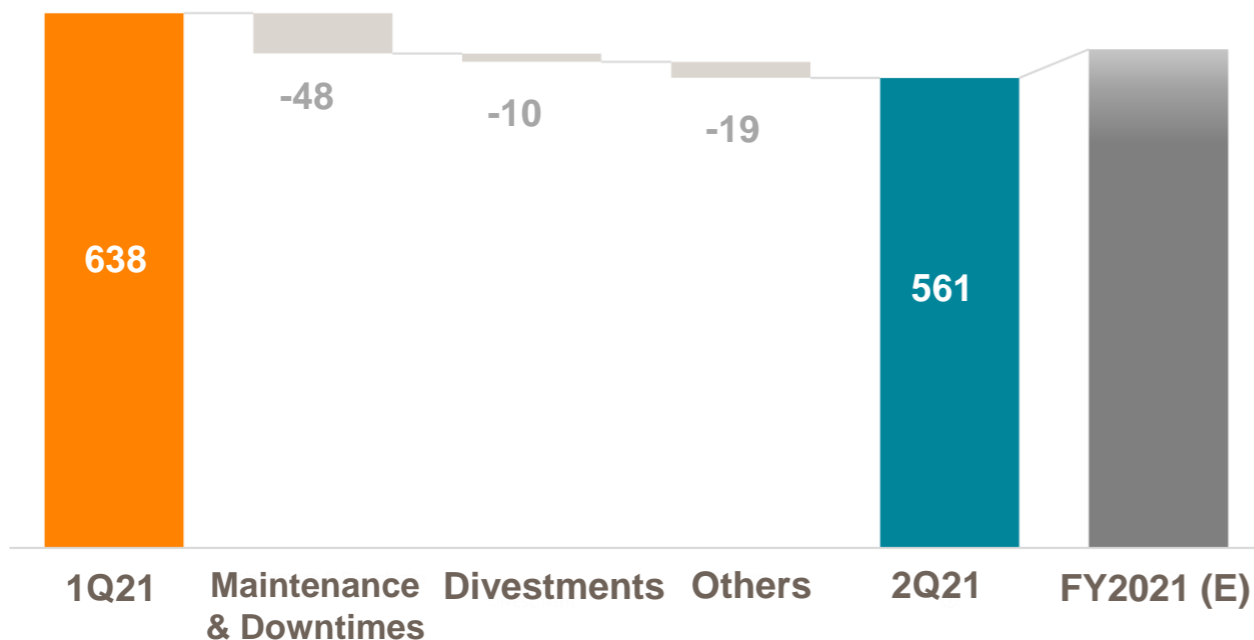


## Value-over-volume and better prices compensate lower production



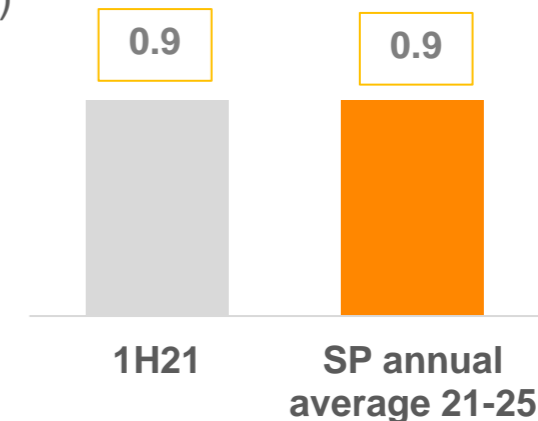
Production 2Q21 vs. 1Q21

(Kboe/d)



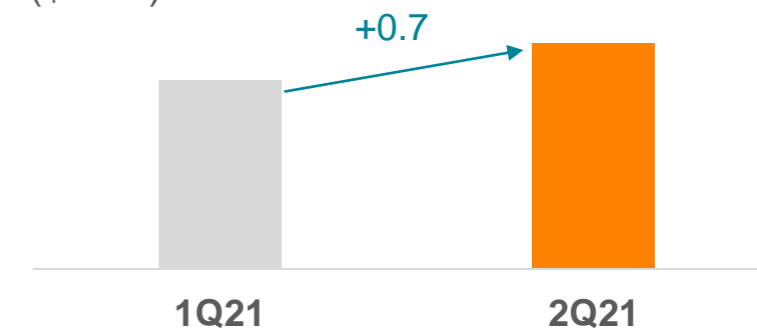
Organic FCF

(€B)



Unit CFFO

(\$/boe)



- **2Q21 vs. 1Q21: -12% production +7% adjusted net income**
- **Lower than budget production** mainly due to operational issues in Peru LNG and delays in T&T projects
- **1H21 vs. 1H20: Higher realization prices** and **higher % of oil** in production mix

## Rationalization of portfolio

### Spain

Cessation of oil production

### Russia

Disposal of producing assets following sale of 49% in AROG JV

### Algeria

Completed transfer of participation in TFT

### Malaysia and Vietnam

Divested position in Malaysia and stake in Block 46 CN in Vietnam

## Progress on 14 key projects in SP

### **Eagle Ford Marcellus US**

- Re-initiating drilling activity in 2H21
- 2 rigs in EF and 2 rigs in Marcellus

### **YME Norway**

- Start-up in 3Q21
- 17 Kboe/d net in 2022

### New FIDs expected before year end:

**Shenzi North  
US GoM**

**Lapa SW  
Brazil**

**Akacias  
Colombia**

**Leon-Moccasin  
US GoM**

## Inflection point in Refining. Record-level petrochemical margins

### Refining

Ongoing challenging environment

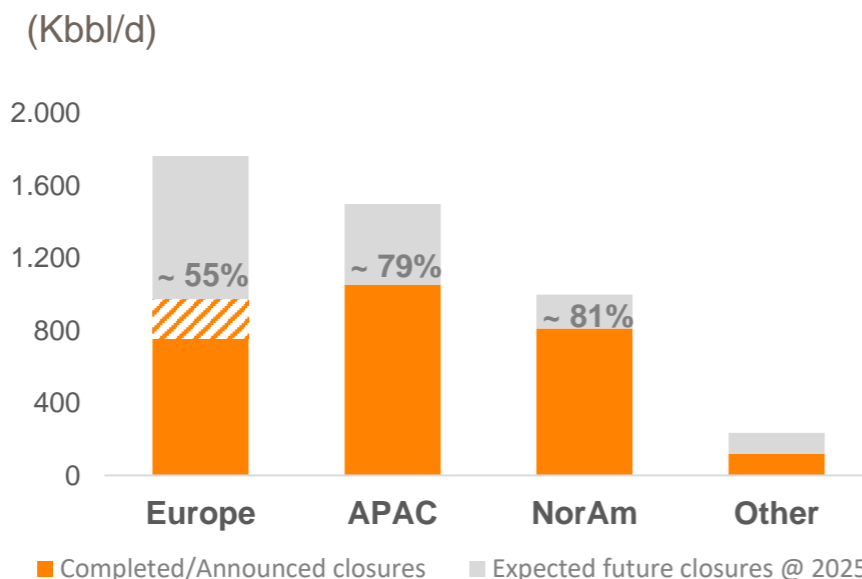
- **Margin indicator:** 1.5 \$/bbl 2Q21 vs 0.2 \$/bbl in 1Q21
- **2Q21 Utilization:** Distillation 71%; Conversion 73%
- **Margins inflection point in 2Q21**
- **Rapid rationalization** of the refining industry since start of crisis

### Chemicals

Exceptional environment

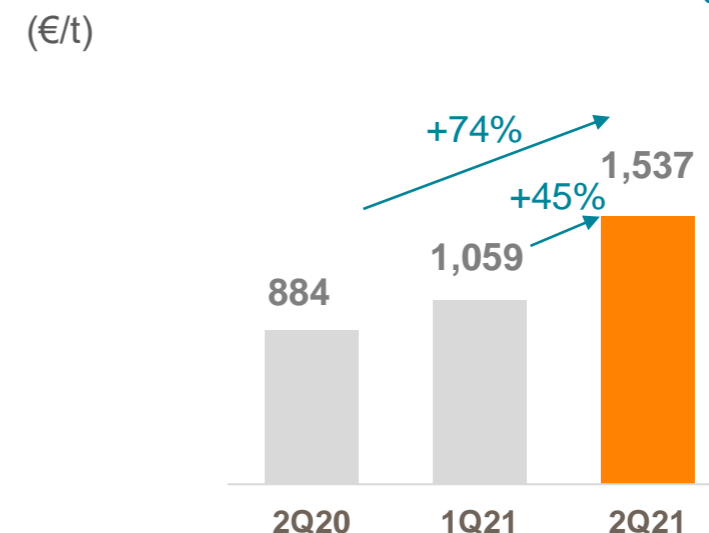
- **Record international margins in 1H21**
- **Puertollano** turnaround in 2Q21
- **€657 M expansion of Sines.** Start-up in **2025.** Products aligned with Energy Transition
- **Margins expected to remain strong** towards year-end

### Rationalization of global refining capacity



Source: IHS Markit

### International Petrochemical Margin indicator



Source: Repsol

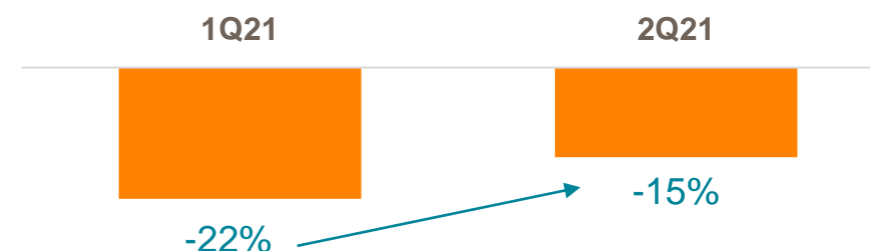


## Mobility

Increased demand for road fuels in Spain

- **Sales in Service Stations in Spain** -15% vs. 2Q19 (from -22% 1Q21 vs. 1Q19)
- **End of State of Alarm** and **easing of mobility restrictions** in Spain
- **June** strongest month of the year

## Sales in Spain service stations vs. 2019 levels



## Renewables

Entry into the US market and greater visibility on the portfolio



- **Solar:** started production in **Kappa** and **Valdesolar**
- **Wind:** started construction of **Delta II** and **Pi**



- Acquisition of **Hecate Energy** provides access to **>40 GW portfolio**
- **First FID** approved in July

**Renewable generation target to 2025 increases from 5.2 to 6 GW**

*Low Carbon generation objective raises from 7.5 to 8.3 GW in 2025 <sup>(1)</sup>*

(1) Includes CCGT's and cogenerations

## Financial results

# 2Q21 Results

Results (€ Million)	Q2 2021	Q1 2021	Q2 2020	1H21	1H20
Upstream	351	327	(141)	678	(51)
Industrial	166	73	8	239	296
Commercial and Renewables	127	101	42	228	163
Corporate and Others	(156)	(30)	(167)	(186)	(219)
<b>Adjusted Net Income</b>	<b>488</b>	<b>471</b>	<b>(258)</b>	<b>959</b>	<b>189</b>
Inventory effect	168	321	(298)	489	(1,088)
Special items	(69)	(144)	(1,441)	(213)	(1,585)
<b>Net Income</b>	<b>587</b>	<b>648</b>	<b>(1,997)</b>	<b>1,235</b>	<b>(2,484)</b>

Financial data (€ Million)	Q2 2021	Q1 2021	Q2 2020	1H21	1H20
EBITDA	1,798	1,837	240	3,635	589
EBITDA CCS	1,565	1,395	641	2,960	2,096
Operating Cash Flow	902	1,030	268	1,932	864
Net Debt with leases	6,386	6,452	8,026	6,386	8,026



## Improved outlook to the end of 2021



Production	590 - 600 Kboe/d	<ul style="list-style-type: none"> <li>- 5% vs. previous guidance</li> </ul>
Refining Margin Indicator	\$2 /bbl	
EBITDA CCS	~ €6.1 B	<ul style="list-style-type: none"> <li>+ €0.3 B vs. previous guidance</li> <li>~ 50% higher than in 2020</li> </ul>
Capex	~ €2.9 B	<ul style="list-style-type: none"> <li>+ €0.3 B (Low Carbon Platforms) vs. previous guidance</li> <li>Expected €0.3 B Upstream divestments</li> </ul>
Net debt	~ €6.1 B	<ul style="list-style-type: none"> <li>2020 closing net debt €6.8 B (hybrids transactions in 2021 €0.3 B)</li> </ul>
Dividend	€0.6 /share	<ul style="list-style-type: none"> <li>Dividend only in cash starting in July'21</li> </ul>

**Better macro environment supports higher EBITDA and lower Net Debt**

Brent 65 \$/bbl, HH 3.0 \$/MBtu

Note: This outlook only considers agreed inorganic operations

## Strong strategic delivery in improving macroeconomic scenario



### 2Q21 results at pre-pandemic levels

- **Adj. Net Income** of €488 M 2Q21 vs. €497 M 2Q19
- **Short term** focus on **capital discipline and cost efficiency**
- **Long term** strategy driven by the **Energy Transition**

### Increased renewable generation ambition to 2025

- **Low Carbon generation objective** increases from **7.5 to 8.3 GW** <sup>(1)</sup>
- **Higher visibility** on the **renewable portfolio** following **Hecate** transaction

### Progress in the transformation of Industrial assets

- **Expansion of Sines** aligned with Energy Transition
- **H<sub>2</sub> ambition** increased to 0.55 GW eq. in 2025 and 1.9 GW eq. in 2030 <sup>(2)</sup>

### Capital allocation options in higher price scenario

- **Accelerated investments** in the Energy Transition
- Possibility to anticipate **shareholder remuneration commitments**

**Repsol's Low Carbon Day to be held on October 5<sup>th</sup>**

# 2Q21 Results

29 July 2021

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