# 4Q & FY21 Results

17 February 2022

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# REPSOL CONFERENCE CALL

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# Agenda

01. Key messages02. Divisional highlights03. Financial results04. Outlook 2022



# Key messages Strong results and cash generation above pre-pandemic levels





4Q and FY results capture improved macro scenario

#### €872 M 4Q21 Adj. Net income

Higher prices & production, solid Chemicals and improved Refining

### €2.5 B FY21 Adj. Net Income

Highest FY result since 2008

### €6.8 B FY21 CFFO ex-WC

2.7x vs 2020 €900 M higher vs. 2019



Maximizing value and progressing towards strategic objectives

## **Upstream**

Increased activity in unconventionals Progress in portfolio rationalization

### Industrial

Chemicals >€1 B EBITDA in FY21 Refining margins recovery in 2H21

## Renewables

First asset rotation (Delta I project)



Extra cash allocated according to strategic priorities

#### €1.4 B of extra CFFO in 2021 vs. budget

# Accelerating capex in profitable growth

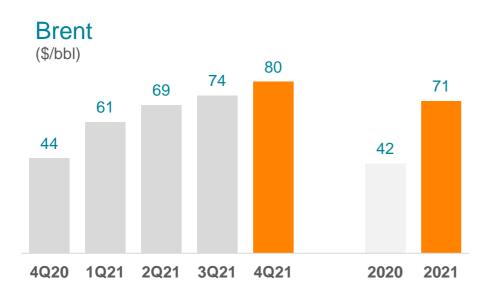
#### **Increasing 2022 remuneration**

+5% cash dividend 5% capital reduction (75 M shares)

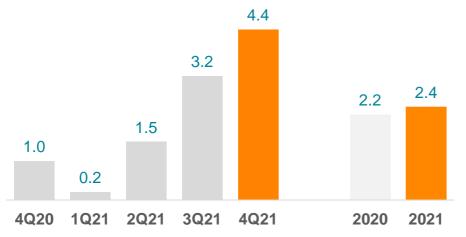
**Reinforcing financial position** 

20% gearing as of Dec'21

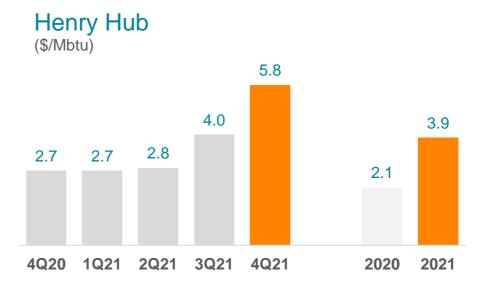
# Market environment Supportive price environment

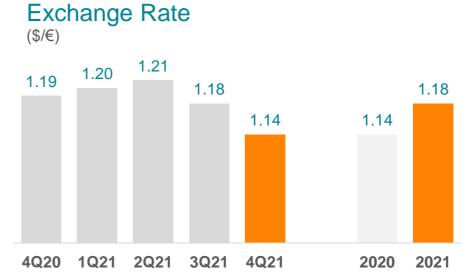


Refining Margin Indicator (\$/bbl)









# Divisional highlights - Upstream

# Value-over-volume with focus on capital efficiency and cash generation



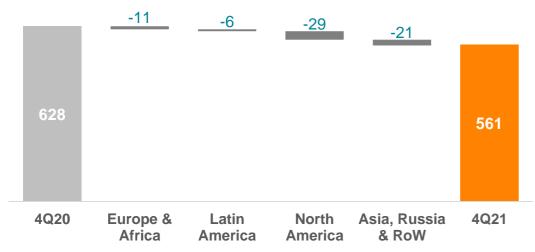
Production 4Q21 vs 3Q21

(Kboe/d)



Production 4Q21 vs 4Q20

(Kboe/d)





Organic FCF breakeven<sup>1</sup> <30 \$/bbl in 2021

Production: 4Q21: +6% vs 3Q21; -11% vs 4Q20 FY21: -12% vs 2020

Start-up of YME (Norway) in October

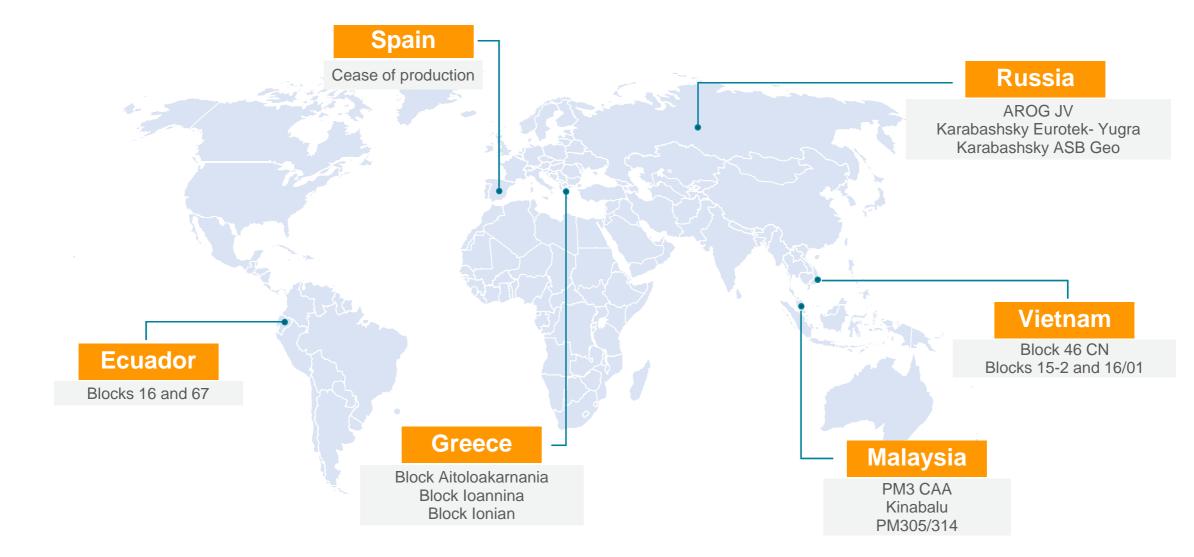
FIDs 4Q21: Shenzi North (GoM) and Akacias (Colombia)

Rockdale assets contributing +12 Kboe/d in 2022

## Divisional highlights – Upstream

# Portfolio rationalization increases the resilience of E&P business





**Completed the exit from Upstream operations in six countries** 

Divisional highlights – Industrial

Solid results underpinned by the recovery of Refining and outstanding Chemicals



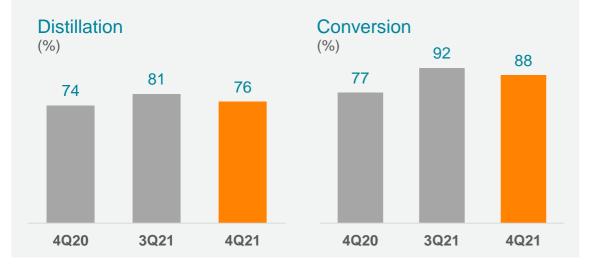
# Refining

#### Stronger 4Q margins confirm the recovery of refining in 2H21

Repsol's refining margin indicator: 4.4 \$/bbl 4Q21 vs 3.2 \$/bbl in 3Q21 2.4 \$/bbl FY21 (3.8 \$/bbl 2H21)

#### Cartagena planned maintenance:

Most important turnaround in refinery's history **€75 M investment** (~1/3 in CO<sub>2</sub> reduction initiatives)



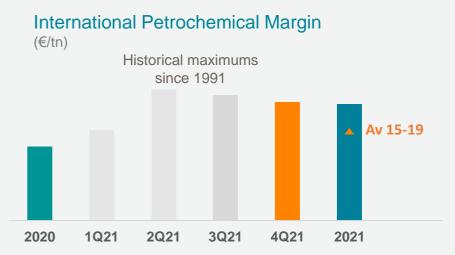
# Chemicals

## 4Q above expectations helps beat FY guidance

#### **FY EBITDA >€1 B** in 2021

Record level international margins in 2021 supported by tight supply-demand balance

Margins remain strong YTD in 2022



Repsol 4Q & FY21 Results 8

## Divisional highlights – Industrial

# Transforming our industrial sites into decarbonized energy hubs



Targets >	<ul> <li>3 Mtpa by 2025</li> <li>2 Mtpa by 2030<sup>1</sup></li> <li>C43 - Cartagena</li> <li>Under construction</li> </ul>	0.55 GWeq by 2025 and 1.9 GWeq by 2030 Agreement with EDP to implement	Polyolefin production recycling 10% by 2025 <sup>2</sup> & 20% by 2030 Ecoplanta (Solid urban waste)
ا Produc		Agreement with EDP to implement	<b>Econlanta</b> (Solid urban waste)
Signed a <b>Sust</b> Vueling	<ul> <li>agreement with Agbar and Enerkem</li> <li>and Iberia airline's first sustainable flights</li> </ul>	<ul> <li>renewable hydrogen projects</li> <li><b>Repsol produces renewable H2</b> with biomethane for the first time</li> <li><b>FID for first electrolyzer</b> in Bilbao (start-up in 2022)</li> <li><b>SHYNE Project</b> launched Jan'22 to promote Spanish H2 Network</li> </ul>	<ul> <li>Pre-selected for European Innovation Fund</li> <li>Reciclex Repsol joins Acteco to increase recycling capacity</li> <li>Recpur I Investment announced for 1st PU recycling plant</li> <li>Circular plastics Repsol signs agreement with Técnicas Reunidas</li> </ul>

# Operational highlights – Commercial and Renewables First asset rotation and new FIDs in Renewables



Mobility	Retail Electricity & Gas	Renewables		
Omicron drags the recovery of sales in 4Q21	1.3 Million retail E&G customers by end of 2021	Delivering on goals and adding new opportunities		
Sales in Service Stations in Spain +12% vs 4Q20 and -11% vs 4Q19	<b>Record level pool-price</b> in Spain in 2021	Acquisition 40% of Hecate, portfolio >40 GW in USA		
Waylet app: <b>3 M</b> registered users Launch of Repsol's <b>transversal</b>	1.5 M clients expected by end of 2022	<b>FID taken 600 MW</b> project in Texas, COD by 2023		
loyalty program	Integrated retail + generation result increased in 2021	First asset rotation with Delta I project (Spain)		
Sales in Spain service stations vs. 2019 levels	Customers 1.5 (M#) 1.3	Analyzing the <b>option</b> to <b>incorporate</b> <b>a minority partner</b>		
1Q21 2Q21 3Q21 4Q21	0.75			
-22% -15% → -10% → -11%	0.75			
-22%	2018 2021 2022e			

# Financial results

# 4Q21 and FY21 Results

Results (€ Million)	Q4 2021	Q3 2020	Q4 2020	Jan - Dec 2021	Jan - Dec 2020
Upstream	624	385	195	1,687	195
Industrial	267	100	68	606	297
Commercial and Renewables	145	169	153	542	485
Corporate and Others	(164)	(31)	(12)	(381)	(377)
Adjusted Net Income	872	623	404	2,454	600
Inventory effect	169	139	70	797	(978)
Special items	(481)	(58)	(1,185)	(752)	(2,911)
Net Income	560	704	(711)	2,499	(3,289)

Financial data (€ Million)	Q4 2021	Q3 2020	Q4 2020	Jan - Dec 2021	Jan - Dec 2020
EBITDA	2,584	1,951	1,259	8,170	2,730
EBITDA CCS	2,352	1,759	1,160	7,071	4,084
Operating Cash Flow	2,082	1,439	1,075	5,453	3,197
Net Debt	5,762	6,136	6,778	5,762	6,778



# Outlook 2022

# Ensuring performance and financial strength while boosting transformation



Environment	<ul> <li>Brent 70 \$/bbl</li> <li>Henry Hub 3.7 \$/Mbtu</li> <li>Refining Margin Indicator 4 \$/bbl</li> </ul>	
Production	~ 600 Kboe/d	
CFFO	~€5.8 B	
Capex	~ €3.8 B • ~ 30% Low Carbon	
Distributions	<ul> <li>€0.63 /share cash dividend (+ 5% vs 2021)</li> <li>75 M shares redemption (~ 5%) once approved by next AGM 2022</li> <li>Additional 50 M SBB (~ 3.5%) as above price scenario settles, to be redeemed 4Q22/1Q23, once approved by next AGM 2022</li> </ul>	

Solid organic cash generation, building growth and advancing in Energy Transition, delivering attractive distributions and keeping gearing ratio

# 4Q & FY21 Results

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