

# WEBCAST – CONFERENCE CALL

## Third Quarter 2018 Results

October 31<sup>st</sup> 2018



# Disclaimer



ALL RIGHTS ARE RESERVED  
© REPSOL, S.A. 2018

*Repsol, S.A. is the exclusive owner of this document. No part of this document may be reproduced (including photocopying), stored, duplicated, copied, distributed or introduced into a retrieval system of any nature or transmitted in any form or by any means without the prior written permission of Repsol, S.A.*

*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 and circumstances described in the filings made by Repsol and its affiliates with the Comisión Nacional del Mercado de Valores 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 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 23<sup>rd</sup> 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.*

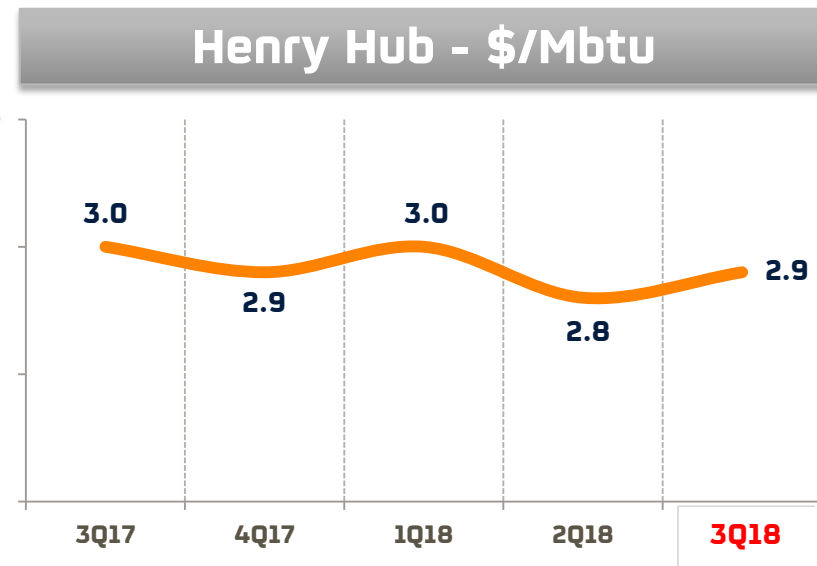
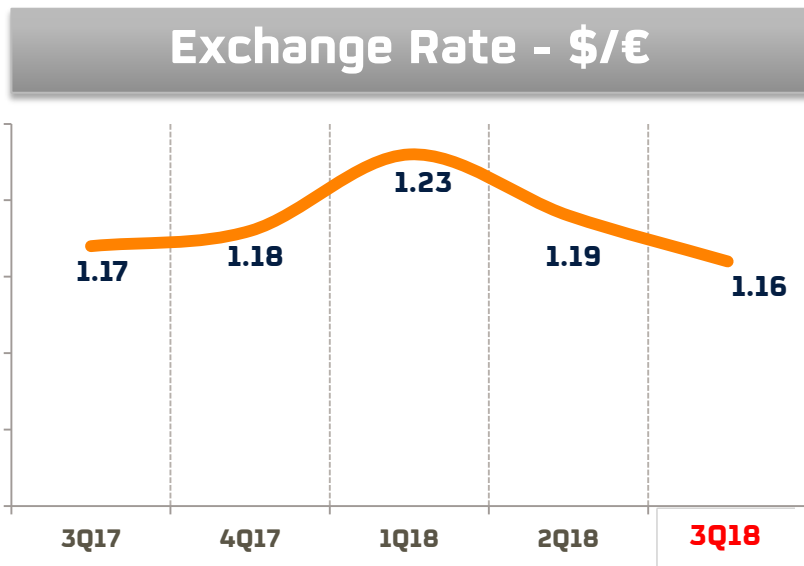
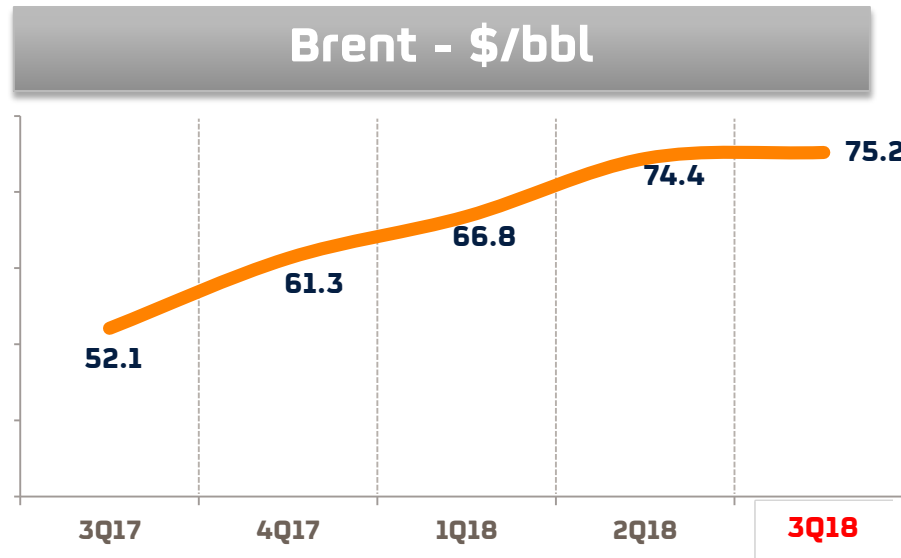
*In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016. Information and disclosures related to APM used on this presentation are included in Appendix IV "Alternative Performance Measures" of the Interim consolidated financial statements for the nine month period ended September 30, 2018 and Repsol's website.*

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



- 1. Key messages and operational activity**
- 2. Financial results**
- 3. Outlook for 2018**

# Market environment

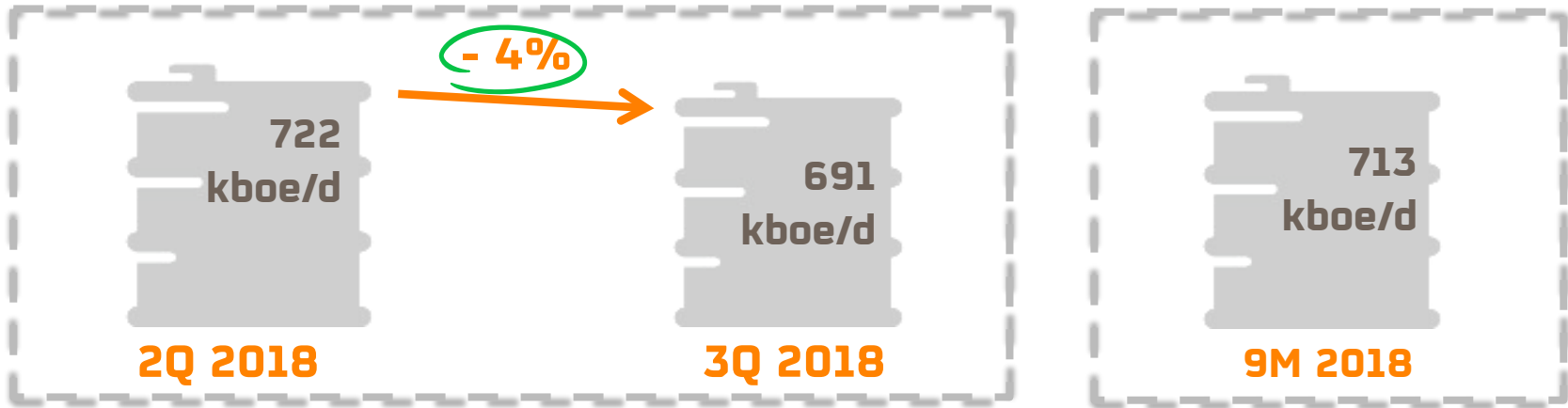


# Key messages of 3Q18

- **EBITDA at CCS** → **€1.9Bn**
- **CFFO** → **€1.6Bn**
- **Net debt** → **€2.3 Bn**
- **UPSTREAM**
  - ✓ Focus on the successful **development of projects and portfolio high-grading**
- **DOWNSTREAM**
  - ✓ **Results in line** with the second quarter
- **LOW CARBON**
  - ✓ **Viesgo** closing expected early in **November**
  - ✓ Acquired permits to develop **264 MW solar project** in Spain
- **CORPORATION**
  - ✓ Buy-back program → **32 million shares** already purchased
  - ✓ CaixaBank announced divestment of **9.3%** stake in Repsol

# Operational Activity

## Upstream



### 3Q18 volumes were affected by:

- Planned maintenance
- Lower domestic gas demand in **Venezuela**
- **Libya** → **35 kboe/d** net

### Development activity:

- Reggane (**Algeria**) reached plateau in August

### Exploration program:

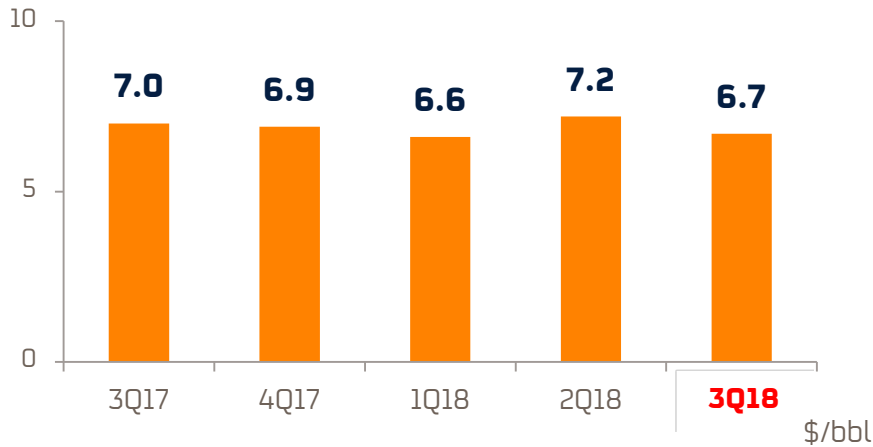
- **5** exploratory wells completed:
  - ✓ Under evaluation → **2**
  - ✓ Unsuccessful → **3**

# Operational activity

Downstream



## Refining Margin Indicator

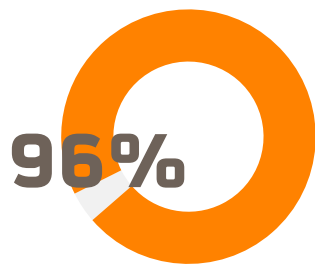


## Petrochemicals

- Challenging international environment
- Start-up of Sines

## Utilization rates

3Q 2018



Distillation



Conversion units

## Commercial businesses

- **Marketing business:**
  - Positively impacted by driving season in Spain
- **LPG and G&P:**
  - Negatively impacted by seasonality

# Financial Results



	Q3 2018	Q3 2017	Variation %
<b>CCS Adjusted Net Income</b>	588	528	+ 11%
<b>Net Income</b>	625	527	+ 19%

UPSTREAM	Q3 2018	Q3 2017	Variation
<b>CCS Adjusted Net Income</b>	368	148	+ €220M

Million €

DOWNSTREAM	Q3 2018	Q3 2017	Variation
<b>CCS Adjusted Net Income</b>	336	502	- €166M

Million €

CORPORATE & OTHERS	Q3 2018	Q3 2017	Variation
<b>CCS Adjusted Net Income</b>	-116	-122	+ €6M

Million €



- ✓ **FY18 Capex: ~€4Bn**
- ✓ **Efficiency and Digitalization:** Full-year targets achieved as of September
- ✓ **Upstream**
  - **Venezuela:** 2 cargos from PDVSA received in October
  - **Akacias** [CPO-9]: working towards doubling production in 2019
  - **Marcellus:** second rig starting in 4Q18
  - **Buckskin:** expected first production in 2019
  - **Alaska:** two well appraisal campaign in Pikka
  - **Sagitario:** appraisal phase expected to start 1H19
  - **Angelin:** first gas expected in 1Q19
- ✓ **Downstream:**
  - Refining Margin Indicator recovering in the last days of October
  - Chemical business: expected FY EBIT of **~€280M**

# Conclusions



- On track to deliver 2018 targets
- **UPSTREAM**
  - ✓ Cashflow generator of the company
  - ✓ Accelerating portfolio rotation
- **DOWNSTREAM**
  - ✓ Repsol refining perfectly positioned to benefit from IMO 2020
  - ✓ Chemical business resilient even at high oil and naphtha prices
- **LOW CARBON**
  - ✓ Viesgo transaction will be the core of inorganic growth to 2020

**Sustained higher oil scenario, strong balance sheet and financial flexibility will allow us to accelerate projects while increasing annual shareholder remuneration by 8%**

# Q&A Session

Third Quarter 2018 Results

Repsol Investor Relations

[investorsrelations@repsol.com](mailto:investorsrelations@repsol.com)



# WEBCAST – CONFERENCE CALL

## Third Quarter 2018 Results

October 31<sup>st</sup> 2018

