

# 3Q21 Results

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# REPSOL CONFERENCE CALL



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# Agenda

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



## Moving into next phase of capital allocation driven by strong performance YTD



**Highest quarterly results since 2018 supported on positive macro scenario**

- All business segments benefit from **improved macro**
- **Adj. Net Income: 3Q21 €623 M (+19% vs 3Q19), 9M21 €1.6 B (-3% vs 9M19)**
- **CFFO ex-WC: +28% 3Q21 vs 3Q19, +6% 9M21 vs 9M19**
- **FCF: 3Q21 €0.9 B; 9M21 €1.9 B**

**Upstream: higher prices offset lower production**

- **Production -6% vs 2Q21**
- **Operational issues solved by end of 3Q.** October production at ~575 Kboe/d
- **Value-over-volume** strategy remains

**Industrial: recovery of Refining and strong Chemicals**

- **Inflection point of Refining confirmed:** higher margins and utilizations
- **Strong Chemicals margins** partially softened from mid-year maximums

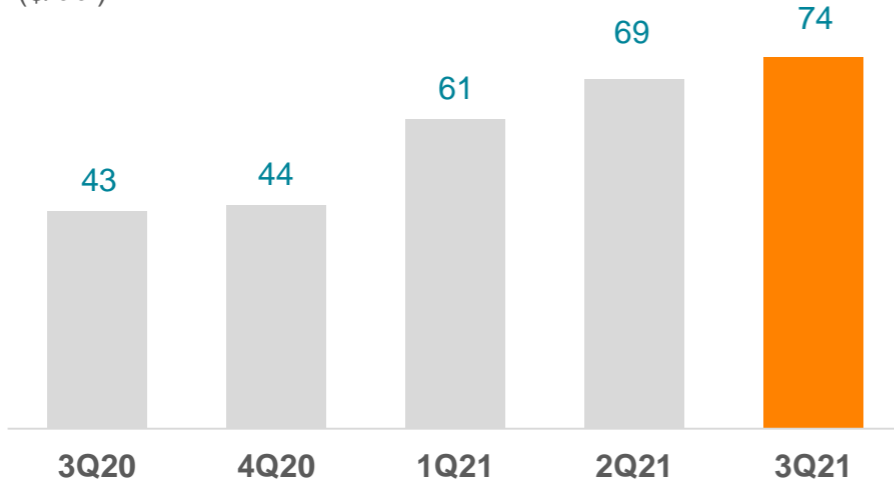
**Next phase of capital allocation**

- **Accelerating growth in Low Carbon:** additional €1 B capex 2021-2025
- **Proposal to improve shareholder remuneration:**
  - **+5% increase of 2022 dividend** to €0.63 per share
  - **~5% capital reduction** through redemption of 75 M treasury shares

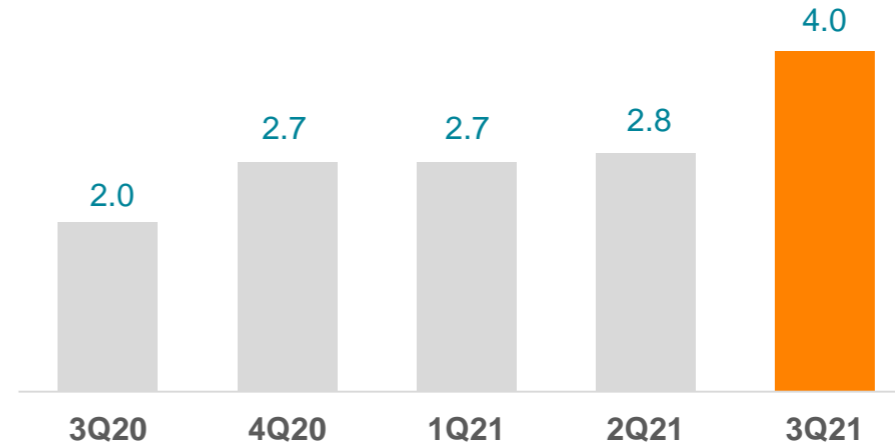
All business segments benefit from improving macro scenario



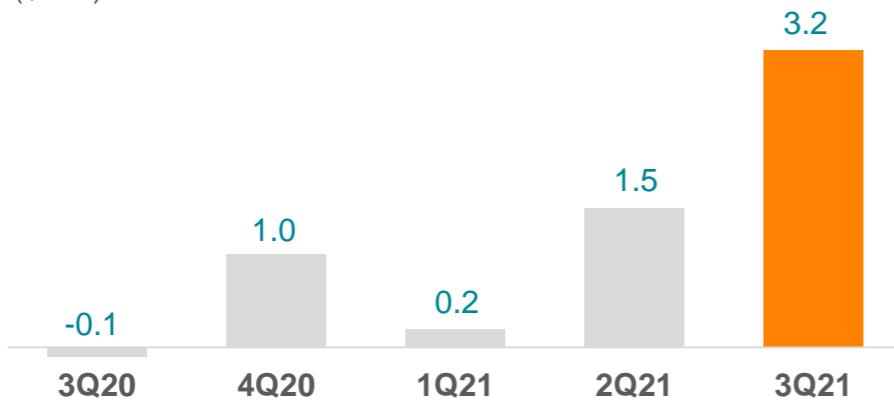
Brent  
(\$/bbl)



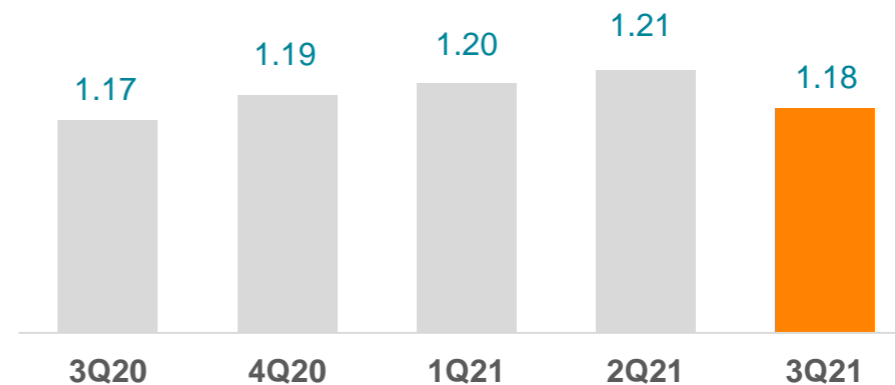
Henry Hub  
(\$/Mbtu)



Refining Margin Indicator  
(\$/bbl)



Exchange Rate  
(\$/€)

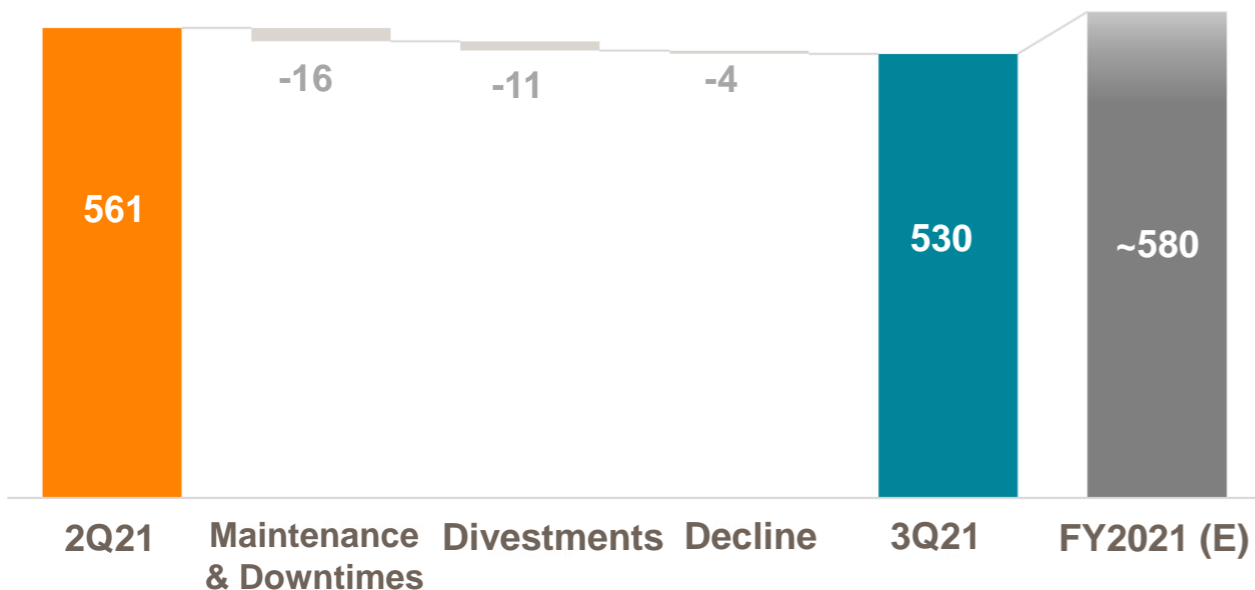


# Higher prices support stronger results. Production back to normal levels in October



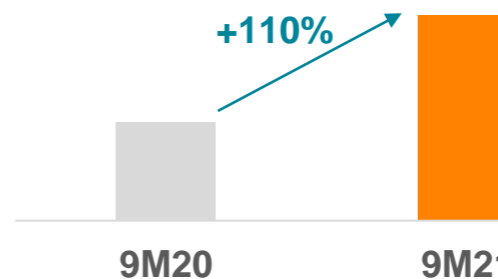
Production 3Q21 vs 2Q21

(Kboe/d)

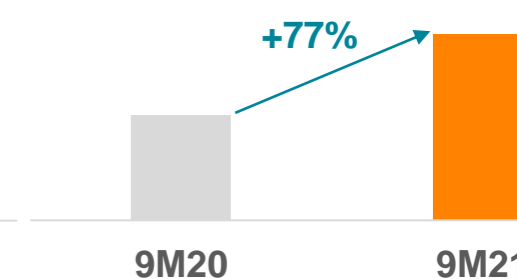


- **Production issues** (Peru LNG, T&T and Marcellus) **already solved** (October production ~575 Kboe/d)
- **Higher prices more than offset lower volumes:**
  - 3Q21 vs 2Q21: +9% Adj. Net Income, -6% production
  - 3Q21 vs 3Q20: +655% Adj. Net Income, -14% production

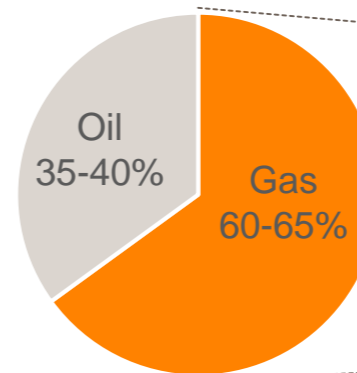
CCFO per barrel (\$/boe)



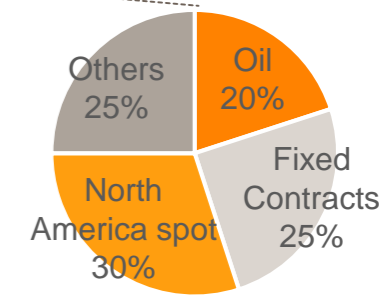
Gas realization price (\$/kscf)



Oil-Gas production mix



Gas sales price references



## Assuring future production by progressing in 14 key projects



**YME**  
Norway

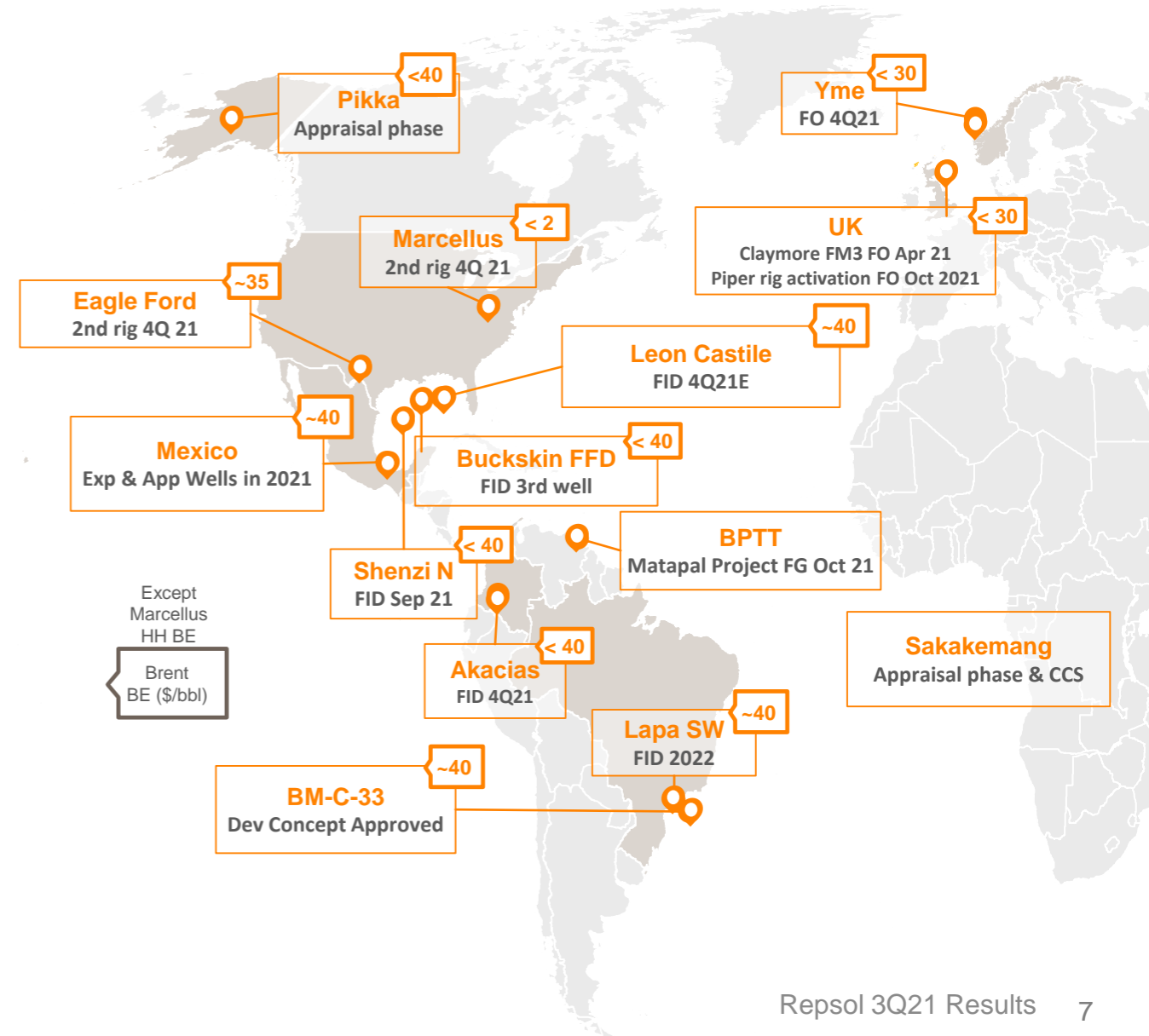
- Started-up in October
- Expect 56 Kbb/d gross at plateau

**Eagle Ford**  
**Marcellus**  
US

- 2<sup>nd</sup> rig in EF and Marcellus in November

**New FID's**

- **Shenzi North (GoM):** approved in 3Q21
- **Akacias (Colombia):** expected end-21
- **Leon-Castile (GoM):** expected end-21



## Recovery of refining margin and utilization. Chemicals on track to beat FY guidance

### Refining

Higher margins and utilizations

- **Margin indicator:** 3.2 \$/bbl 3Q21 vs 1.5 \$/bbl in 2Q21
- **Highest utilization rates since 1Q20:** Distillation 81%, Conversion 92%
- **End of furlough** in La Coruña and Bilbao
- Start of **planned turnaround of Cartagena** in October

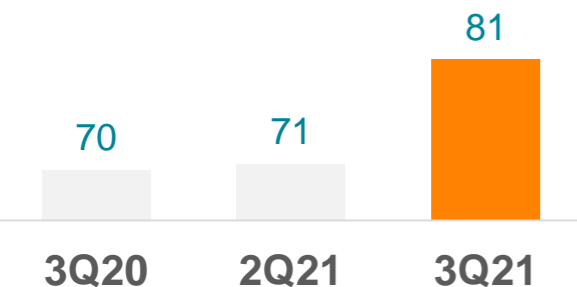
### Chemicals

Margins remain at historical maximums

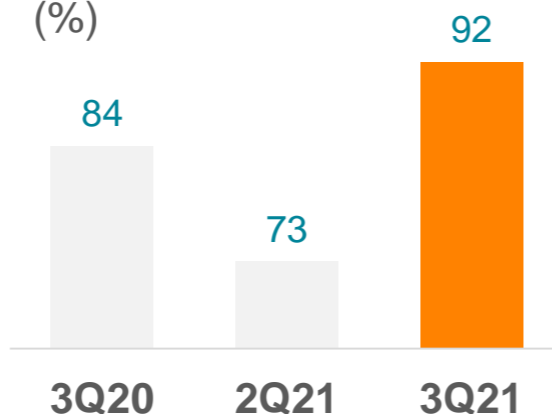
- **On track to surpass FY21 €1 B EBITDA** objective
- **Margin indicator:** -4% 3Q21 vs. 2Q21 record levels
- **International margins remain at high cycle values** despite feedstock prices

### Utilization of refining capacity

Distillation (%)

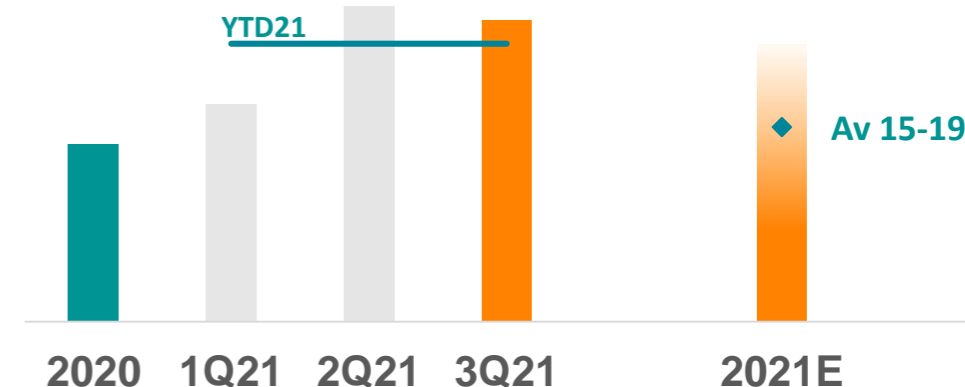


Conversion (%)



### International Petrochemical Margins

(€/t) Historical maximums since 1991





## Gradual recovery of Mobility. Progress on Renewables pipeline



### Mobility

Ongoing recovery to normalized levels

- Sales in Service Stations in Spain -10% vs 3Q19
- Completed disposal of Mobility business in Italy

### Renewable Generation

Progress on project pipeline



- **Valdesolar:** started operations in July
- **Awarded 138 MW** of new wind capacity

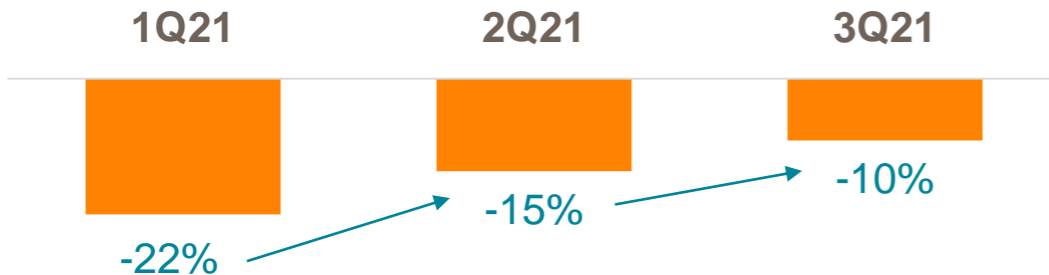


- **Cabo Leonés III:** completed construction and secured project finance
- **Atacama:** start of construction



- **1<sup>st</sup> FID:** Jicarilla solar farm

### Sales in Spain service stations vs. 2019 levels



## Financial results

### 3Q21 Results

Results (€ Million)	Q3 2021	Q2 2021	Q3 2020	9M 2021	9M 2020
Upstream	385	351	51	1.063	0
Industrial	100	166	(67)	339	229
Commercial and Renewables	169	127	169	397	332
Corporate and Others	(31)	(156)	(146)	(217)	(365)
<b>Adjusted Net Income</b>	<b>623</b>	<b>488</b>	<b>7</b>	<b>1.582</b>	<b>196</b>
Inventory effect	139	168	40	628	(1.048)
Special items	(58)	(69)	(141)	(271)	(1.726)
<b>Net Income</b>	<b>704</b>	<b>587</b>	<b>(94)</b>	<b>1.939</b>	<b>(2.578)</b>

Financial data (€ Million)	Q3 2021	Q2 2021	Q3 2020	9M 2021	9M 2020
EBITDA	1.951	1.798	882	5.586	1.471
EBITDA CCS	1.759	1.565	828	4.719	2.924
Operating Cash Flow	1.439	902	1.258	3.371	2.122
Net Debt with leases	6.136	6.386	7.188	6.136	7.188



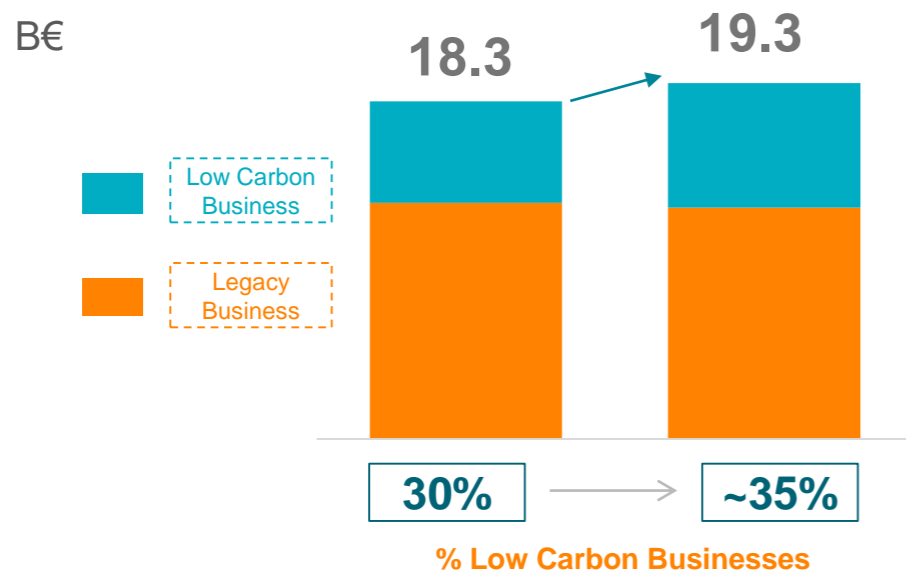
## Next phase of capital allocation framework



### Accelerated growth in Low Carbon

- Additional €1 B Low Carbon 2021-2025 investment
- Low Carbon 2021-25 capex increases from 30 to 35%
- Capital Employed in LC increases from 40 to 45% by 2030

### Repsol SP 21-25 updated Capex



### Increased Shareholder Remuneration

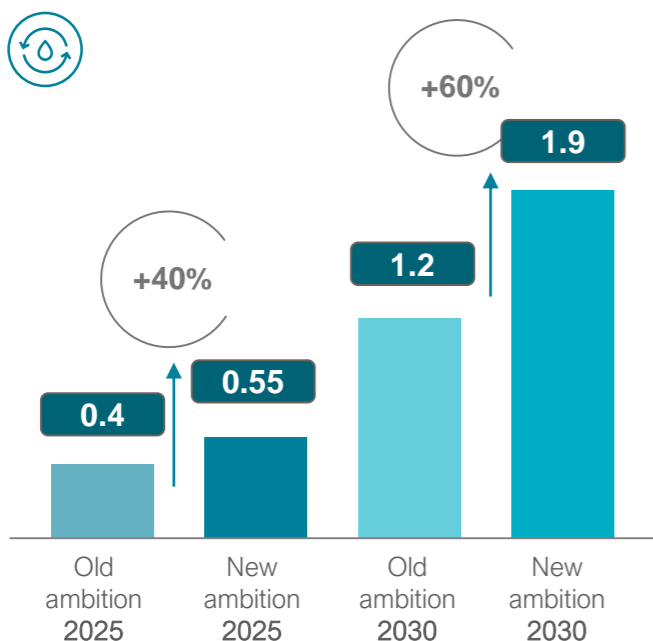
- 2022 Cash dividend €0.63 per share, +5% above Strategic Plan commitment
- Capital reduction through redemption of 75 M shares. Launching in November a program to purchase 35 M shares with the rest coming from treasury stock position

### Allocation of >€1 B extra CFFO in 2021 vs budget

- Increased renewable capex → entrance in the US market
- Improve shareholder remuneration → treasury share position 49 M shares
- Reinforce financial strength → net debt reduction

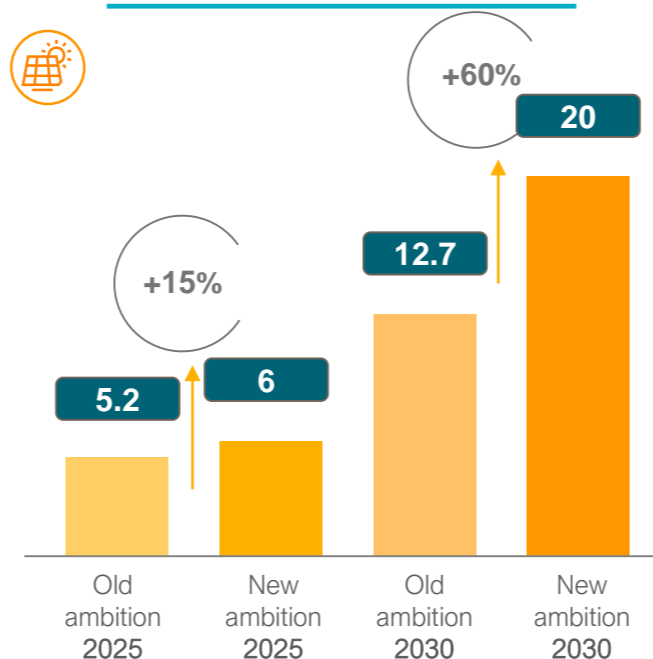
## Increasing renewable and hydrogen ambition and setting new CCB targets

Green H2 generation capacity<sup>1</sup> (GWeq)



Supported by favorable policies

Renewable generation capacity<sup>2,3</sup> (GW)



Good progress being made

Customer Centric businesses



**+1,000**

Public PoR by **2022** in Iberia

Ultra / Fast chargers every

**50 km**

Strengthening our customer orientation

1. Net electrolyzer capacity (GW)  
 2. Gross renewable generation capacity  
 3. Original SP 7.5GW and 15GW Low Carbon Generation. (5.2GW and 12.7GW Renewable Generation)

## Improved outlook to the end of 2021



Production	~ 580 Kboe/d	<ul style="list-style-type: none"> <li>- 3% vs. previous guidance due to longer than expected operational issues in 3Q</li> </ul>
Refining Margin Indicator	>2 \$/bbl	<ul style="list-style-type: none"> <li>&gt;4 \$/bbl in 4Q21; ~ 4.5 \$/bbl 4Q to date</li> </ul>
EBITDA CCS	~ €6.7 B	<ul style="list-style-type: none"> <li>+ €0.6 B vs. previous guidance (prices and industrial margins)</li> <li>~ 65% higher than in 2020</li> </ul>
Capex	~ €2.9 B	
Net debt	~ €6 B	<ul style="list-style-type: none"> <li>2020 closing net debt €6.8 B (hybrids transactions in 2021 €0.3 B)</li> </ul>
Distributions	Dividend increase and SBB	<ul style="list-style-type: none"> <li>+ 5% cash dividend to be paid in 2022 (€0.63 / share)</li> <li>SBB: 75 M shares (~ 5%) to be approved by AGM</li> </ul>

**Better macro environment supports cash generation and distributions**

# 3Q21 Results

28 October 2021

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