



Repsol posts net income of €1.392 billion

- Repsol's **integrated business model** and management in line with its **Strategic Plan** have allowed it to post a net result of €1.392 billion, taking advantage of the improved economic context compared to the first quarter of 2021 that was still influenced by the global pandemic.
- Adjusted net income, which measures the performance of the businesses, was €1.056 billion, 69% of which came from the Exploration and Production business that carries out all its activities outside Spain.
- The invasion of Ukraine, which is affecting the international environment in 2022, has led to a significant increase in the prices of raw materials. In view of this situation, that has a clear impact on fuel price increases, Repsol has contributed to **alleviating the economic strain** on its customers by offering significant discounts on all fuels at its service stations.
- The **Exploration and Production** business made progress in its focus on **high-profitability projects** and - driven by its flexibility and efficiency - was supported by the rise in crude oil and gas prices to post earnings of €731 million.
- The **Industrial** business' earnings were €236 million, a significant improvement compared to the first quarter of 2021. The greater contribution of the **Trading and Refining** divisions, which in 2021 overcame difficulties stemming from the health crisis, was fundamental to this improvement.
- The **Commercial and Renewables** businesses, with earnings of €117 million, **improved its performance** slightly compared to the same period of the previous year, which was marked by the mobility restrictions resulting from the pandemic and the effects of the Filomena storm in Spain.
- **Josu Jon Imaz, CEO of Repsol**, said: "These results demonstrate the **strength** of our **integrated business model** and the correct choice of path in our **Strategic Plan**. In 2022, we will continue to advance in our transformation and decarbonization objectives, contributing value to our shareholders and demonstrating our responsibility in supplying energy to our customers."

€1.056 B

Adjusted net income

69%

The Exploration and Production business contributed 69% of adjusted net income

€1.091 B

Cash flow from operations

€0.30/liter

First operator to introduce fuel discounts to mitigate the effects of the Ukraine invasion





Repsol posted net income of €1.392 billion in the first quarter of 2022, compared with €648 million in the same period of the previous year. The company's integrated business model and the management carried out following the guidelines established in the 2021-2025 Strategic Plan were fundamental to take advantage of an international economic context which has recovered compared to the first months of 2021 that were still marked by the global pandemic.

Josu Jon Imaz: “These results demonstrate the strength of our integrated business model and the correct choice of path in our Strategic Plan”

The first three months of 2022 were marked by the invasion of Ukraine, which led to an abrupt rise in hydrocarbon prices. Thus, Brent crude oil traded at an average of \$102.2 per barrel, compared to \$61 in the same period of 2021. For its part, Henry Hub gas averaged \$5/MBtu, nearly double that of 2021 when it was priced at \$2.7/MBtu.

Against this backdrop of rising commodity prices, which led to an increase in fuel prices, Repsol sought to alleviate the financial burden on its customers by offering significant discounts at its service stations. Furthermore, in line with its commitment to become zero net emissions, the company advanced in its transformation process and took significant steps in cutting-edge projects to advance decarbonization, such as the start of work on Spain's first advanced biofuels plant, the creation of the country's largest consortium to promote renewable hydrogen and agreements to increase sustainable mobility.

The rise in hydrocarbon prices, reaching highs not seen since 2008, had an impact on the company's earnings. Adjusted net income, which specifically measures the performance of the businesses, rose to €1.056 billion compared to €471 million in the same period of the previous year. The Exploration and Production unit, which carries out all its activities outside Spain, contributed 69% of this figure. The company's service stations in the country accounted for just under 5% of total adjusted net income.

Similarly, operating cash flow stood at €1.091 billion, also above the figure recorded in the first quarter of 2021. Excluding working capital, this number rises to €3.064 billion, a significant increase (+1.437 billion) compared with the comparable figure for the same period of the previous year.

The Board of Directors will propose to the Annual Shareholder Meeting a 5% increase in the cash dividend, to €0.63 per share.

On the other hand, net debt closed the period at €5.9 billion, slightly higher than the end of December 2021 where it was €5.762 billion, mainly due to the working capital increase during the period caused by the strong rise in commodity prices. Liquidity stood at €9.823 billion, sufficient to cover short-term debt maturities 3.5 times, up from 2.95 times at the end of December.

The strong cash generation has been reflected, since last year, in an improvement in the remuneration of shareholders who, on January 11, received a gross dividend of €0.30 per share. In addition, the Board of Directors proposed to the Annual Shareholder Meeting, to be held on May 6, an increase in the cash dividend of 5%, to €0.63 per share, together with a reduction in the share capital through the redemption of 75 million treasury shares, representing approximately 4.91% of Repsol's total share capital. In this context, and as established in the Strategic Plan, to provide value to shareholders the company carried out a share buyback program that involved the acquisition of 11.6 million shares.



Strong commitment to customers and to decarbonization

In the first quarter of the year, Repsol continued to carry out its 2021-2025 Strategic Plan, aimed at achieving the goal of zero net emissions by 2050. Repsol's businesses executed efficient and flexible management, focusing on the customers and developing solutions to reduce their carbon footprint.

The **Exploration and Production** business posted income of €731 million in the first three months of 2022 compared with €327 million in the equivalent period of the previous year. The efficiency measures implemented and the prioritization of value over volume combined with higher prices have boosted the performance of this business. The company maximized this increase, and its crude oil and gas mix outperformed international benchmarks. Thus, compared to the same quarter in 2021 Repsol achieved a rise of 69.2% in the case of the crude oil realization price (compared to 67.3% for Brent) and 120.6% in the case of the gas realization price (compared to a rise of 85.2% at the Henry Hub).

Repsol made progress in the first quarter of the year in the development of key projects in the Exploration and Production business in countries like the United States, Colombia, and Norway

First quarter average production was 558,500 barrels of oil equivalent, lower than the same period in 2021, following the sale of assets in Malaysia, Russia, Ecuador, Vietnam, Norway, and Algeria and the cessation of production in Spain. This decline was partially offset by the acquisition of assets in the USA. As set out in the Strategic Plan, the business is making progress in optimizing its asset portfolio to achieve a greater geographic focus that allows it to focus on higher-value projects in areas with greater competitive advantages. In 2022, the business made progress in the development of key projects in the United States, Colombia, and Norway.

The Exploration and Production unit is also contributing to the decarbonization process and to Repsol's transformation with a multi-energy approach. In this regard, the company has obtained a permit to evaluate the geothermal potential on the Spanish island of Gran Canaria. Geothermal energy produces renewable energy in a continuous and stable manner, and it could provide greater energy independence for the Canary Islands archipelago.

Between January and March, the **Industrial** business division achieved income of €236 million compared with €73 million in the same period of 2021. The Refining business was instrumental in achieving this increase, driven by higher volumes than in the equivalent quarter of the previous year when it was weighed down by the impact of the pandemic. The Trading business also contributed significantly, while the international environment, however, affected the Chemicals business adversely.

During the first months of 2022, Repsol implemented essential projects for the industrial transformation process it is deploying, with relevant investments that drive new business models based on digitalization and technology and that guarantee the future profitability and economic activity of the company's industrial hubs.

The main milestone in this area was the start, in early March, of [construction work on the first advanced biofuels plant in Spain](#) that the company is building at its Cartagena refinery. This facility, in which Repsol will invest 200 million euros, will supply 250,000 tons of advanced biofuels per year that can be used in current airplanes, ships, trucks, and cars without the need for engine modifications. These biofuels will be



produced from waste, and their use will reduce emissions by 900,000 tons of CO₂ per year. In line with this commitment to projects that address decarbonization from a technology-neutral and circular economy perspective, the company, at the end of the quarter, [acquired a stake in the Canadian company Enerkem](#), a world leader in the production of renewable fuels and chemicals through the gasification of non-recyclable waste. This investment will enable Repsol to accelerate its decarbonization projects by integrating Enerkem's technology into its industrial facilities and future plants.

Repsol in March began work on the first advanced biofuels plant in Spain, in which it will invest €200 million.



presented in October 2021. By 2030, the company plans to invest €2.549 billion in this area, which is of great importance for the energy model of the future.

Another key area identified by the company to achieve a more sustainable industry is renewable hydrogen, which saw the [birth of SHYNE \(Spanish Hydrogen Network\)](#) in the first quarter. This is the largest renewable hydrogen consortium in Spain, made up of 33 entities from different sectors. It will deploy projects that are expected to generate more than 13,000 jobs. Repsol is leading this initiative, in line with its [renewable hydrogen strategy](#),

The **Commercial and Renewables** unit posted earnings of €117 million, slightly above the €101 million for the same period in 2021 when mobility restrictions resulting from the health crisis and the effects of the Filomena storm in Spain were decisive factors. The Renewables and Low-Carbon Generation business posted positive figures and increased production, at the same time as it added more generating capacity. The Mobility area benefited from the improved context, although it had to face higher costs, while the LPG business increased its sales. For its part, higher electricity and gas prices also reduced the earnings of the retail marketing of these energies.

Repsol was the first operator in Spain to establish voluntary discounts at its service stations in response to the price increases caused by the invasion of Ukraine.



In the Mobility unit, Repsol reinforced its historic commitment to its customers in the first months of 2022. The company was the first operator in Spain to establish voluntary discounts at its service stations to face the fuel price hikes caused by the invasion of Ukraine. The company's discounts, which began on March 16, go beyond the State's rebate, with a total reduction of at least €0.30 per liter of fuel for users of its Waylet application and professional clients of Solred.

Waylet is a key asset for achieving Repsol's strategic goal of reaching 8 million digital customers by 2025. Currently, with the growth of the first quarter of the year, the figure stands at 4 million users. In addition to offering them cutting-edge digital tools, the company continues working to develop new solutions for customers with a multi-energy perspective that improve sustainability in their homes and on the road. In this regard, Repsol reached agreements with prestigious partners, such as [Navantia](#), with whom it agreed in March to collaborate in the joint development of innovative solutions for the decarbonization of maritime transport.

In Renewables and Low-Carbon Generation, Repsol's business model was reinforced at the end of March with the [agreement signed with the investment company TRIG](#) for the sale of a 49% stake in the Valdesolar solar project in Spain. This transaction, which values 100% of this asset at €239 million, is in addition to the one signed in November 2021 with [the Pontegadea Group for the sale 49% of the Delta wind farm](#), also in Spain. Both agreements contribute to the objective of obtaining double-digit returns on Repsol's investments in this sector.



Repsol's business model was reinforced with the sale of a 49% stake in Valdesolar, which contributes to the objective of obtaining double-digit returns on investment in this sector.

The company, at present, has more than 3,800 MW of total installed capacity of low-emission generation. In recent days, Repsol has begun producing electricity at the 62.5 MW Jicarilla 2 solar farm, its first renewable project in the United States. At the same site it is developing another solar project, Jicarilla 1, with 62.5 MW of installed capacity and 20 MW of battery storage. In addition, the company has recently announced its intention to invest in a 600 MW project in the state of Texas, which will become the group's largest solar facility to date and is expected to be operational by the end of 2023.

Also related to renewable generation, in early April the company [signed an agreement with Ørsted](#) to identify and, where appropriate, jointly develop floating offshore wind projects in Spain. This alliance will combine Repsol's experience as a global multi-energy supplier and Ørsted's experience as a world leader in offshore wind.

To further advance its role as a major player in the Spanish electricity and gas market, in early February Repsol [acquired Capital Energy's portfolio of 25,000 residential and SME electricity customers](#). The acquisition reinforced Repsol's growth and contributed to reach a total of 1.43 million electricity and gas customers.

The company also continued throughout the quarter to work to offer consumers cutting-edge solutions that contribute to the energy transition. In this regard, in early March the company formed [a joint venture with Telefónica to offer a comprehensive self-consumption solution](#) to its customers. The offer will be customized for each type of customer according to their level of consumption and habits, seeking to maximize savings on their current electricity bill.

In addition, on February 3, Repsol closed a 30.5 MW [power purchase agreement \(VPPA\) with Charles River Laboratories](#).





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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 updated quarterly on Repsol's website.

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