

# Investor Update

February 2021

# Stepping up the Transition

## Driving growth and value



The Repsol Commitment  
Net Zero Emissions  
by 2050

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# Strategic Plan 2021-2025: Delivering a compelling investment case into the Transition



Leading the  
**journey**

to an ambitious  
**destination**

- A legacy **double-gear engine** providing cash-flow and solid foundations for the Transition
  - **Profitable business platforms** with leading **advantaged positions**: Iberia & Downstream
  - **New operating model**, catalyzing value transparency & De-carbonization
  - Leading shareholder distribution with a **top quartile remuneration**
  - Preserving our financial strength
- 
- A **profitable** ambition of net zero emissions and multienergy **company growth** (FCF growth)
  - **Distinctive** potential for transformation to 2030 in terms of speed, intensity and feasibility

A profitable company in the Energy Transition with strong cashflow growth & capital discipline

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- 02.** Path to 2030
- 03.** Strategy 2021-2025
- 04.** Business strategies
- 05.** Stepping up energy transition
- 06.** SP summary
- 07.** Delivery 2020



# Repsol: New corporate model

01.



# Early movement: New Repsol corporate model for increased accountability and value transparency



Group Corporate Center (Governance, Financial and Strategic Management and Integration synergies)

Group Global Services (Efficiency and Scale)

## Upstream

Upstream

	2019	
EBITDA	€4.3 B	✓
CAPEX	€2.5 B	
P1 Reserves:	2.1 Bboe	
Production:	709 kboe/d	

## Industrial

Refining<sup>1</sup>  
Trading  
Wholesale & Gas Trading

Biofuels  
Chemicals

	2019	
EBITDA	€2.0 B	✓
CAPEX	€0.9 B	
Refining capacity	1.0 Mbbbl/d	
Chemical sales	2.8 Mt/y	

## Customer-centric

Mobility  
LPG  
E-Mobility

P&G Retail  
Energy solutions  
LAS<sup>2</sup>

	2019	
EBITDA	€1.0 B	✓
CAPEX	€0.4 B	
# Clients	24 M	

## Low-carbon generation

Renewables  
Conventional low-carbon generation  
Energy Management

	2019	
EBITDA	€0.04 B	
CAPEX	€0.2 B	
Capacity:	2020	3.3 GW
Of which RES (inc. hydro)		1.1 GW

Yield and Focus

Yield and New Platforms

Yield and Transformation

Business Build

EQUITY PARTNERS  
or IPO

## New corporate model enabling value crystallization

1. Refining Spain and Peru R&M 2. Lubricants, Asphalts and Specialties

## Clear logic for Repsol new corporate model



Clear **differentiation of businesses profiles and equity stories** within the Group

**Alignment of cost of capital** with business profile for each business

Ability to develop **appropriate partnerships** for each business

**Value crystallization** and transparency

Acceleration **of new ways of working**



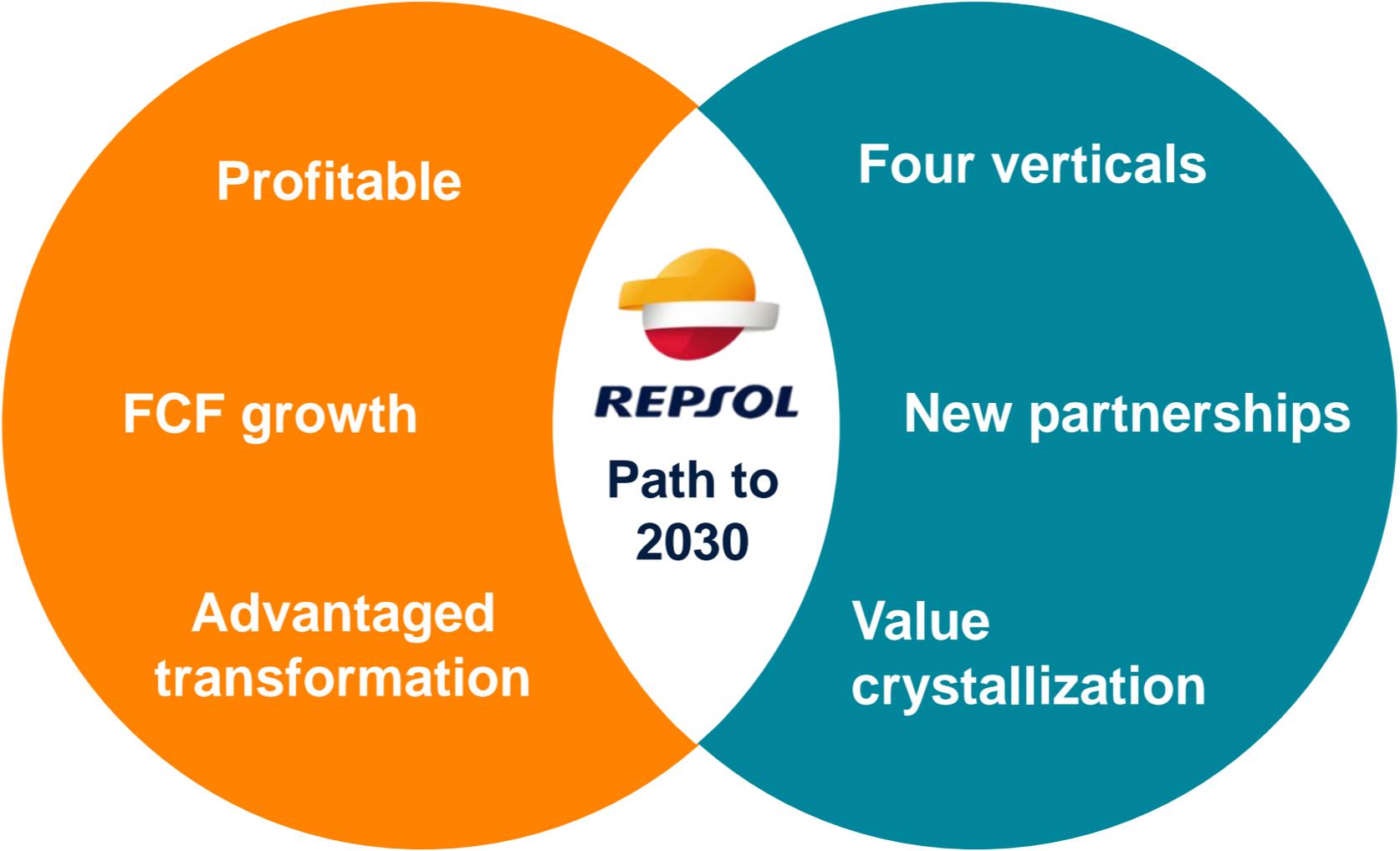
# Path to 2030

# 02.



# De-carbonize the portfolio

# New operating model



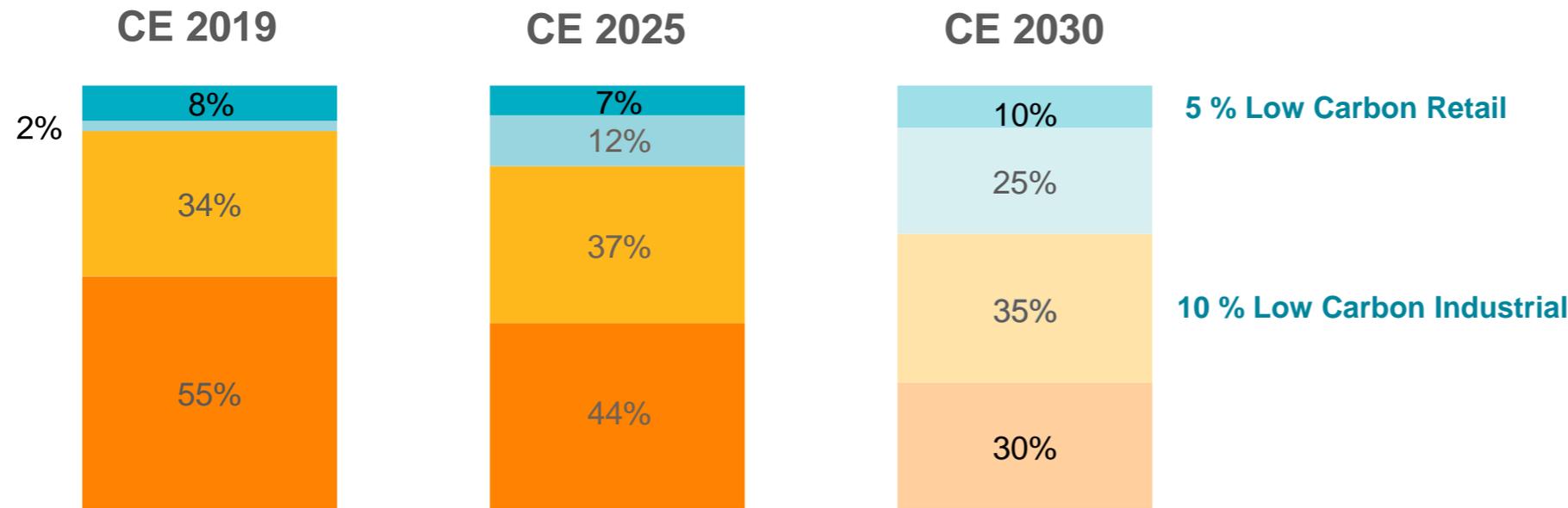
Towards Net Zero emissions

Leading investor proposition

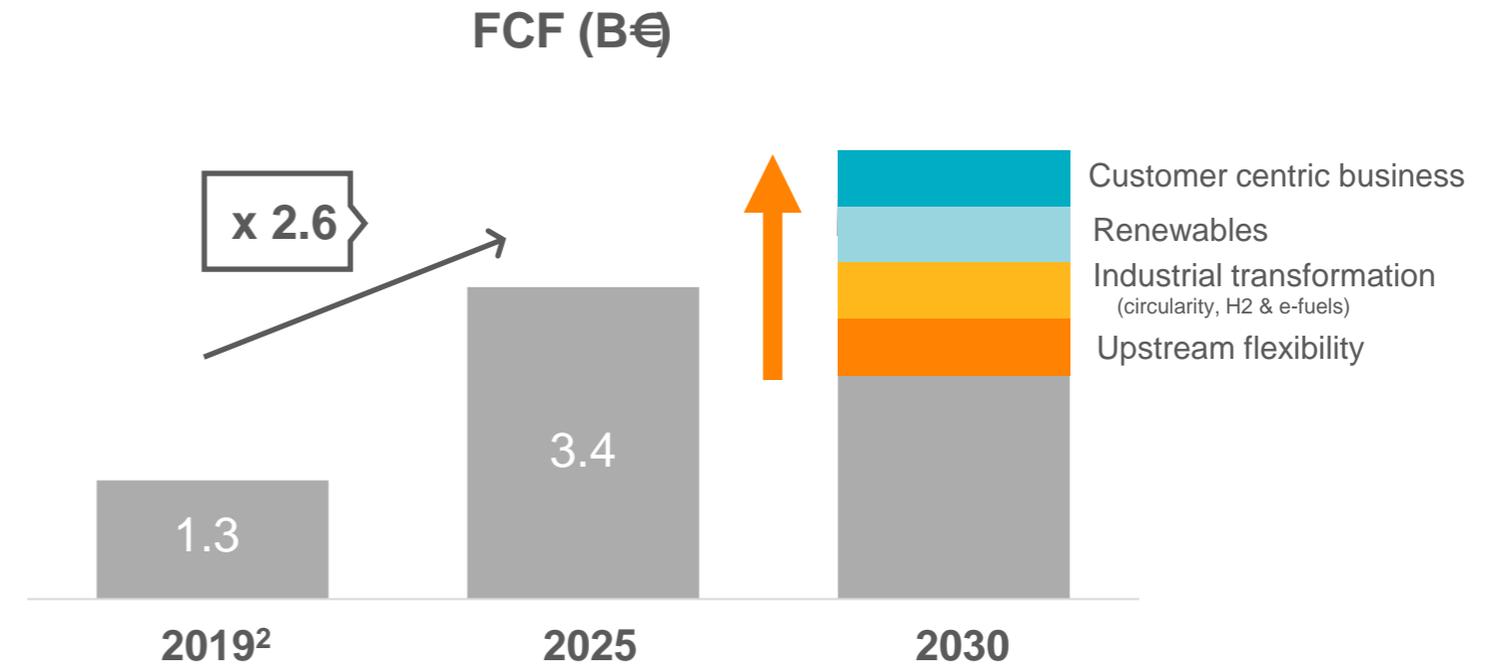
# Repsol 2030: A more sustainable, balanced and profitable company



## Transforming the company's portfolio



## Strong cash-flow growth



CE Total: €31 B

2030 Ambition

2% → 40%<sup>1</sup> % Low Carbon Businesses

Customer Centric Business Low Carbon Generation Industrial Upstream

2030 Repsol's Low Carbon business: ~40% of CE

Growing 2030 FCF well above 2025

1. Increase in low carbon CE through investments in low carbon generation, new industrial low carbon platforms (circularity, H<sub>2</sub> & e-fuels, etc.), decarbonization through efficiency initiatives, e-mobility, and value-added services, among others

2. In homogeneous price basis @\$50/bbl & \$2.5 HH

Note: CE of RES considering consolidation by the proportional method. Capital employed figures not including Corporation (€2 B in 2019)

# Strategy 2021-25:

# 03.



# Delivering financial targets while transforming the company

Ambition 21-25



## 2021 - 2022

## 2023 - 2025

**Ensuring strong performance and financial strength**  
In an uncertain economic and commodities environment

- Efficiency & capital discipline
- Capex reduction
- Prudent financial policy and commitment with current credit rating

**Accelerating transformation and delivering growth**

- Portfolio optimization & new business platforms
- Metrics growth & high Capex intensity
- ROCE and gearing

**Self-financed plan @\$50/bbl & \$2.5 HH**

Ensuring shareholder value maximization

# Scenario assumptions

## Projections (2021-2025)



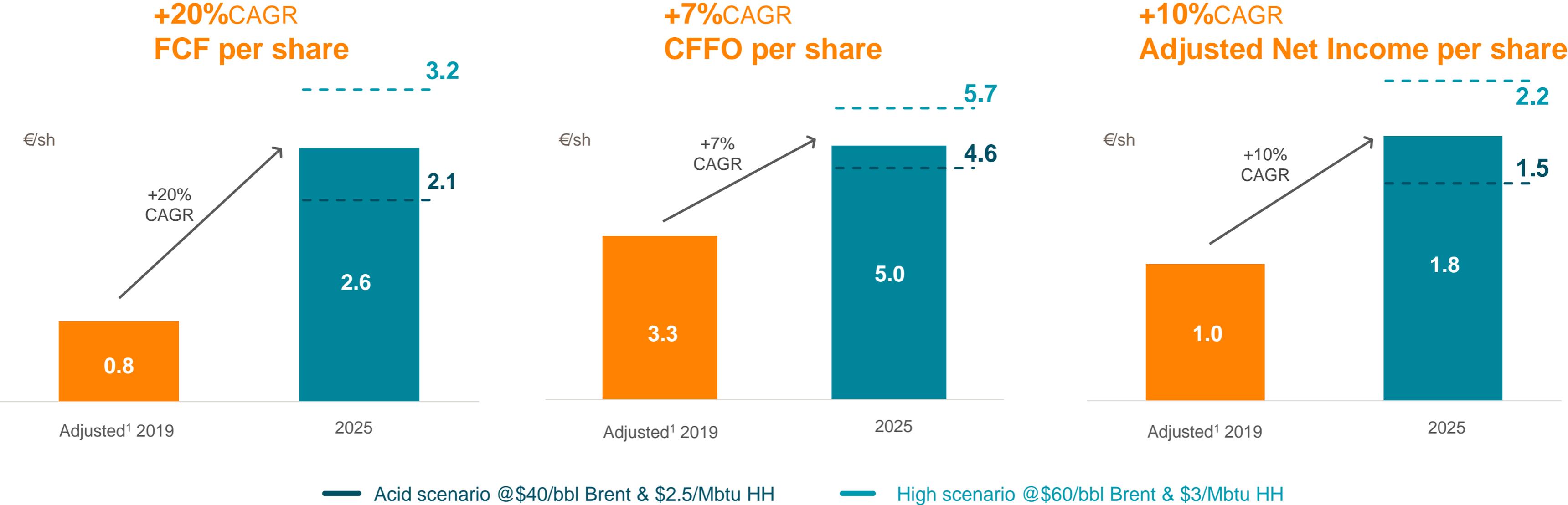
	2021	2022	2023	2024	2025
Brent price (\$/bbl)	50	50	50	50	50
Henry Hub Price (\$/Mbtu)	2.5	2.5	2.5	2.5	2.5
Repsol Refining Margin indicator (\$/bbl)	3.5	4.0	4.5	5.2	5.8
Spanish average power price (€/MWh)	42.5	42.5	42.5	42.5	42.5

### CFFO<sup>1</sup> Sensitivities

$\pm \$10/\text{bbl BRENTE}$ $\pm \text{€}540 \text{ M/y}$	$\pm \$0.5/\text{Mbtu HH}$ $\pm \text{€}164 \text{ M/y}$	$\pm \$0.5/\text{bbl Refining margin}$ $\pm \text{€}92 \text{ M/y}$
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1. Average value for the 2021-2025 period. Note: Average exchange rate assumed for the period 2021-2025: 1.13\$/€

# Strong growth in per share metrics driving valuation upsides



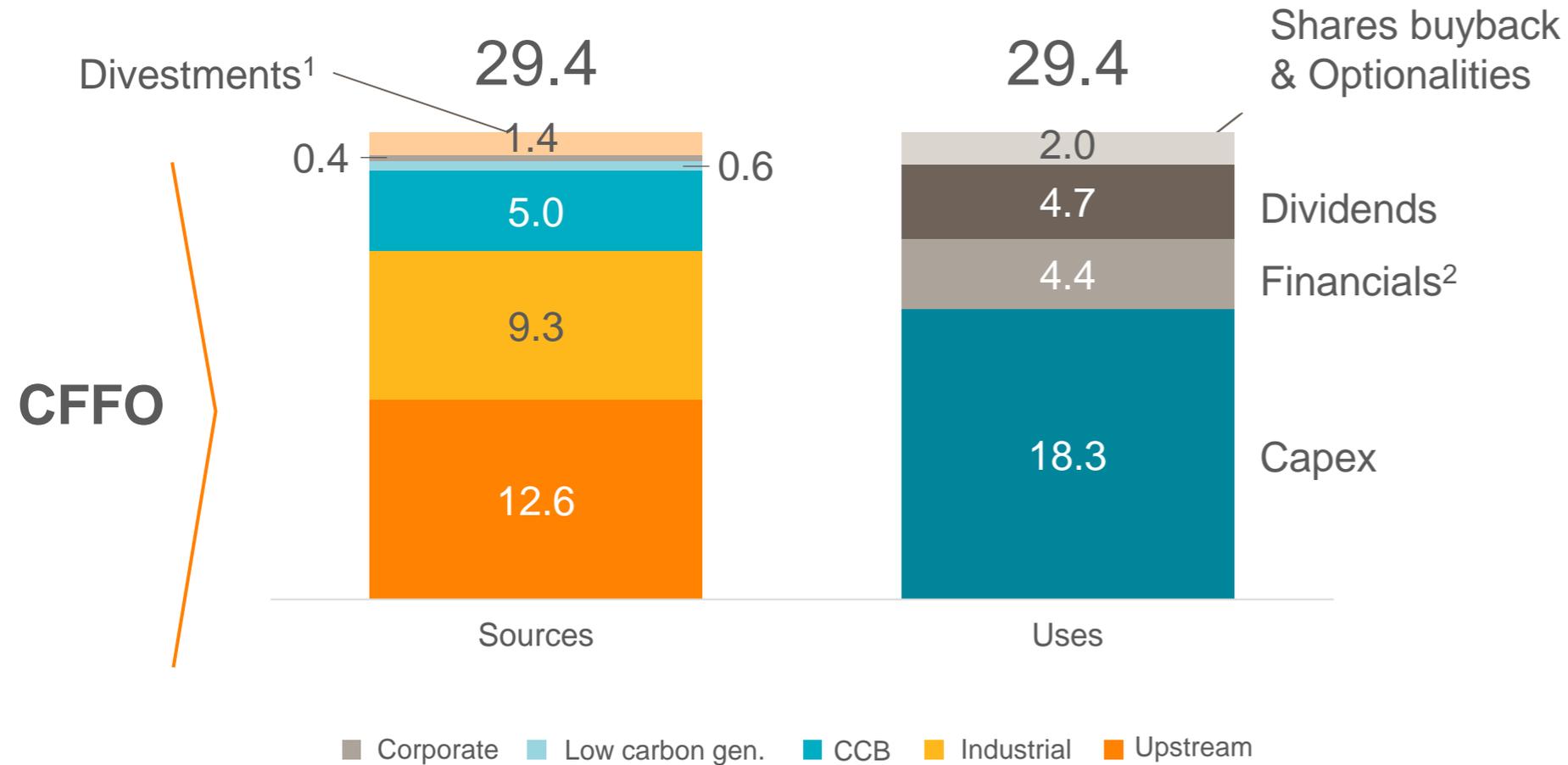
1. 2019 @\$50/bbl & \$2.5 HH  
 Note: Base scenario @\$50/bbl & \$2.5 HH; N° of shares in 2019 (1,527) vs 2025 (1,327, subject to Base Case price deck)

# Self-financed plan

Cash generation



## Cumulative sources and uses of cash, 2021-2025 (B€)



## 2021-2025 B-even post-dividends (\$/bbl)

**\$50/bbl**  
FCF BE  
(inc. SBB)

**< \$45/bbl**  
FCF BE  
pre-SBB

1. Includes RES portfolio divestments. Other potential inorganic transactions driven by new corporate model, are not included in this Sources and Uses of cash.  
3. Debt B-even is 10\$/Bbl lower, considering debt deconsolidation of the Equity part in the international RES roadmap, and excess-cash from Optionalties

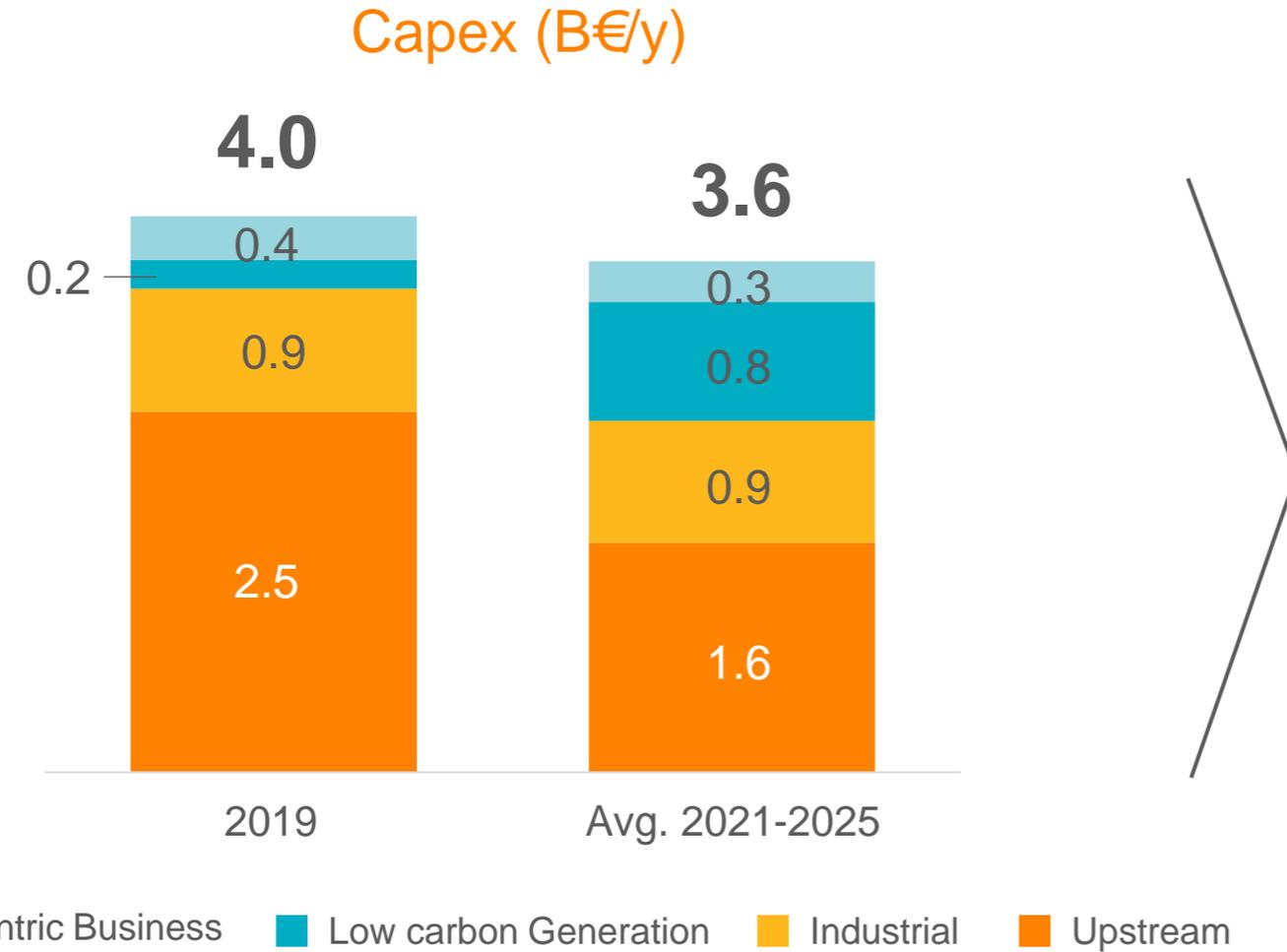
2. Includes interests and others as dividend to minority shareholders and hybrid bond interests

# Discipline, flexibility and transformation

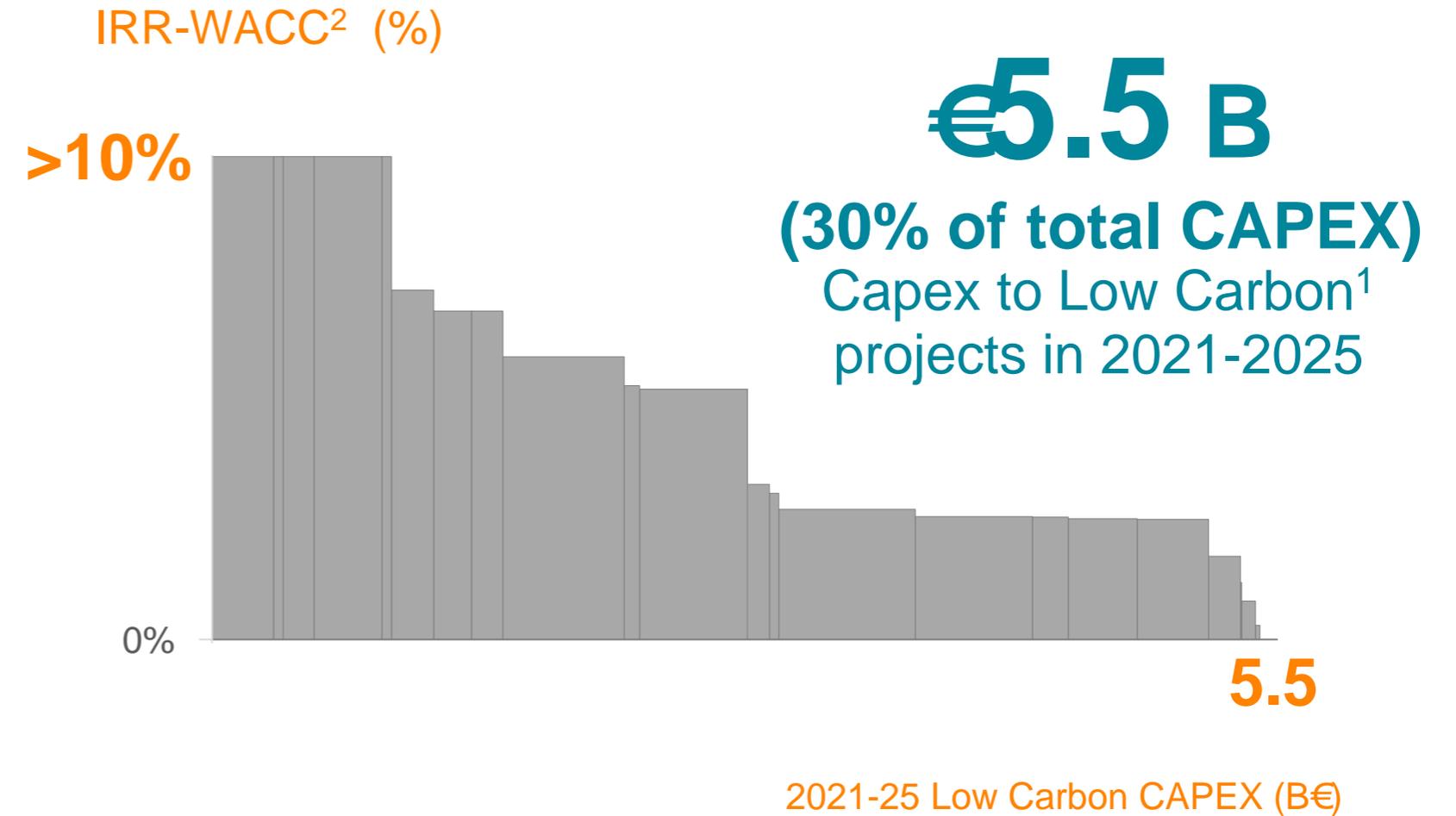
Capex 21-25



## Building up transformation within 2021-2025



## Profitable decarbonization



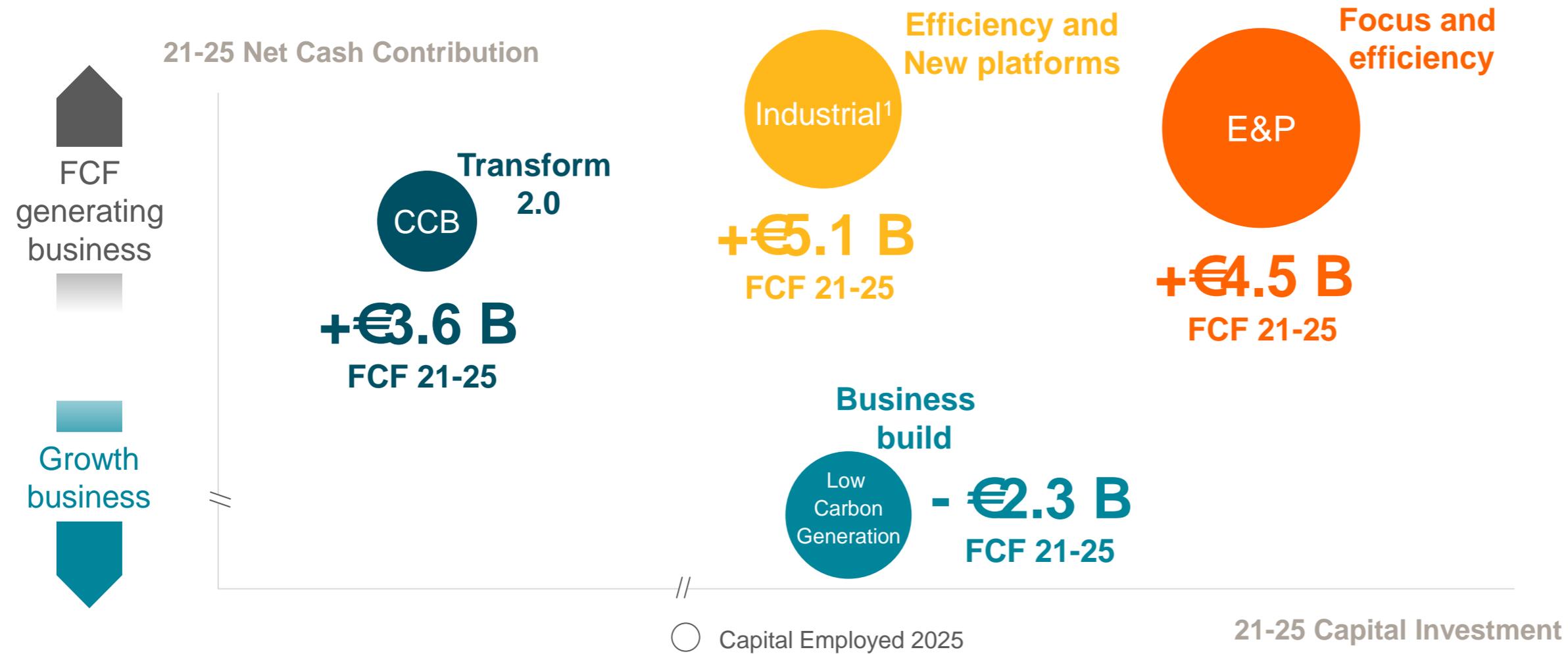
1. Includes low carbon generation investments, new low carbon platforms, decarbonization efficiency investments, e-mobility, and value-added services. Note: Not including Corporation in capex numbers.

2. Specific WACC per each business

# Legacy and new businesses driving portfolio performance along the Transition



## Contribution to portfolio financial profile 21-25



## Contribution to carbon intensity reduction

*Low carbon strategies*

- CIRCULAR ECONOMY
- LOW CARBON PRODUCTS
- PORTFOLIO DECARBONIZE
- CUSTOMER CENTRIC
- LOW CARBON GENERATION

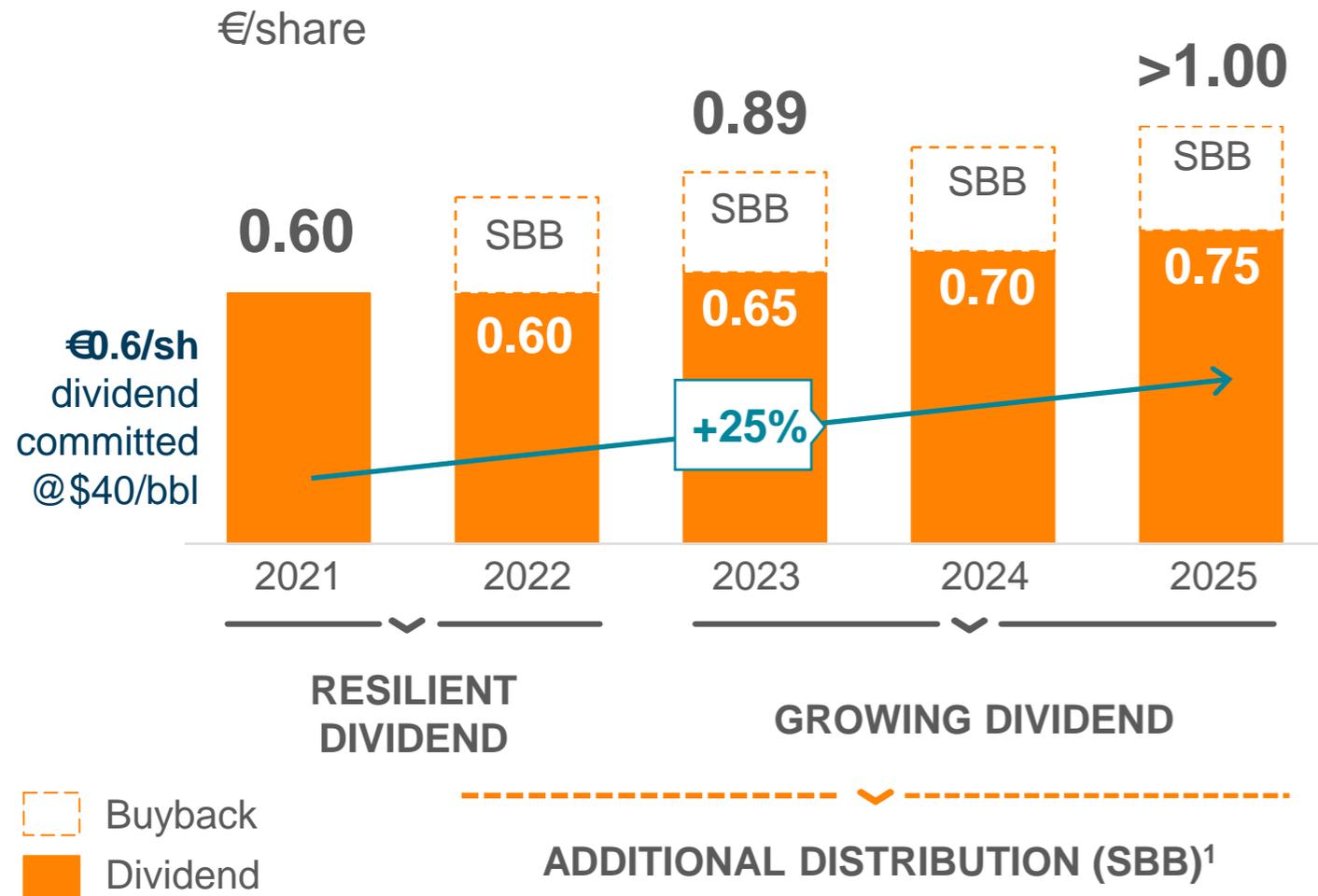
1. Industrial includes Refining Spain and Peru R&M, Chemicals, Trading & Wholesale Gas businesses  
 Note: Corporate values not considered

# Leading distribution and clear capital allocation framework

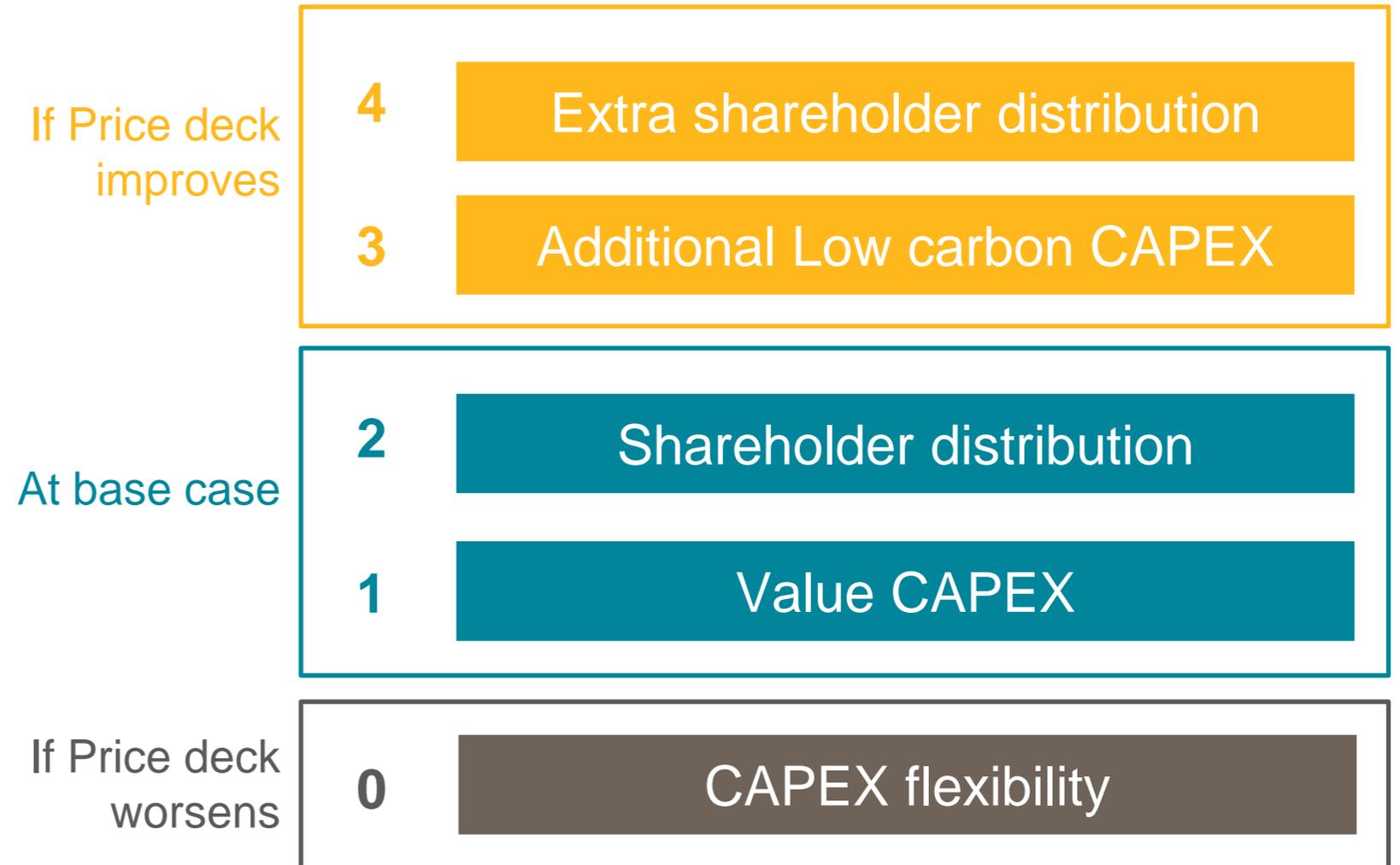
Capital allocation 21-25



## Resilient shareholder distribution



## Capital allocation priorities



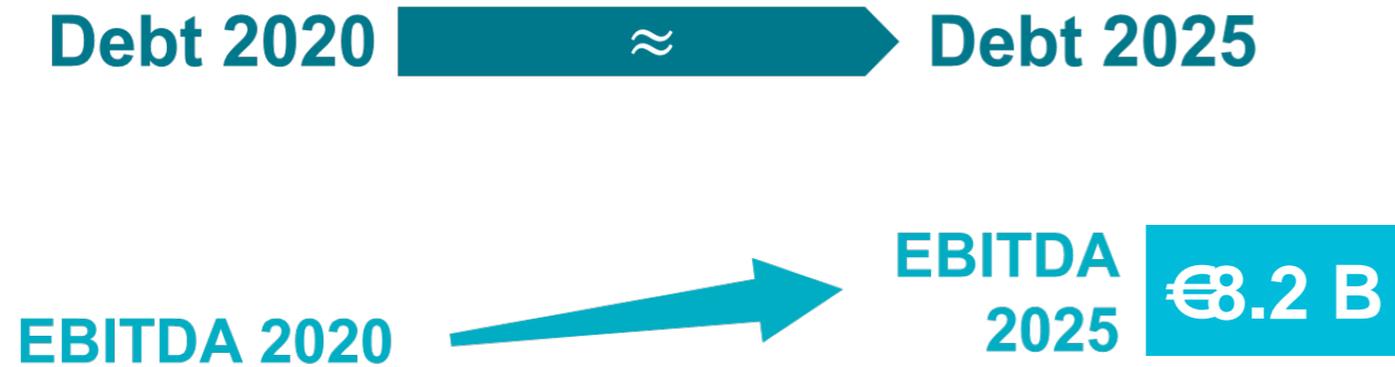
FINANCIAL DISCIPLINE

1. 200 M shares in the SP period: 50 M sh/y in 2022-25. €1.4-2.0B cash sources allocated to SBB

# Specific gearing target range, preserving a strong financial structure



2021-2025 gearing<sup>1</sup> 25% average



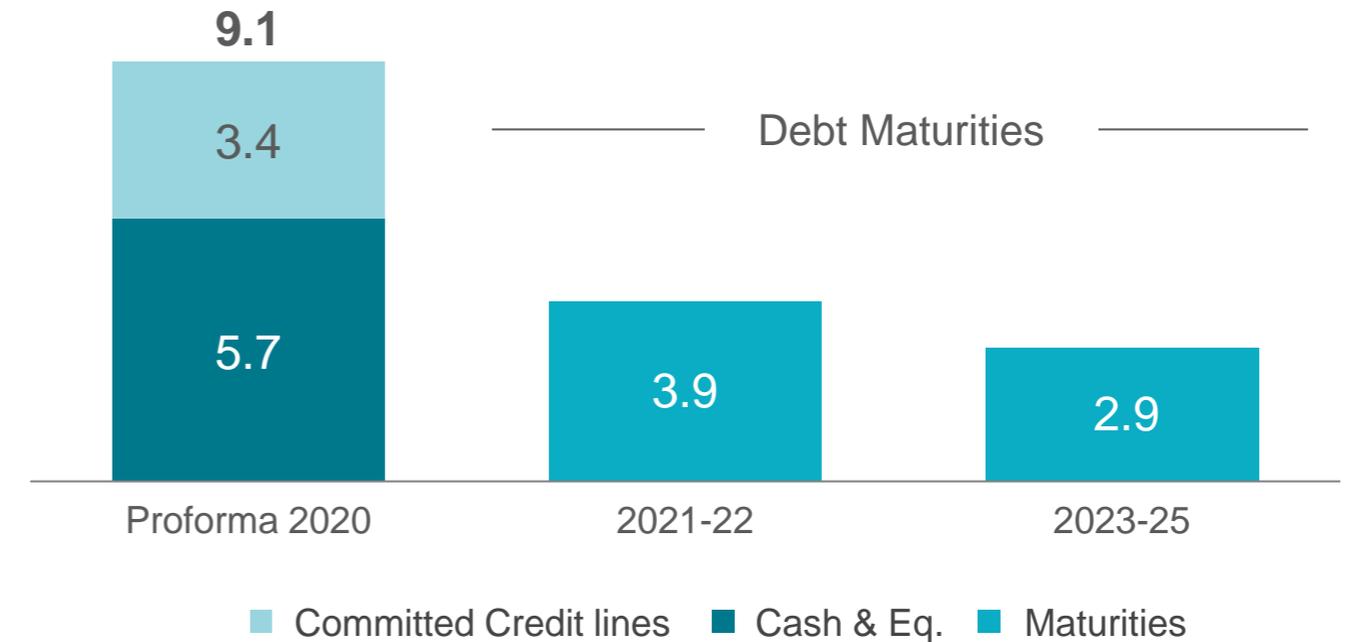
Same Debt with strong EBITDA growth



– Gearing<sup>1</sup> threshold clearly below 30%

## Strong Liquidity Position

Proforma 2020 (Billion €)

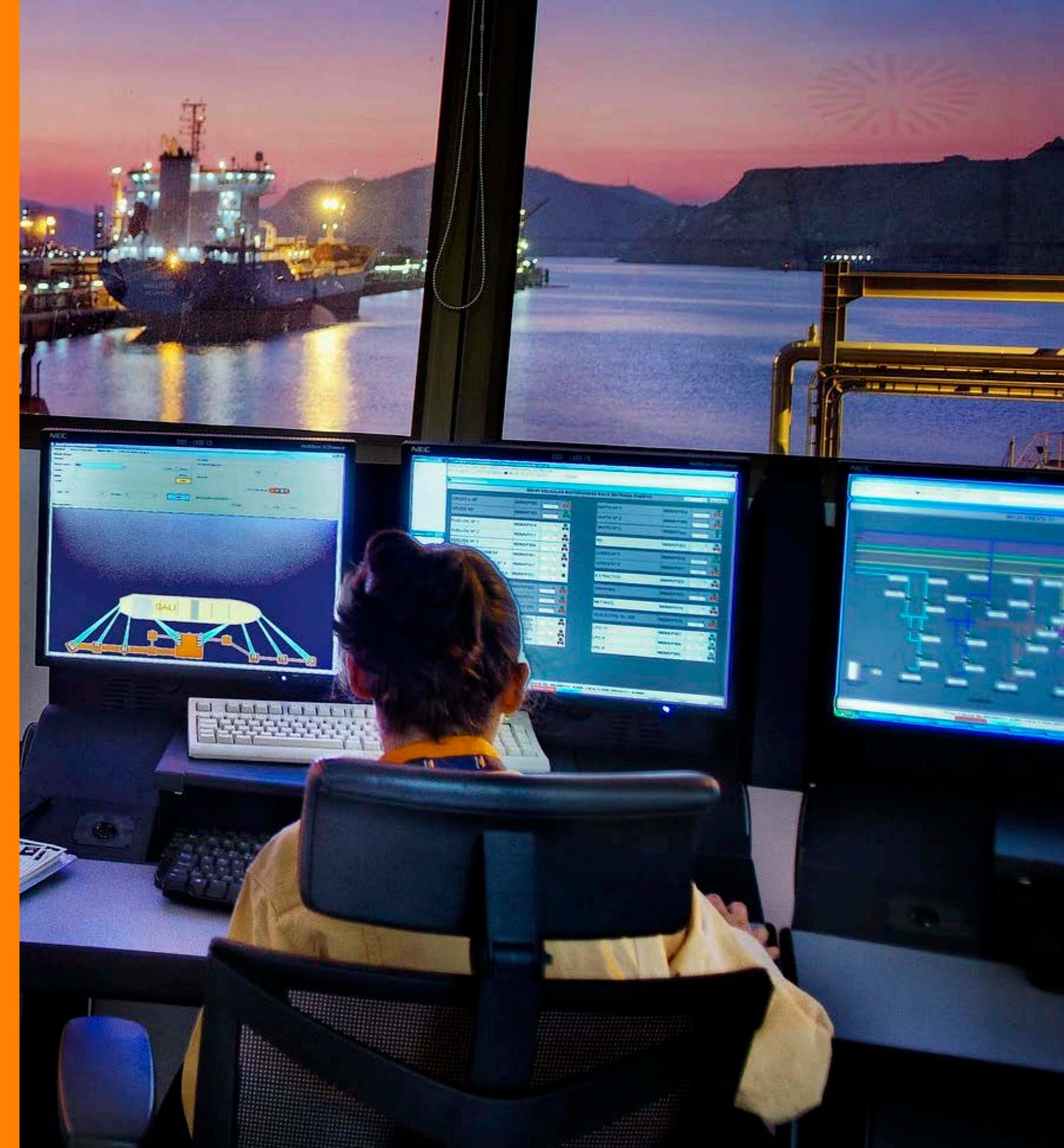


- Current liquidity covering > 1.3 times total maturities in the whole period
- Affordable and well-distributed maturities through the SP horizon
- Diversified financing sources including hybrids

1. Gearing ratio defined as reported net debt / (net debt + equity)

# Business strategies

04.



# Setting the new business priorities



Upstream



Yield and Focus



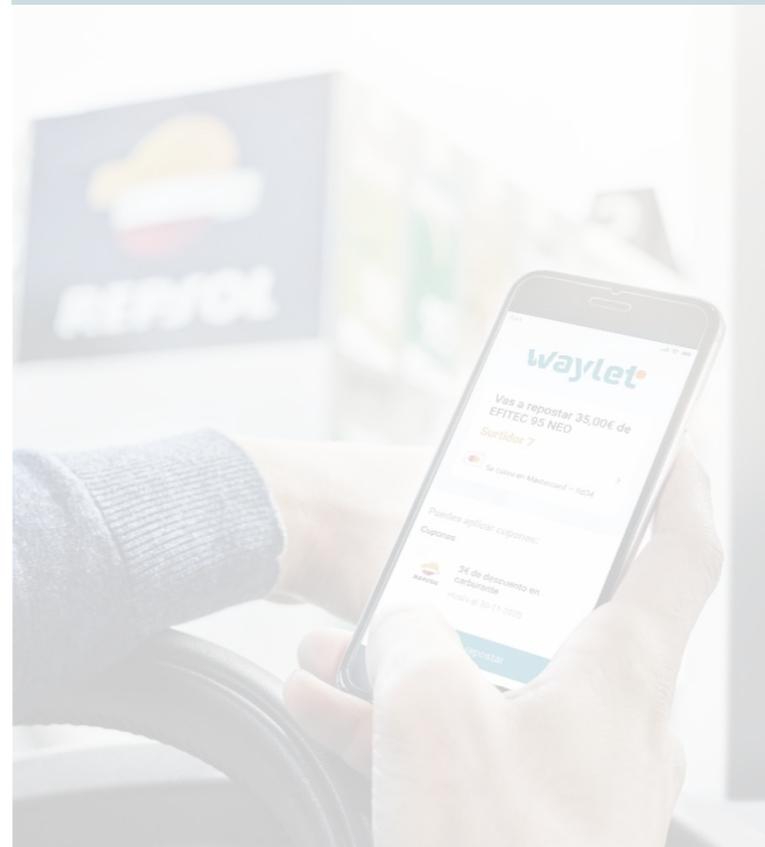
Industrial



Yield and New Platforms



Customer-centric



Yield and Transformation



Low-carbon generation



Business Build

## 1 FCF as a priority (Leading FCF B-even)

- FCF breakeven <\$40/bbl
- Low capital intensity and flexibility
- Generate €4.5 B FCF @ \$50/bbl & \$2.5 HH
- -15% OPEX reduction

## 2 Resilient Value delivery

- Top leading project profitability
- Short pay-back
- Digital program
- Reduction of -30% G&A

## 3 Focused portfolio

- Value over volume
  - Flexible production level (~650kboed 2021-25)
  - <14 countries
- Leaner and focused exploration

## 4 Tier 1 CO<sub>2</sub> emissions

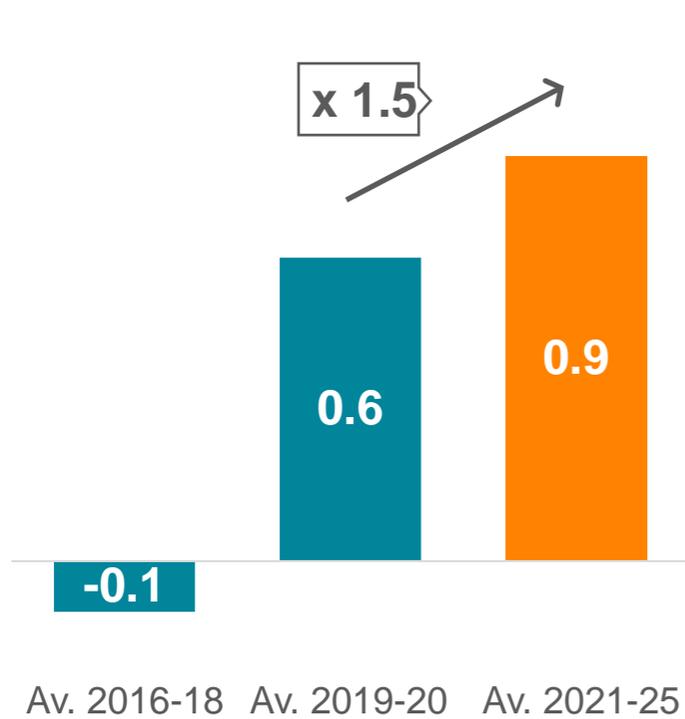
- Emissions intensity reduction of 75%
- Streamlining to a leaner upstream portfolio
- Decline/exit of carbon intensive and non-core assets

# Focus on capital efficiency and cash generation

Upstream

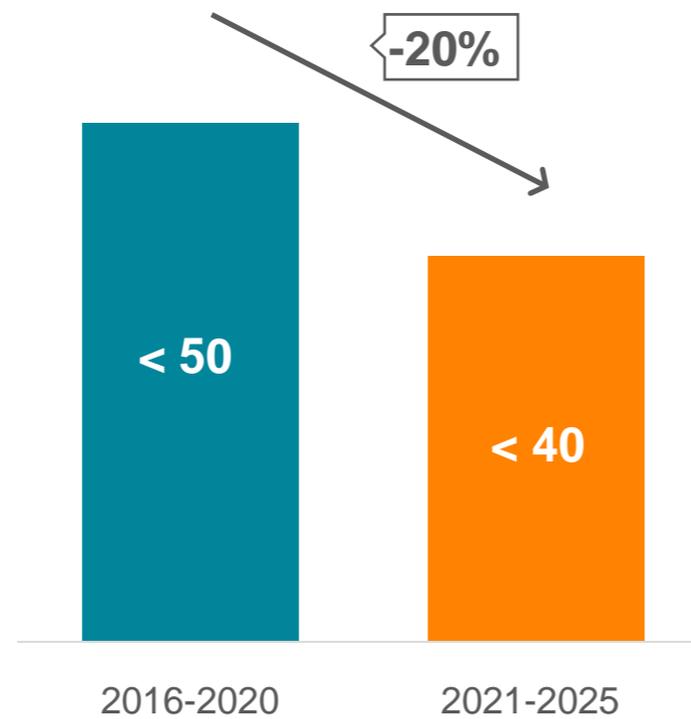


FCF (B€) @50/2.5



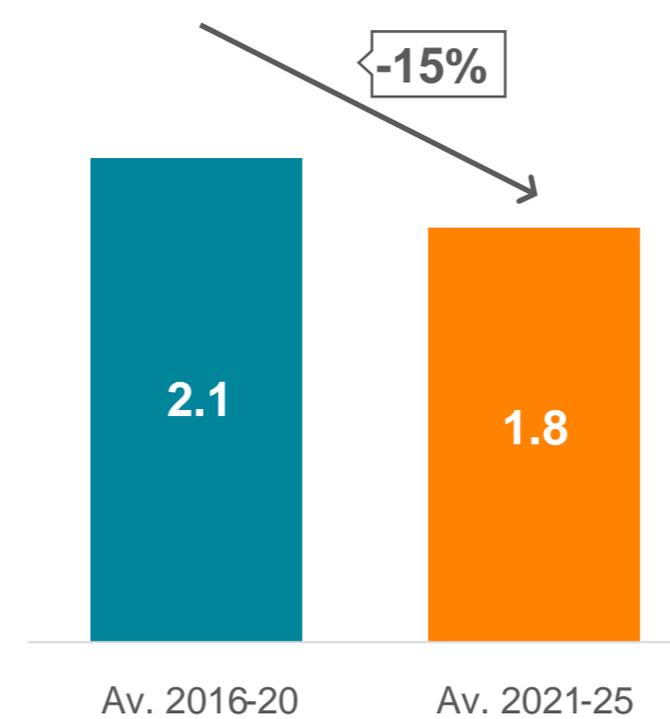
Cash generator role

FCF BE, Brent (\$/bbl)



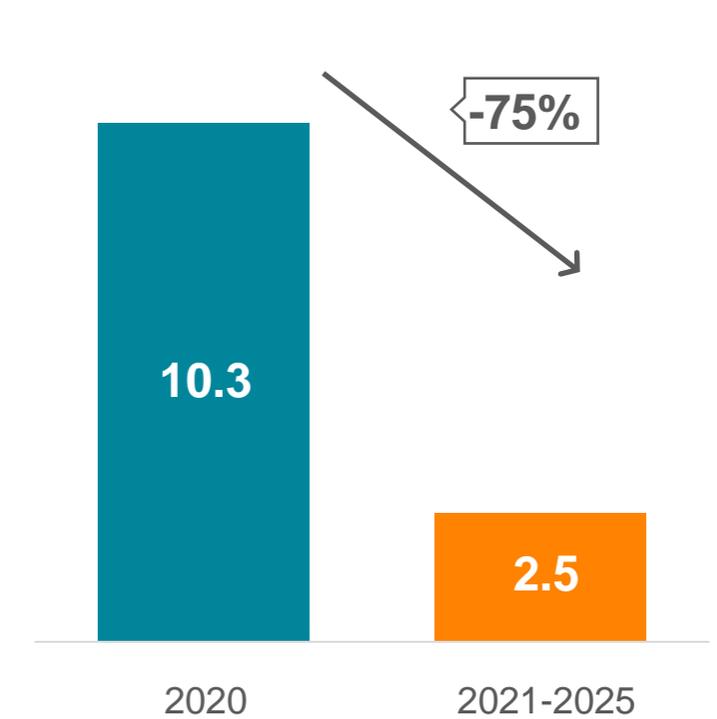
Cash resilience

OPEX reduction (B€)



Operational excellence

Emissions reduction (Mt CO<sub>2</sub>)



	2025	2030
Flaring reduction	-50% <sup>1</sup>	Zero routine flaring
Methane intensity	-25% <sup>2</sup>	<0.2

1. In our operated assets, vs. 2018 2. In our operated assets, vs. 2017

# Focus portfolio and capex allocation: Playing to our core areas

Upstream



Portfolio span reduction → from >25 to <14 countries ambition

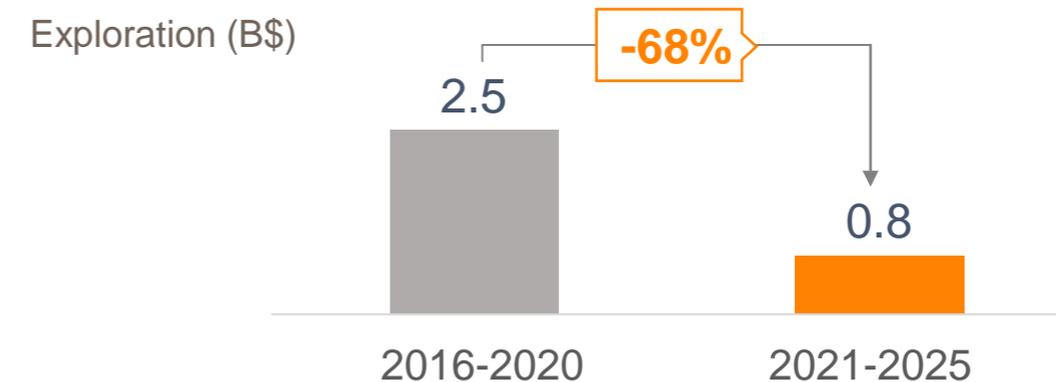


Highly selective new exploration strategy

Successful track record discovering additional resources in productive basins recently

- Alaska North Slope: Horseshoe Mitquq/Stirrup
- US GoM: Black-tip/Monument
- Mex GoM: Polok/Chinwol
- Colombia Llanos: Lorito
- S. Sumatra: Sakakemang

Renewed strategy. Leaner and focused on productive basins, to shorten the cycle



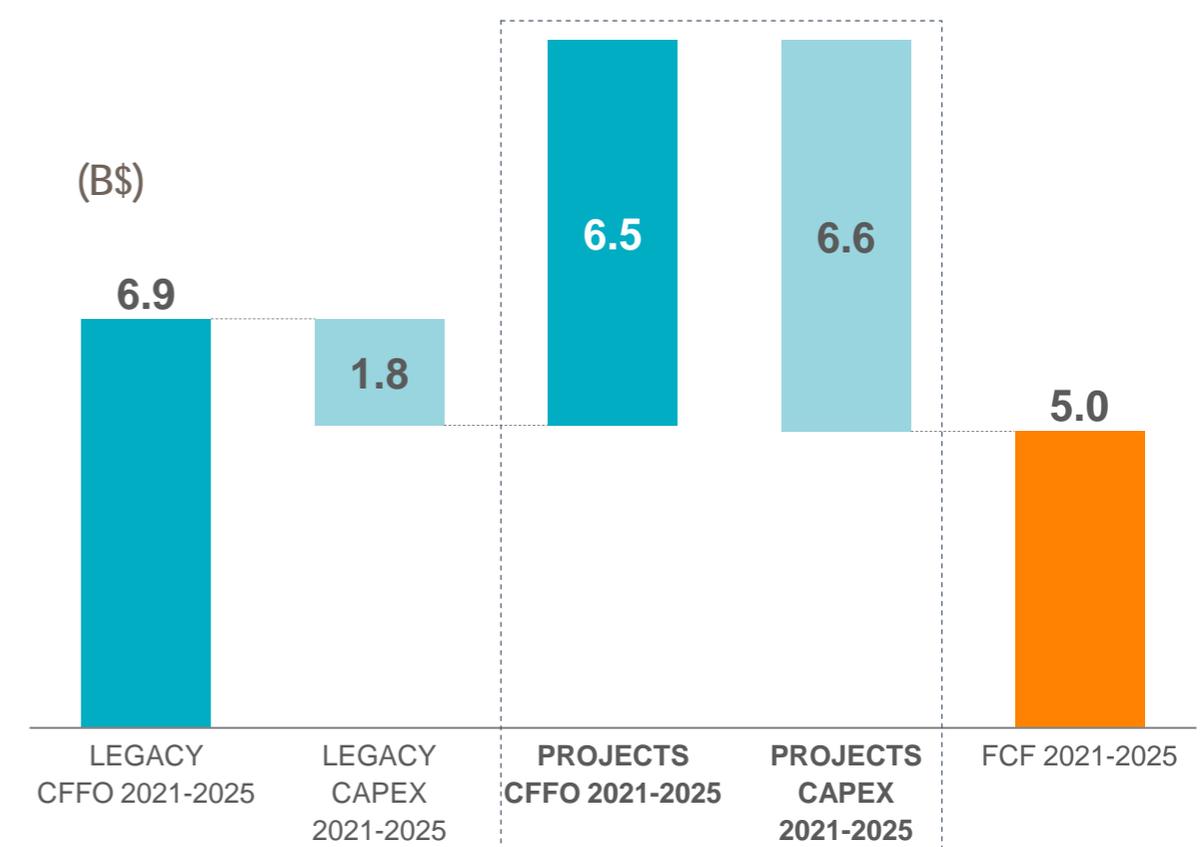
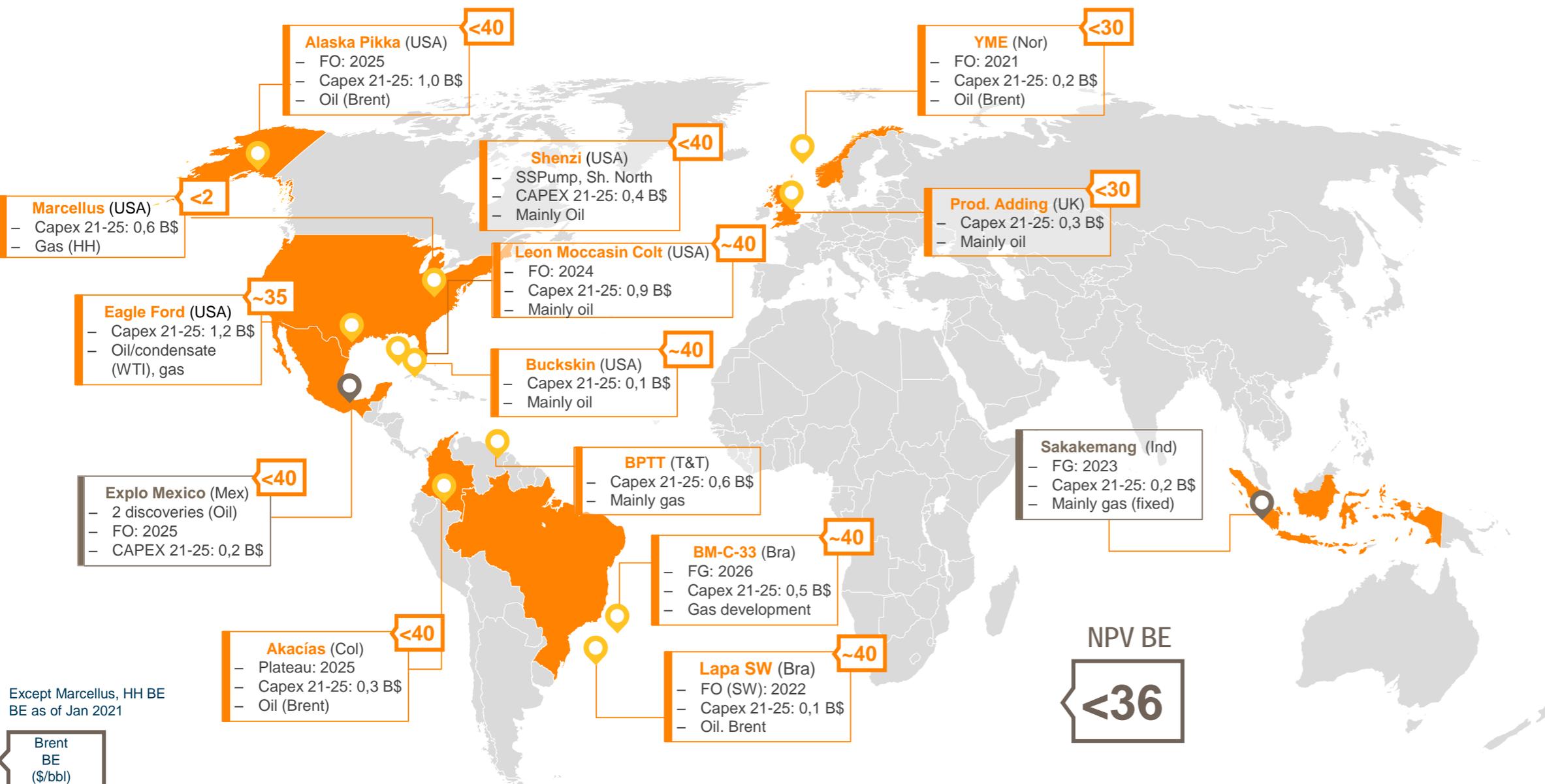
# Focus portfolio and capex allocation: projects self-funded 21-25

Upstream



## Resilient and Flexible capital program

## Self-funded projects



Except Marcellus, HH BE BE as of Jan 2021

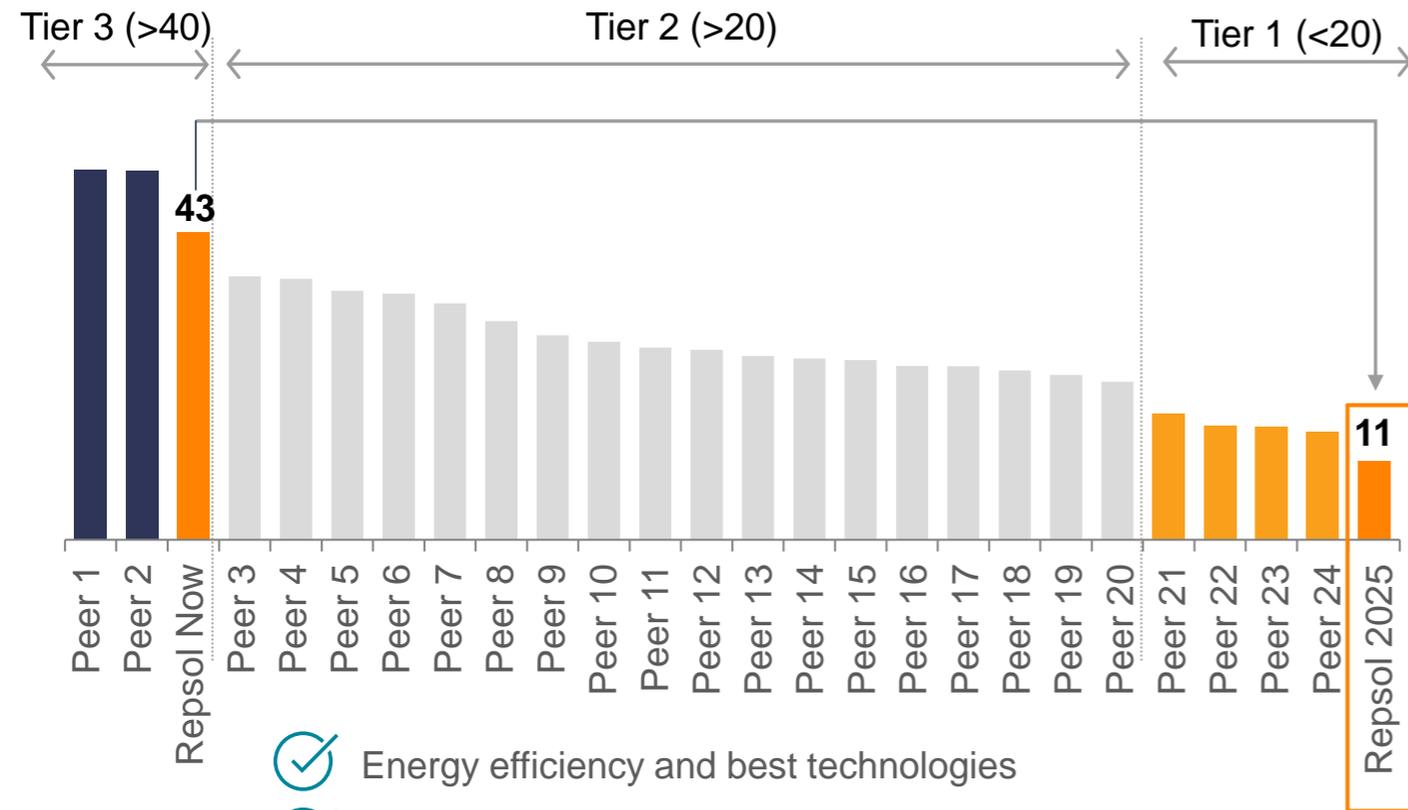
Brent BE (\$/bbl)

# High grading portfolio supporting carbon intensity reduction



## Repsol to become tier 1 lowest carbon intensity with a 75% reduction

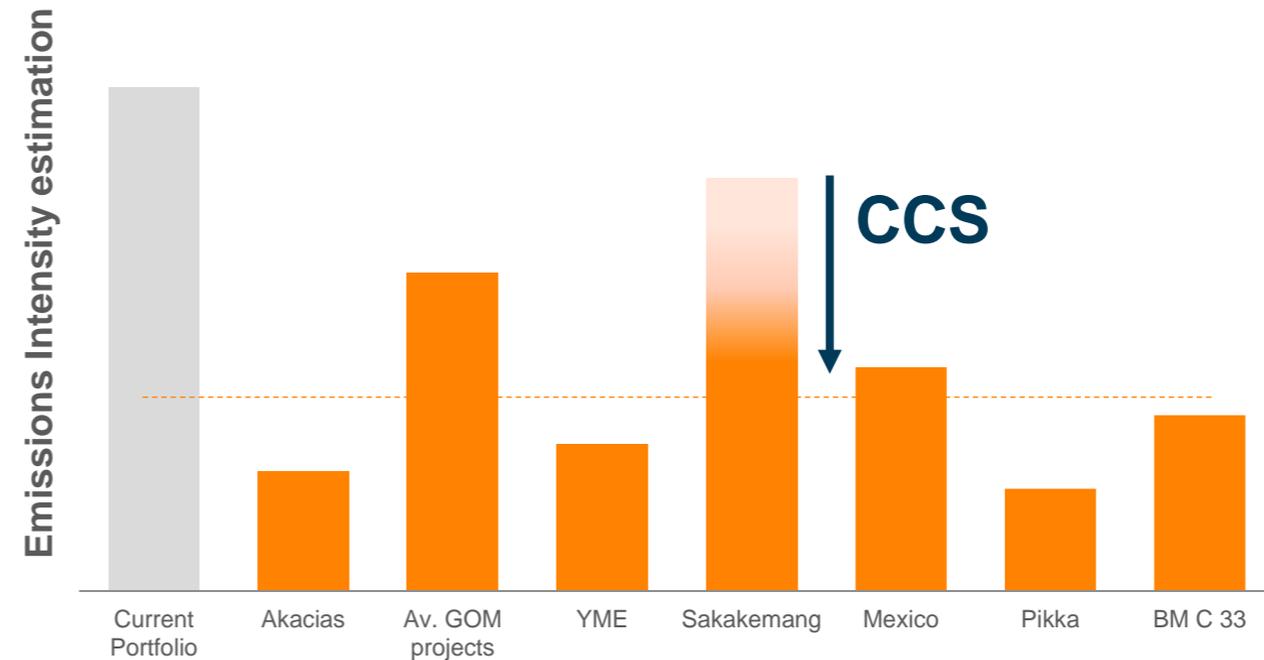
Emissions intensity per barrel produced (kgCO<sub>2</sub>/boe)



- ✓ Energy efficiency and best technologies
- ✓ Decline/exit of carbon intensive and non-core assets

## High growth new barrels with lower emission intensity

New production pushes down emissions intensity



## Emissions reduction projects in most intensive assets

**Sakakemang:**  
 CCS project in FFD phase with 1.5-2 Mt CO<sub>2</sub> per year captured and a total investment of €247 M

Note: The peers considered on the above chart are Eni, Gazprom, BHP, Conoco, Petronas, Hess, Anadarko, Exxon, Woodside, Equinor, CNPC, Total, Occidental, Kosmos, Marathon, CNOOC, Shell, OMV, Chevron, Petrobras, BP, Rosneft, Noble, Apache. 2019 Data  
 Source: Wood Mackenzie Emissions Benchmarking Tool

# Setting the new business priorities



Upstream



Yield and Focus



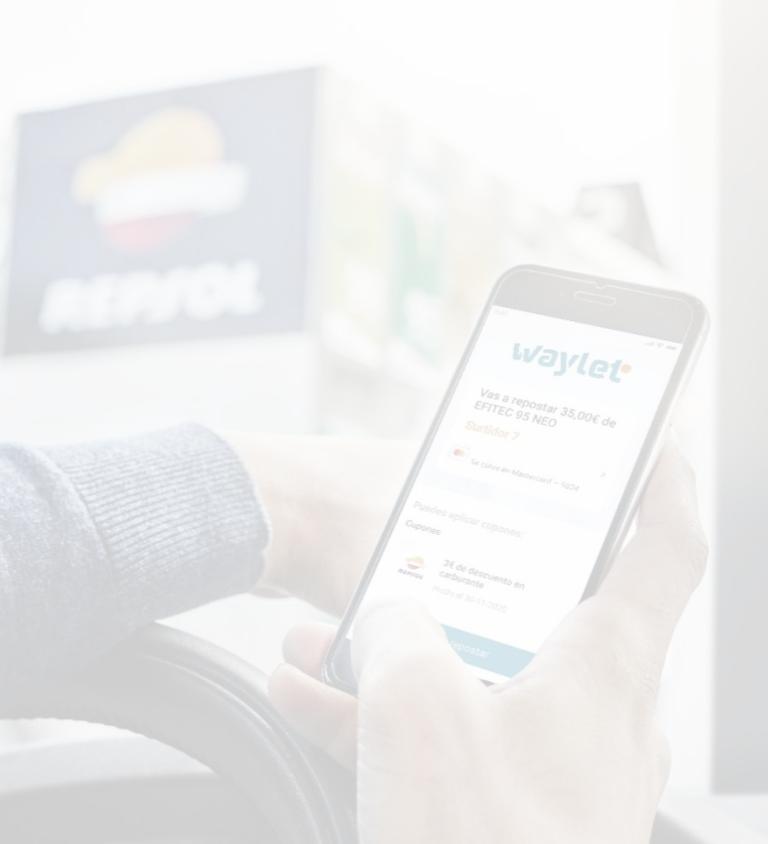
Industrial



Yield and New Platforms



Customer-centric



Yield and Transformation



Low-carbon generation



Business Build

# Maximizing yield and developing the next wave of profitable growth



## 1 Yield

Cash generation in a complex environment

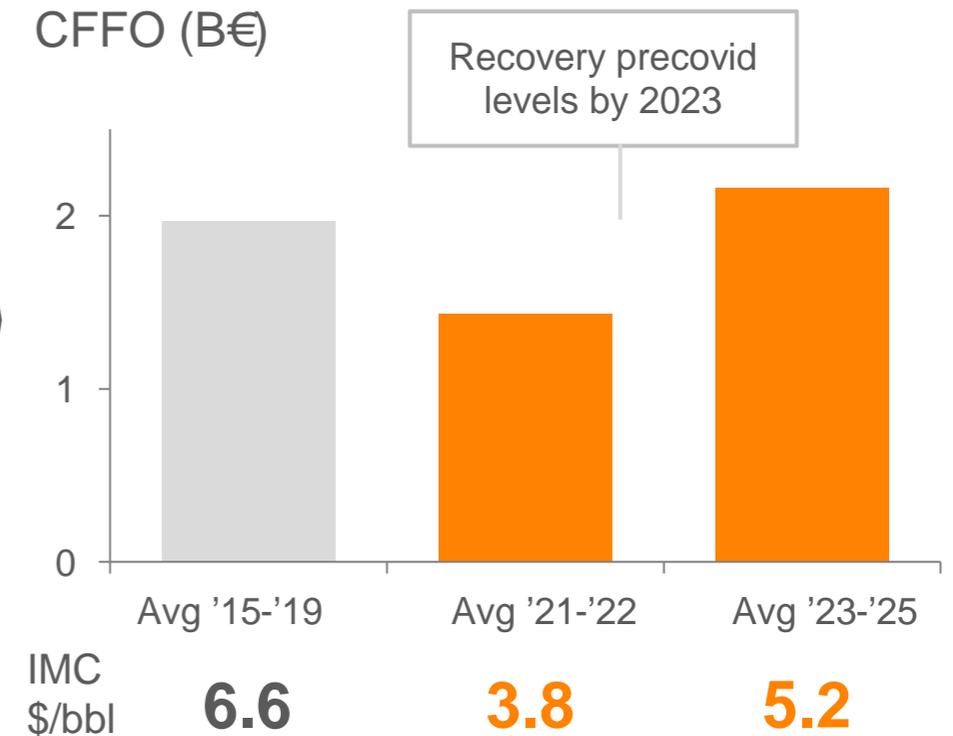
## 2 Digitalization

Industry 4.0 driving integration & improved decision making

## 3 New platforms

Refining <sup>1</sup>	Chemicals	Trading
<ul style="list-style-type: none"> <li>– Net Cash Margin 1Q Solomon and Wood Mackenzie</li> <li>– <b>Advantaged position</b></li> <li>– Enhancing competitiveness and <b>operational performance</b></li> </ul>	<ul style="list-style-type: none"> <li>– <b>Differentiation</b> with high value products</li> <li>– <b>Growth</b> in incoming opportunities</li> <li>– <b>Feedstock flexibility</b>: 60% LPGs to crackers vs 25% EU average</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Maximize the integration</b> and value from assets</li> <li>– Incremental <b>growth in key products and markets</b></li> </ul>
<ul style="list-style-type: none"> <li>– <b>Automated</b> and self-learning <b>plant optimization</b> based on real-time data</li> <li>– <b>Enhance asset availability</b> to maximize output and optimize maintenance costs (-5% by 2025)</li> <li>– <b>Integrating value chain management</b> through planning models based on AI and machine learning</li> <li>– <b>Smart energy optimizers</b> to reduce consumption and GHG emissions (-0.1 Mt CO<sub>2</sub>)</li> </ul>		
<ul style="list-style-type: none"> <li>– Leadership in <b>new low-carbon businesses</b> (hydrogen, waste to x, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Circular platforms</b> (recycling and chemicals from waste)</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Grow in low carbon businesses</b> (biogas/biofuels, CO<sub>2</sub>, etc.)</li> </ul>

## Maximizing margin across businesses through a highly integrated position



Resilient and cash generator also in a complex environment

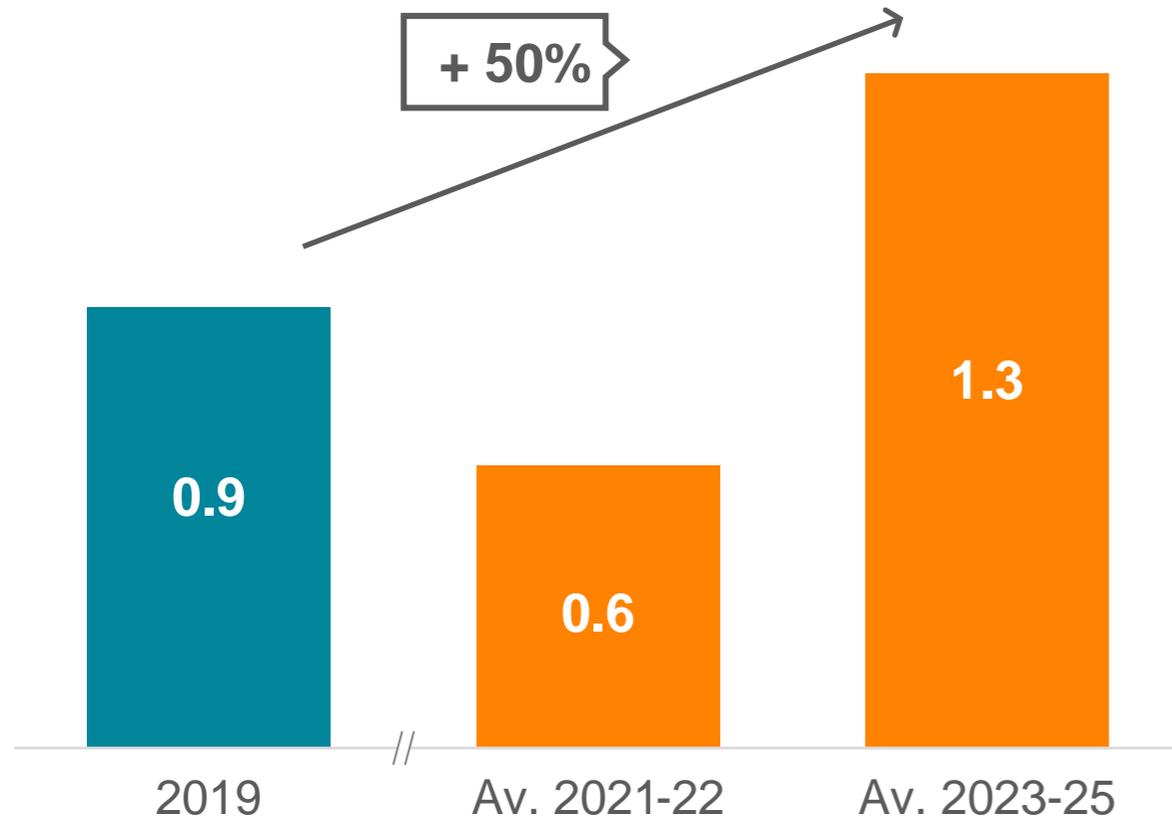
1. Includes Spain and Peru R&M

# Solid cashflow generation and new businesses build up

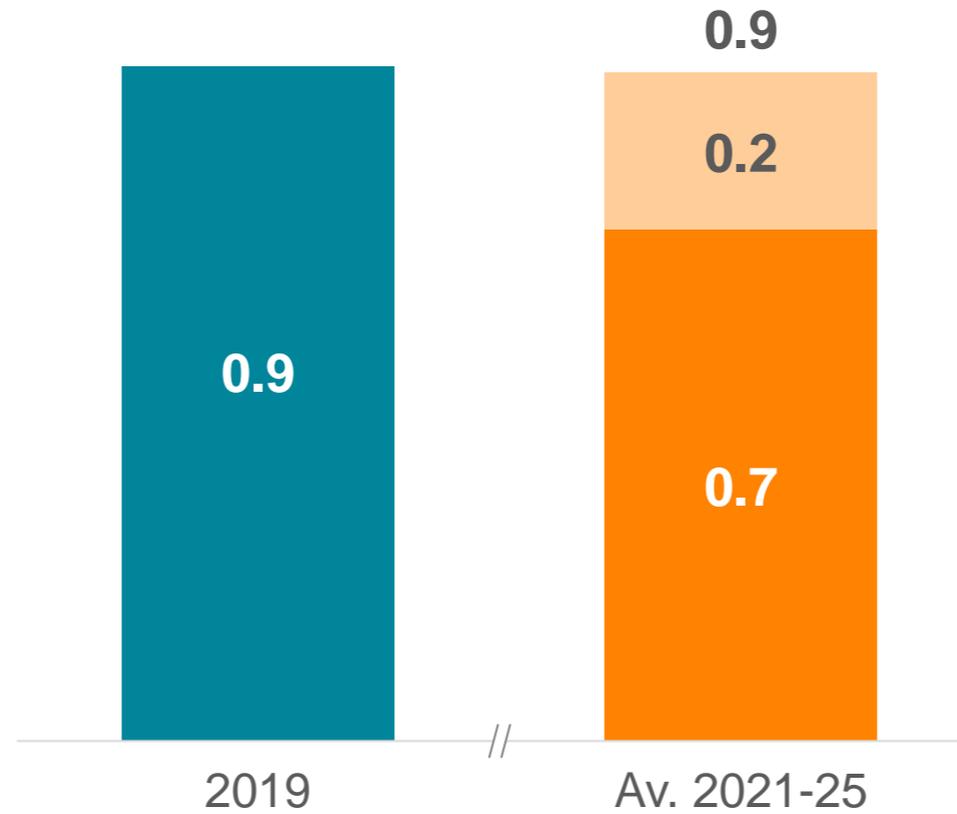
Industrial



FCF (B€)



CAPEX (B€)



Low carbon

**2025 BE<sup>1</sup> reduction >\$1.5/bbl**

**CO<sub>2</sub> reduction<sup>2</sup> by 2025 > 2 Mt CO<sub>2</sub>**

1. For Refining business 2. Scope 1+2+3 emissions

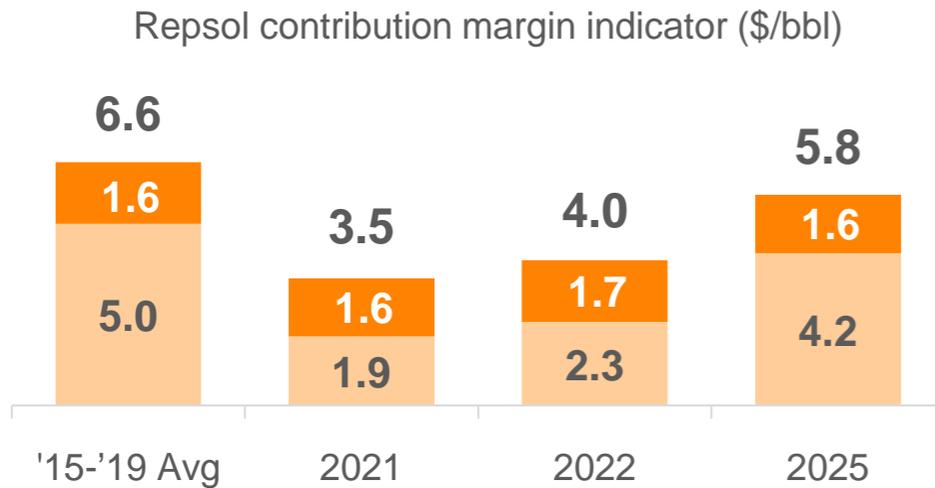
# Maintaining competitiveness in a complex environment

Refining



## Maximizing margins

Refining Margin Indicator projections progressively recovering<sup>1</sup>



Reference<sup>2</sup>  
 Repsol contribution margin indicator differential vs. reference

## Strong focus on competitiveness increase

### Maximizing margins

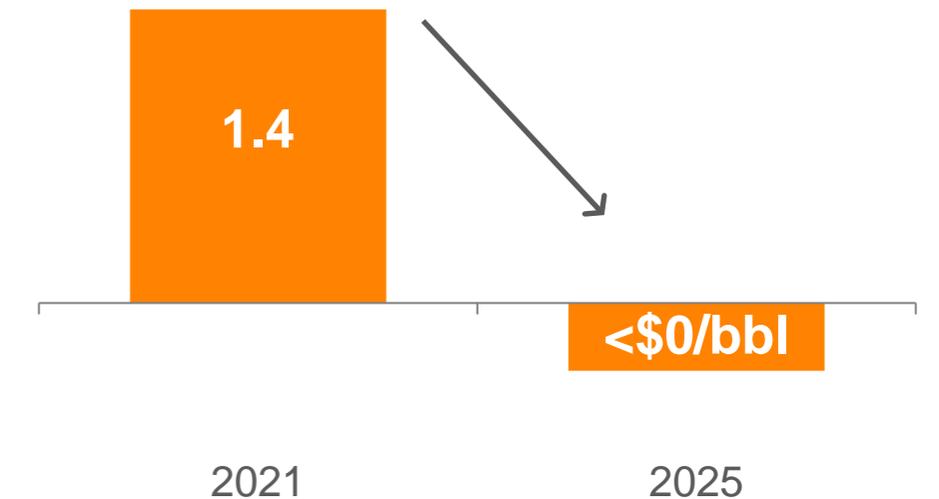
- Supply chain: Greater integration with Trading / Petrochemicals
- Further digitalization of planning and operation
- Operational excellence: Energy Intensity Index (25-25 Plan), up to 97% operational availability, yields optimization

### Opex Optimization

### New decarbonization platforms returns

## Reducing breakeven to support cashflow generation

EBITDA refining margin breakeven @Repsol contribution margin indicator (\$/bbl)



1. Repsol consistently above market reference (+\$1.6/bbl '15-'19) 2. IHS NWE Sweet Cracking Refining Margin adjusted on homogeneous crude price basis @\$50/bbl; projections from November 2020.

# 25/25 decarbonization program with strong contribution to margin improvement and CO<sub>2</sub> reduction



## Maximizing energy efficiency with attractive returns

 Adopting **best-in-class technologies**

 Exploration of **energy use opportunities** and **utilities optimization**

 **Digitalization** of operations and integration with AI

### Industrial energy efficiency 2021-2025

**>20%** estimated IRR      **-0.8 Mt** CO<sub>2</sub> reduction<sup>1</sup>

**€0.4 B** Total Capex

**>200** Initiatives identified

## New low carbon business selected projects

### C43: Waste & UCOs treatment plant

Advanced HVO plant - Reducing 900 kt/y CO<sub>2</sub> emissions

Investment

€188 M

Capacity

**250 kta** Sustainable biofuels  
**300 kta** From waste per year  
**Cartagena**

### Chemicals circularity

- Zero project: chemical recycling of used plastics
- Reciclex project: mechanical recycling of polyolefins

Investment

€70 M

Capacity

**74 kta** Circular polyolefins<sup>2</sup>  
**Puertollano**

### Biogas generation plant from urban waste

Biogas to substitute traditional fuel consumption

Investment

€20 M

Capacity

**10 kta** Urban waste  
**Petronor**

### Net zero emissions fuel plant

E-fuel production from renewable hydrogen (electrolysis) and CO<sub>2</sub>

Investment

€60 M

Capacity

**10 MW** Electrolyzer  
**Petronor**

1. Scope 1+2 emissions 2. Recycle 20% equivalent of our polyolefins production by 2030, target to which other technologies will also contribute (e.g. gasification)

# Setting the new business priorities



Upstream



Yield and Focus



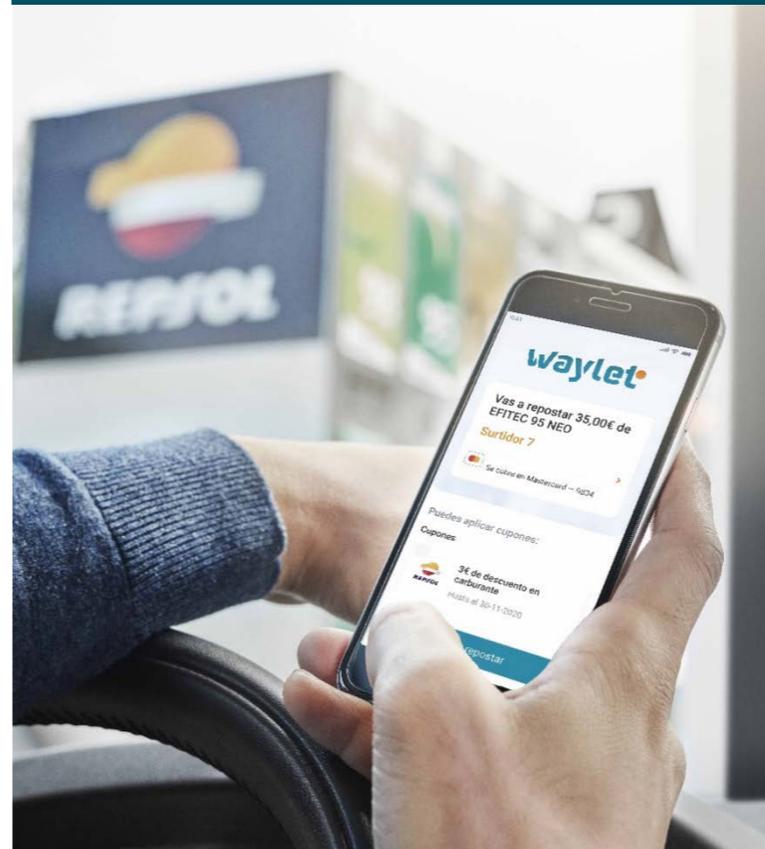
Industrial



Yield and New Platforms



Customer-centric



Yield and Transformation



Low-carbon generation



Business Build

# Strong and growing profits and cash generation

Customer-Centric Businesses Strategy 2021-25



**Key foundations**

Longstanding Iberian Energy Leader

Mobility leader in continuous transformation

High-growth power customer business



**Strategic drivers in Energy Transition**

 **Multi-energy**

Cross-sell to current customers and channels, adding new services (E-Mobility, Energy Services & Advanced mobility services)

 **Customer centricity**

Roll out the new transversal loyalty program, developing engagement with end customers

 **World-class digital**

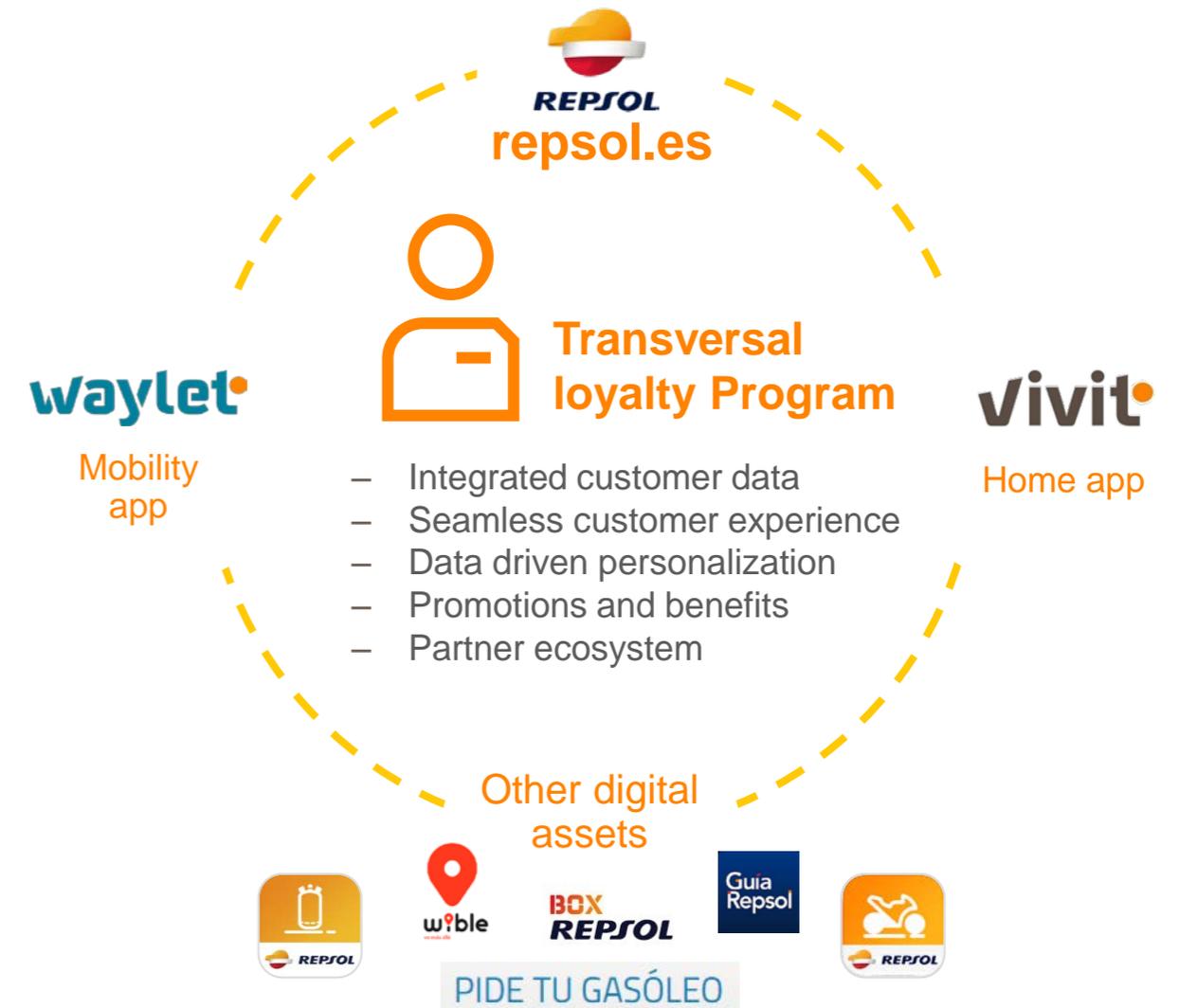
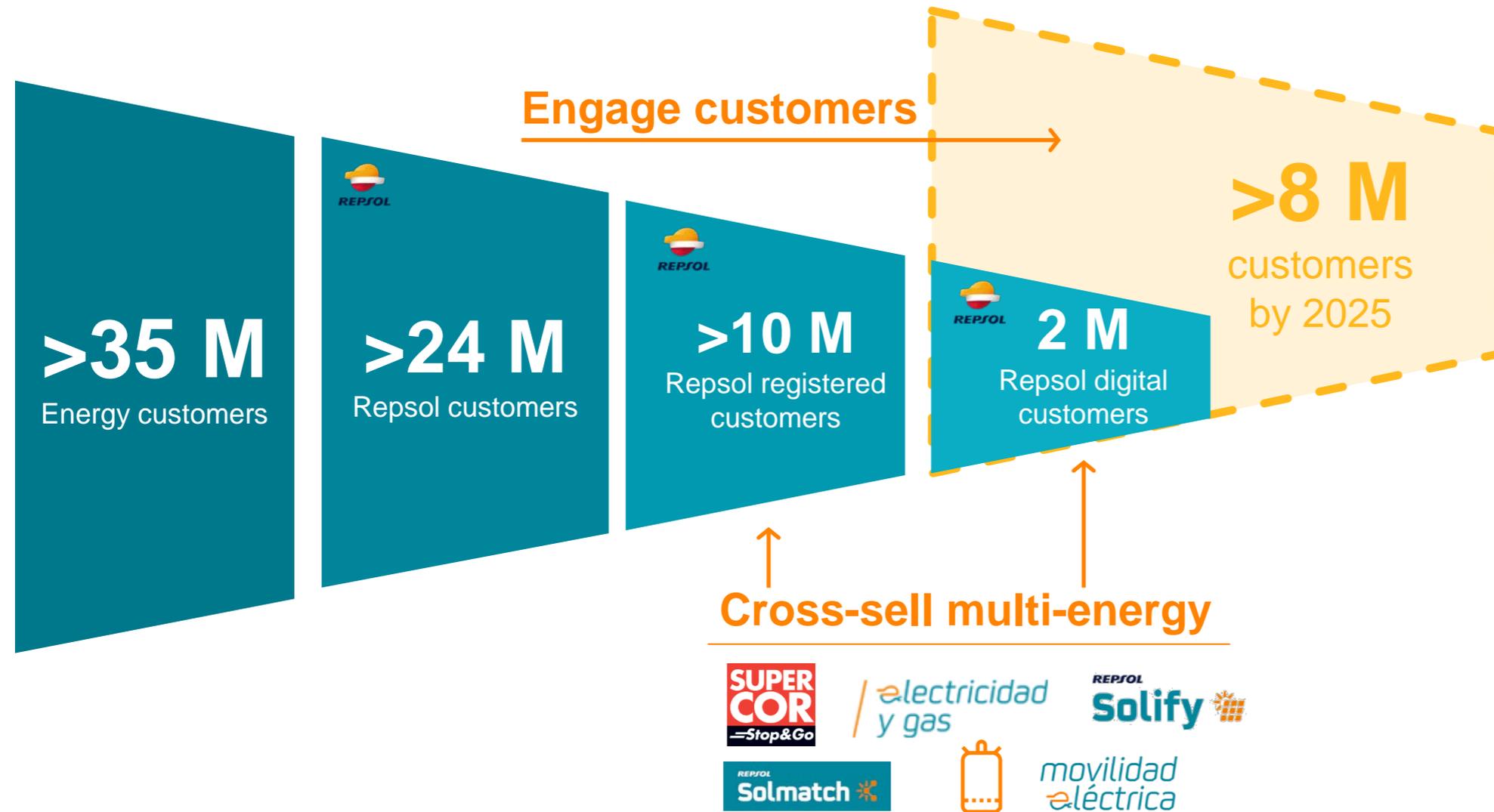
Expand digit platforms for customer engagement (Waylet & Vivit apps), with AI based personalization and advanced pricing



**Ways of working**

More autonomous management, strengthening entrepreneurship culture

# Launching Repsol's Transversal Loyalty Program to orchestrate customer-centric multienergy approach across customer base



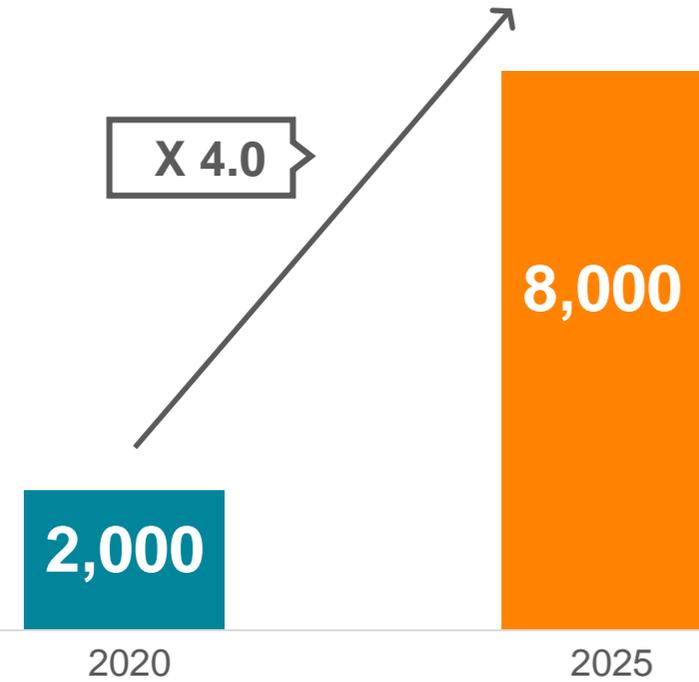
New transversal loyalty program to reach 8 M customers (100% digital) and generate incremental margin by 2025

# Growth ambition with strong FCF generation

Customer Centric Business



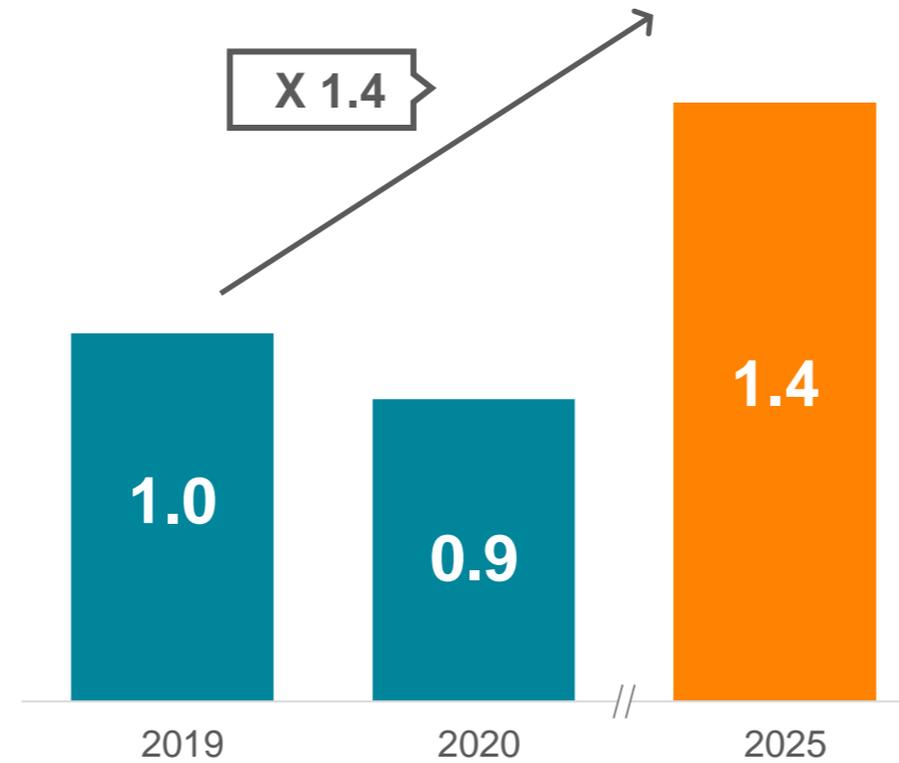
### Digital customers ('000)



1,100 k → 2,000 k

P&G +  
E-Mobility  
customers

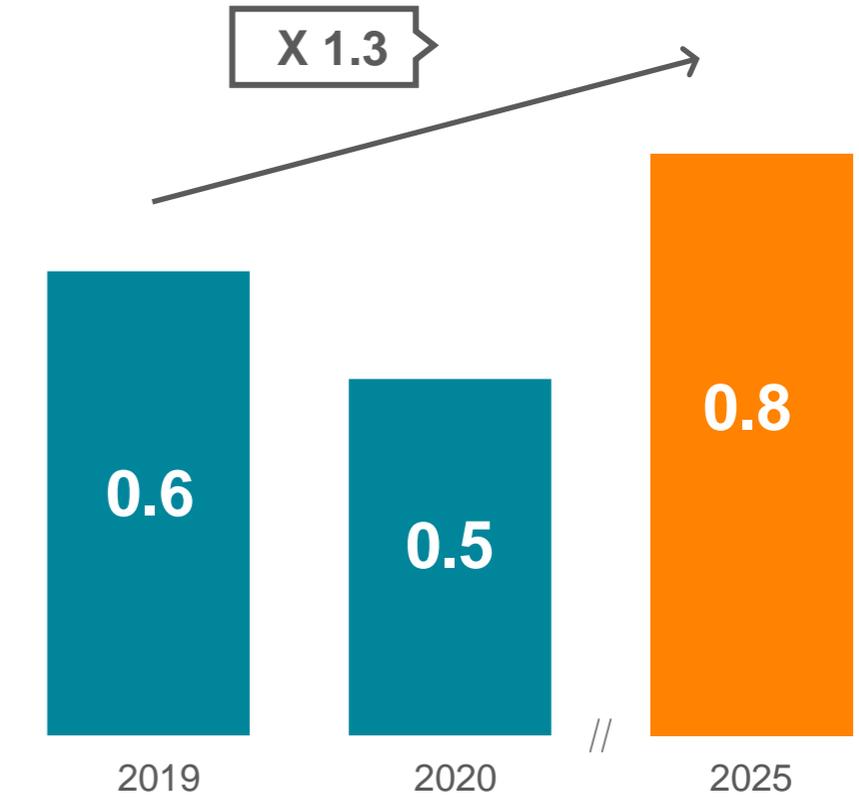
### EBITDA (B€)



Mobility contribution margin (M€) **x 1.15**

Non-oil contribution margin (M€) **x 1.25**

### FCF (B€)



# Setting the new business priorities



Upstream



Yield and Focus



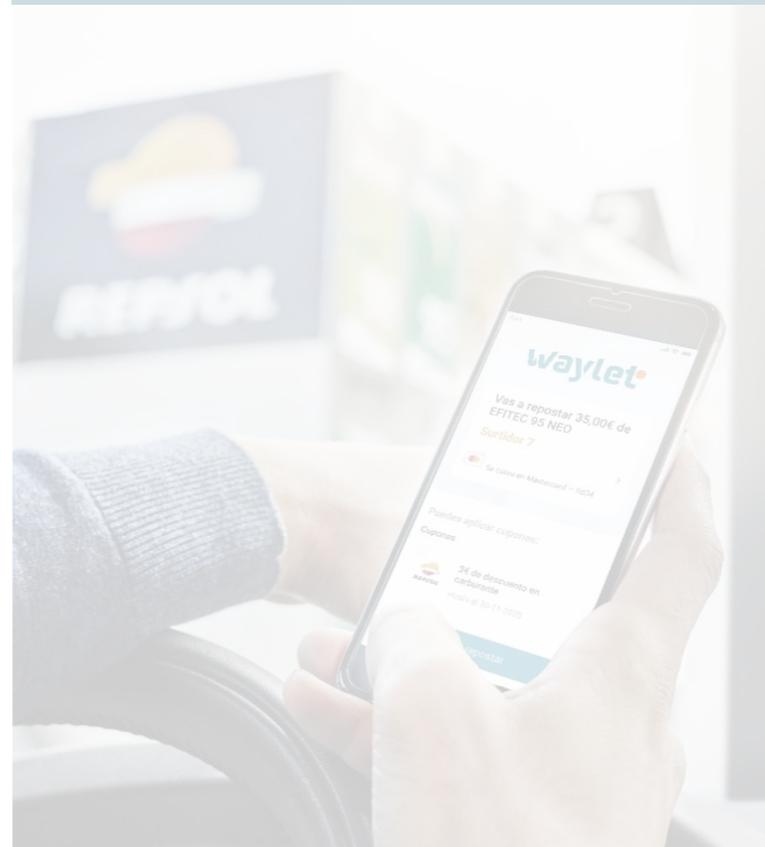
Industrial



Yield and New Platforms



Customer-centric



Yield and Transformation



Low-carbon generation



Business Build

# Developing a competitive RES player with international platforms

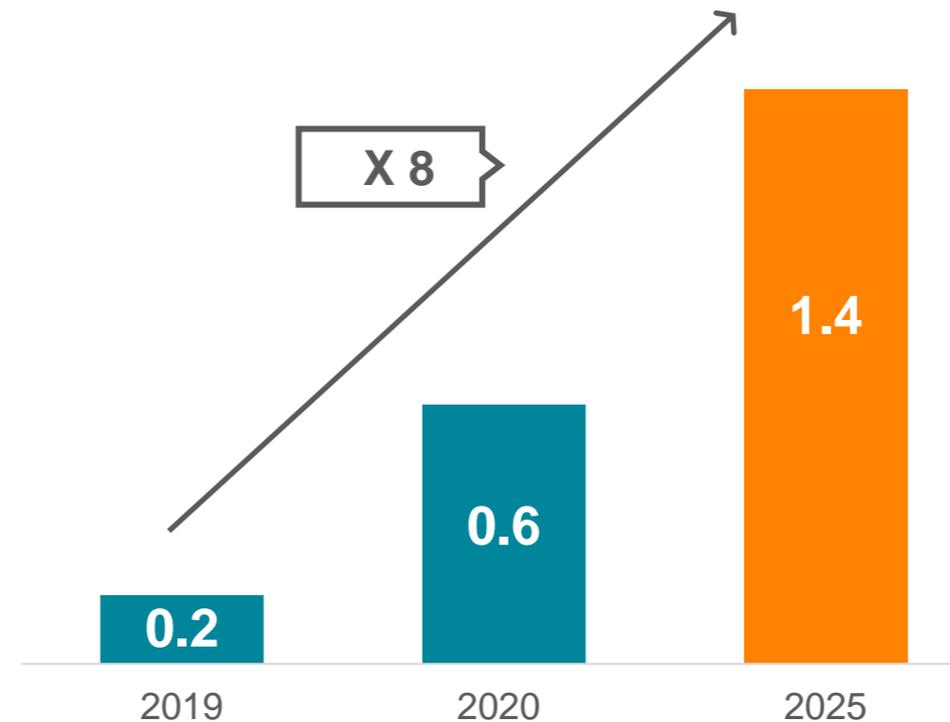


## Estimated low carbon operating capacity (GW)<sup>1</sup>

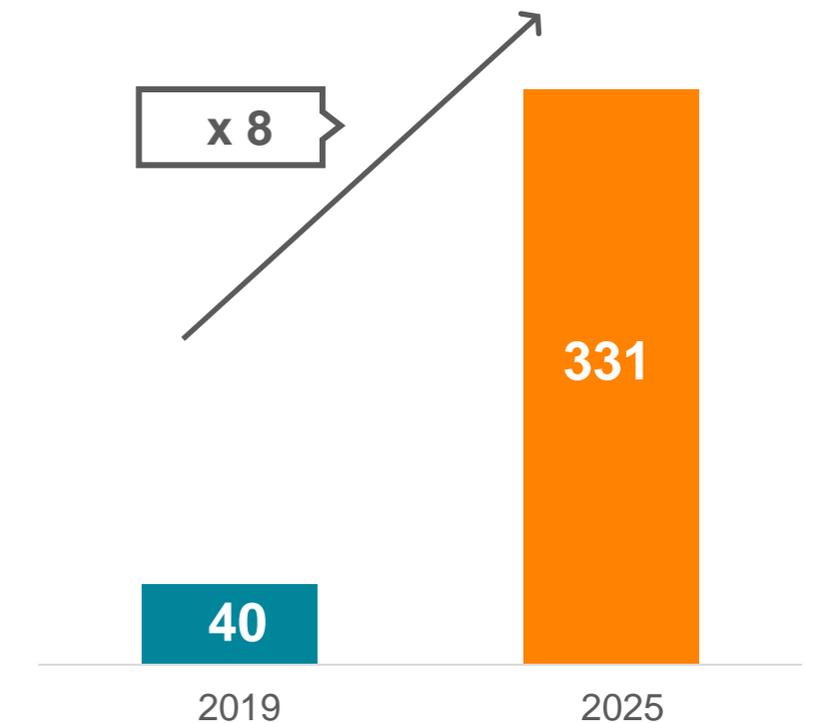
Phase I 2019	3.0 Gw
Phase II 2020-2025	7.5 Gw
Phase III 2026-2030	15 Gw

- Launch **organic growth** – development of Ready to Build and earlier stage assets
- Develop RES **capabilities and project pipeline**
- Build and put in operation pipeline, with **more than 500 MW per year** in early-stage assets
- Create international platforms
- Accelerate organic development to **more than 1 GW per year**
- Optimize portfolio with an opportunistic approach

## Capex (B€)



## Gross EBITDA<sup>2</sup> (M€)

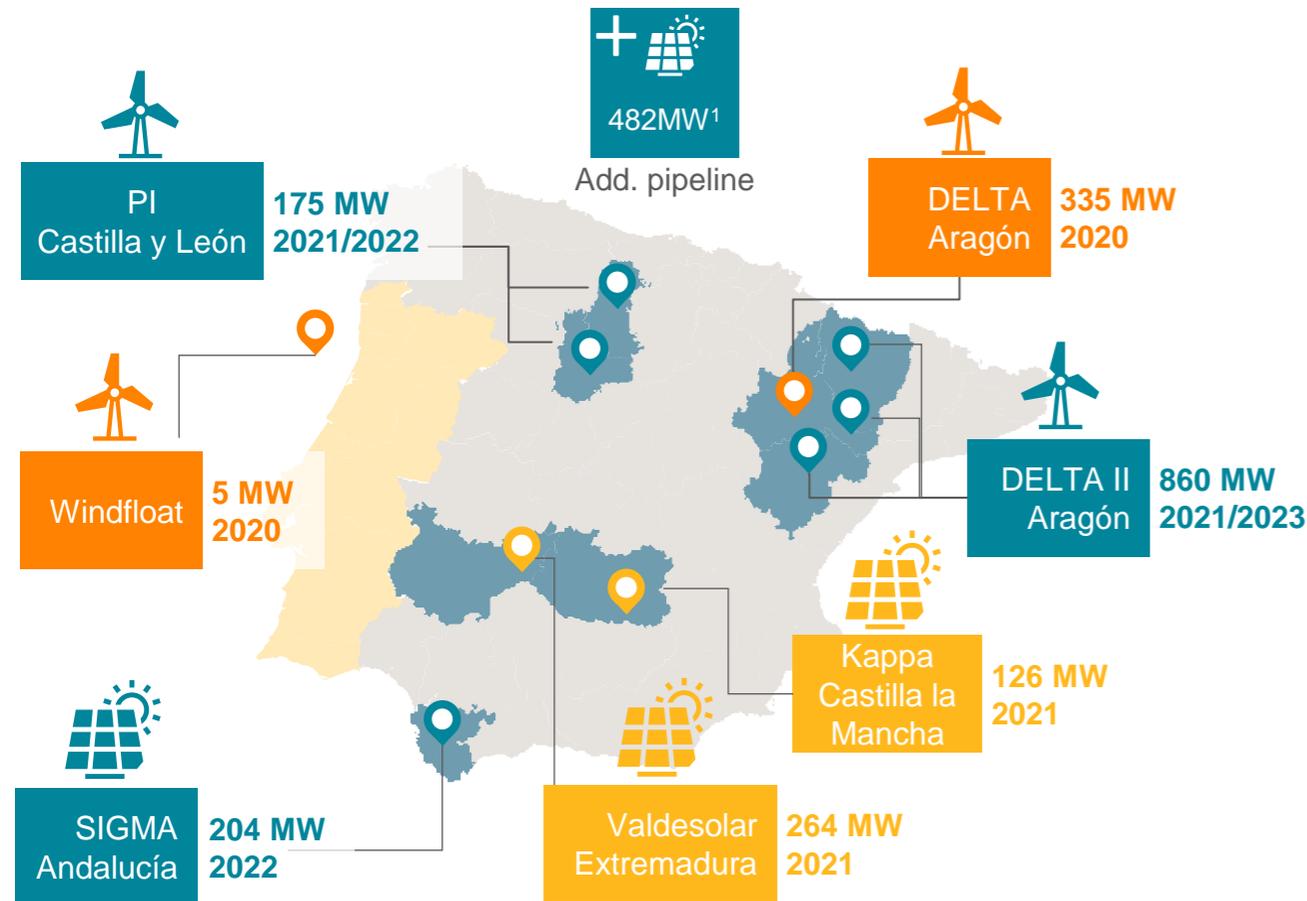


Spanish average power price  
42,5 €/MWh

# Strong portfolio of advanced stage projects with short term material growth and robust profitability



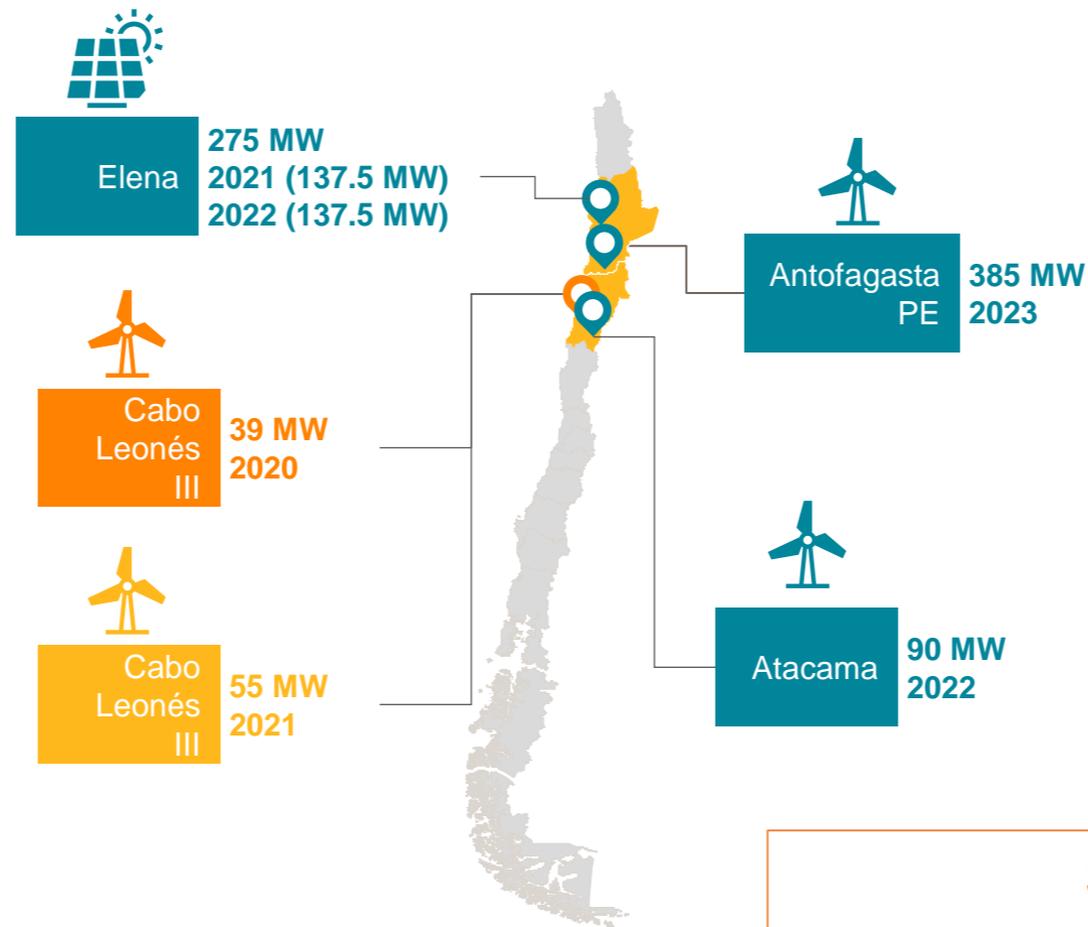
## Spain



Aguayo project (Cantabria), pumped storage of 1,000 MW, to start construction in 2022/23

■ Operating capacity @ End 2020  
 ■ Under construction  
 ■ High visibility pipeline  
 ■ Capacity COD<sup>2</sup>

## Chile



Boosting project returns through management excellence and scale **+3-4% IRR<sup>3</sup>**

- Reduced development costs
- Best-in-class construction and operations
- Energy management
- Optimized financing structure

### Spain<sup>4</sup>

2025	1.0 GW	1.4 GW	0.7 GW
2030	2.0 GW	2.3 GW	1.7 GW

### International

2025	0.7 GW	1.3 GW
2030	3.1 GW	3.6 GW

1. Greenfield projects with interconnection rights, including solar hybridization projects in wind portfolio  
 2. COD: Commercial Operation Date 3. Estimated figures average for wind and solar projects without selling down equity stakes Note: Considering 50% JV stake in Chile  
 4. Not including other conventional generation as Cogeneration (622 MW) and CCGTs (1,648 MW)

# Repsol RES project portfolio in Spain and Chile with attractive economics

Low carbon generation



**SPAIN**

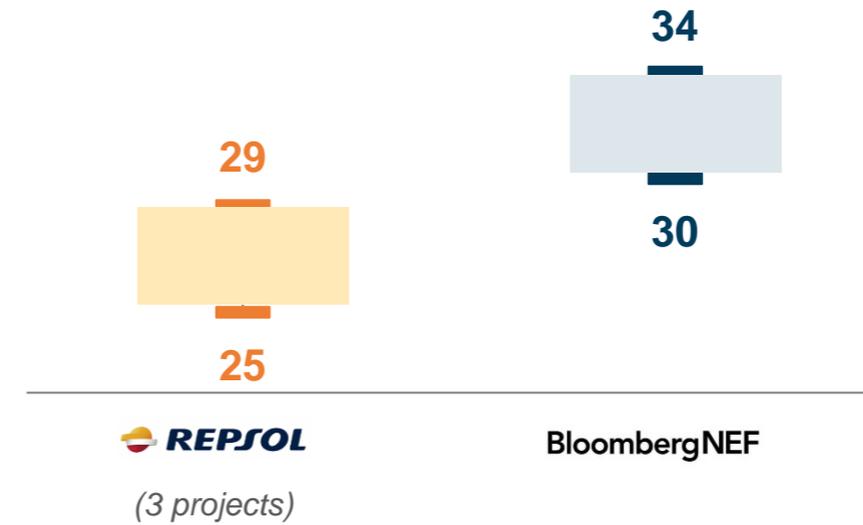
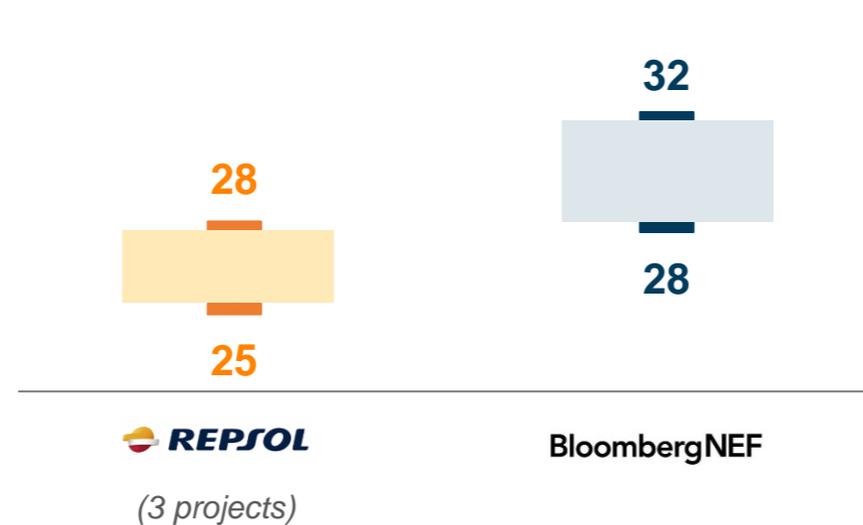
**CHILE**



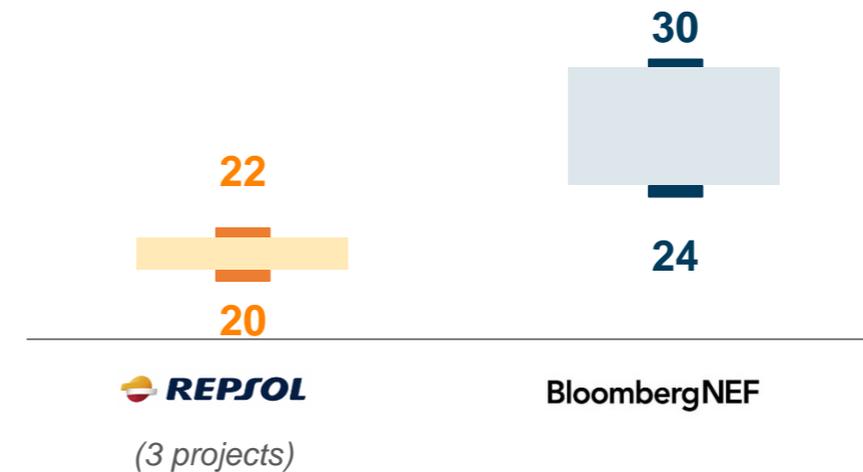
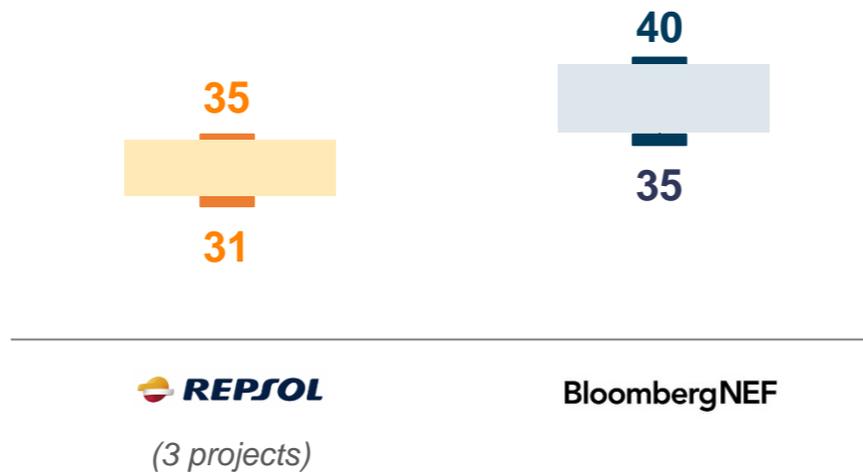
Wind



Solar



**10% - 12%**



**12% - 18%**

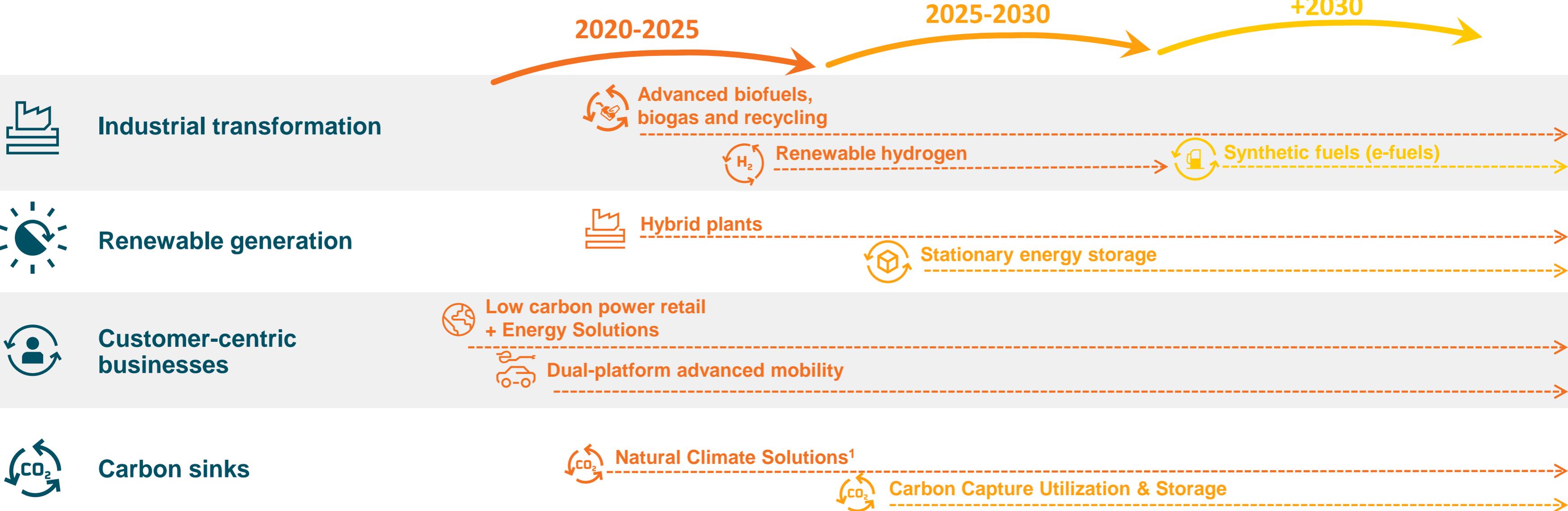
1. Note 1: Repsol COD 2020-23 projects Levelized Cost of Energy vs. BNEF<sup>1</sup> Spain LCOE references. Note 2: Repsol COD 2021-23 projects Levelized Cost of Energy vs. BNEF<sup>1</sup> Chile LCOE references. Note 3: BloombergNEF models estimate LCOEs range for each technology and geography in a given period. Repsol projects' LCOEs are calculated with the same methodology used by BNEF. Comparable LCOEs from BNEF used for each set of projects. Average case from BNEF taken. Note: 1.15 \$/€ exchange rate used in LCOEs figures for Chilean assets.

# Stepping up energy transition

05.



# Decarbonization is an opportunity to build business platforms as technology evolves



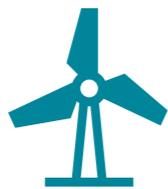
# Ambition to become a leader in the Iberian Peninsula

Renewable Hydrogen



## Multi-technology approach

providing flexibility, and optimizing production



**Electrolysis**



**Biomethane**  
in existing SMRs<sup>1</sup>



**Photoelectrocatalysis**  
proprietary technology

## Largest H<sub>2</sub> consumer (72%) and producer in Spain

Privileged integrated position allowing **arbitrage between self-consumption and other final uses**

**Transportation and e-fuel**  
leveraging SSs

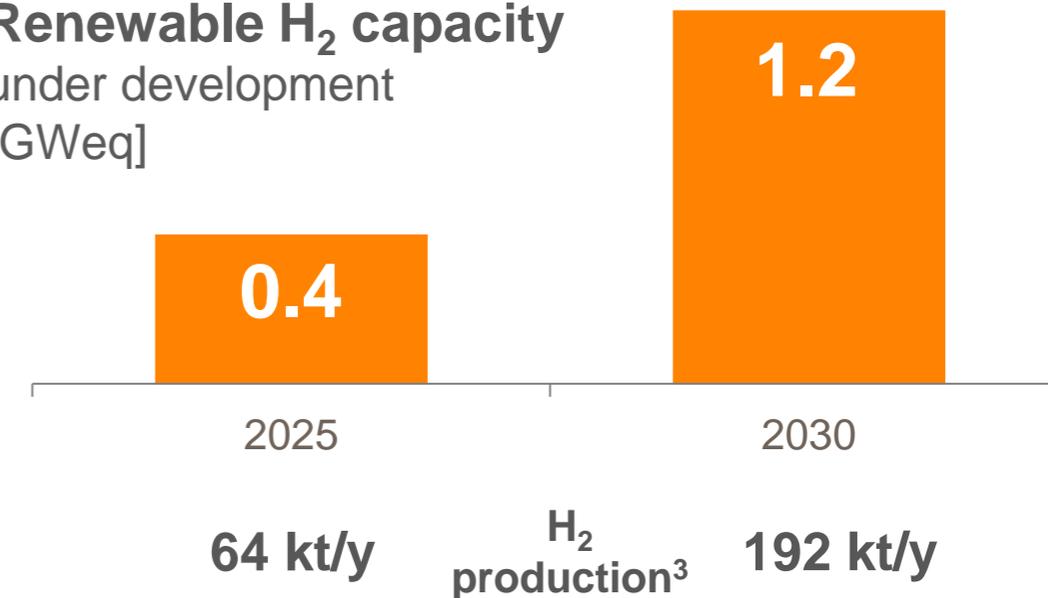
**Gas network injection**  
blended with gas for residential and industrial use

**Industrial feedstock**  
to other players

**Electricity storage**  
for flexible power generation

## Clear ambition<sup>2</sup> to become Iberian leader

Renewable H<sub>2</sub> capacity under development [GWeq]



64 kt/y

H<sub>2</sub> production<sup>3</sup>

192 kt/y

## Repsol to become an active H<sub>2</sub> player

across uses, and a strategic partner to develop the Government ambition

1. Steam reformer 2. Repsol's hydrogen ambition conditioned to access to regulatory changes and availability of EU recovery funds Plan 3. Considering a ratio of 0.02 t/h per MW and 8,000 hours of operation per year based on Repsol's past projects

# Repsol with clear advantages in renewable hydrogen production

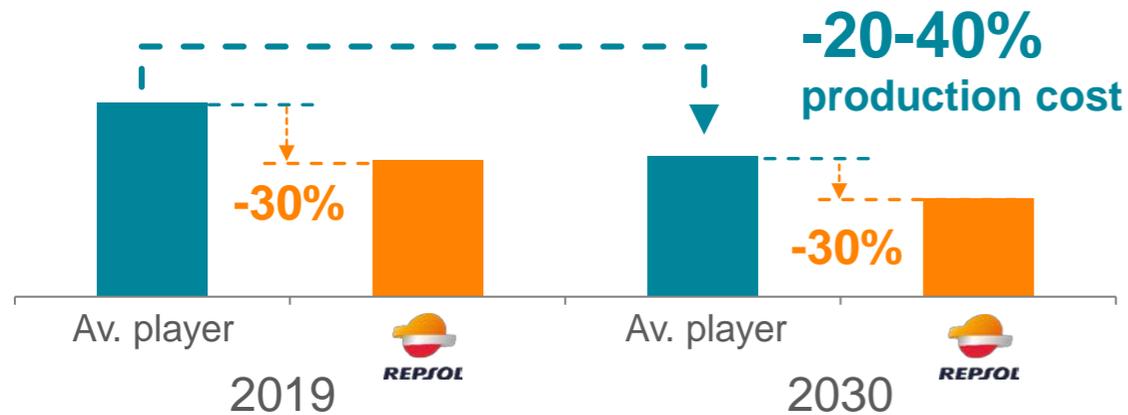


Renewable Hydrogen

Repsol's with an **advantageous position** resulting in **tier#1 LCOH<sup>1</sup> ~30%** lower vs. a local renewable H<sub>2</sub> producer

- Renewable H<sub>2</sub> production from biomethane to become competitive in the short term
- Integration in current sites and with own renewable power generation

Renewable H<sub>2</sub> production cost for an av. player in Spain (€/kg)



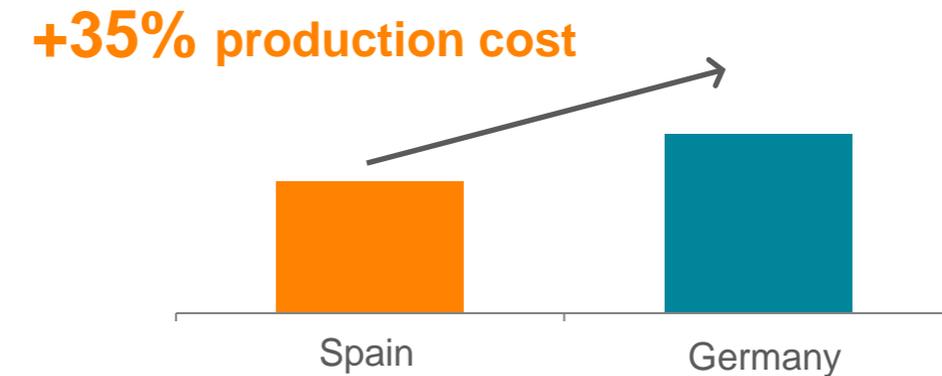
Competitiveness of electrolytic vs. fossil fuel H<sub>2</sub>, expected by 2030, could be brought forward by

- Technology cost reduction (massive adoption)
- Higher carbon price
- Regulatory mechanisms, as/if needed

**Spain, the best EU location** to produce hydrogen with electrolyzers

- Lower production costs due to better renewable resource
- Spain reaching renewable H<sub>2</sub> (with electrolyzers) competitiveness five years before Germany

Production cost via electrolysis in 2030<sup>2</sup> (€/kg)



1. Levelized Cost of Hydrogen assuming 50% of the renewable H<sub>2</sub> production made with biomethane and the remaining 50% with electrolyzers. 2. Spain with an average LCOE of €33.2/MWh and Germany with an av. LCOE of €48.3/MWh in 2030

**Repsol best positioned to lead H<sub>2</sub> development and cost competitiveness as the main consumer in Spain (vs. non-consuming players interested in high prices to drive production)**

# Repsol becoming an advantaged producer

Sustainable biofuels



## Repsol best positioned for sustainable biofuels production



Already a leading biofuels producer, and **first biofuels marketer in Spain** (66% share)



Leveraging our **tier one industrial sites** to produce biofuels in own facilities through modifications of current units

- **Lower Capex:** <€500/t in existing plants (vs. >€1000/t of peer's new plants)



Average projects **IRR >15%**

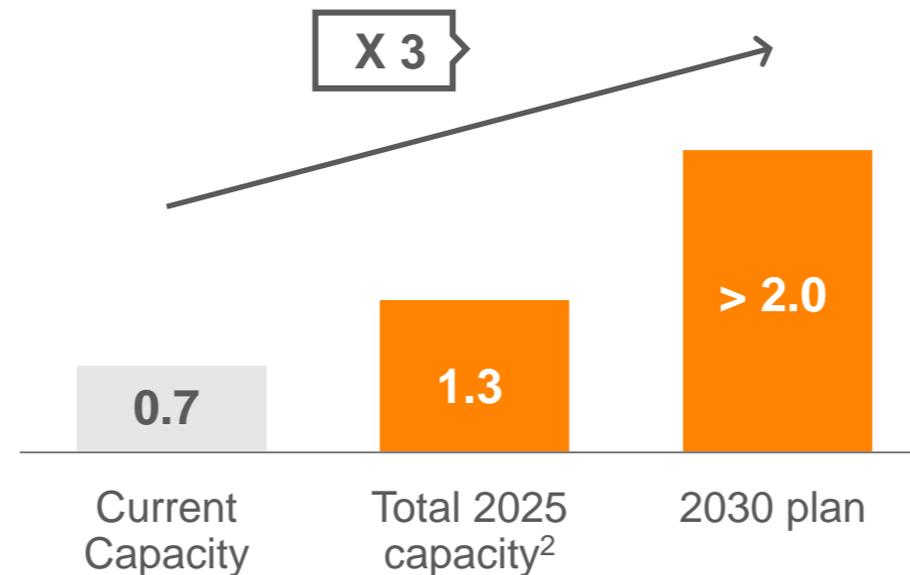


**Positioning, scale and relevance** of our industrial hubs key to secure feedstock

## Reaching > 2 Mta of sustainable biofuels in 2030<sup>1</sup>

### Sustainable biofuels gross production (Mta)

**Updated ambition: from 600kt of HVO to >2 Mt of sustainable biofuels**



Repsol with a **leading sustainable biofuels ambition**

## With a multi-technology and raw material approach

### Use of wastes as feedstock



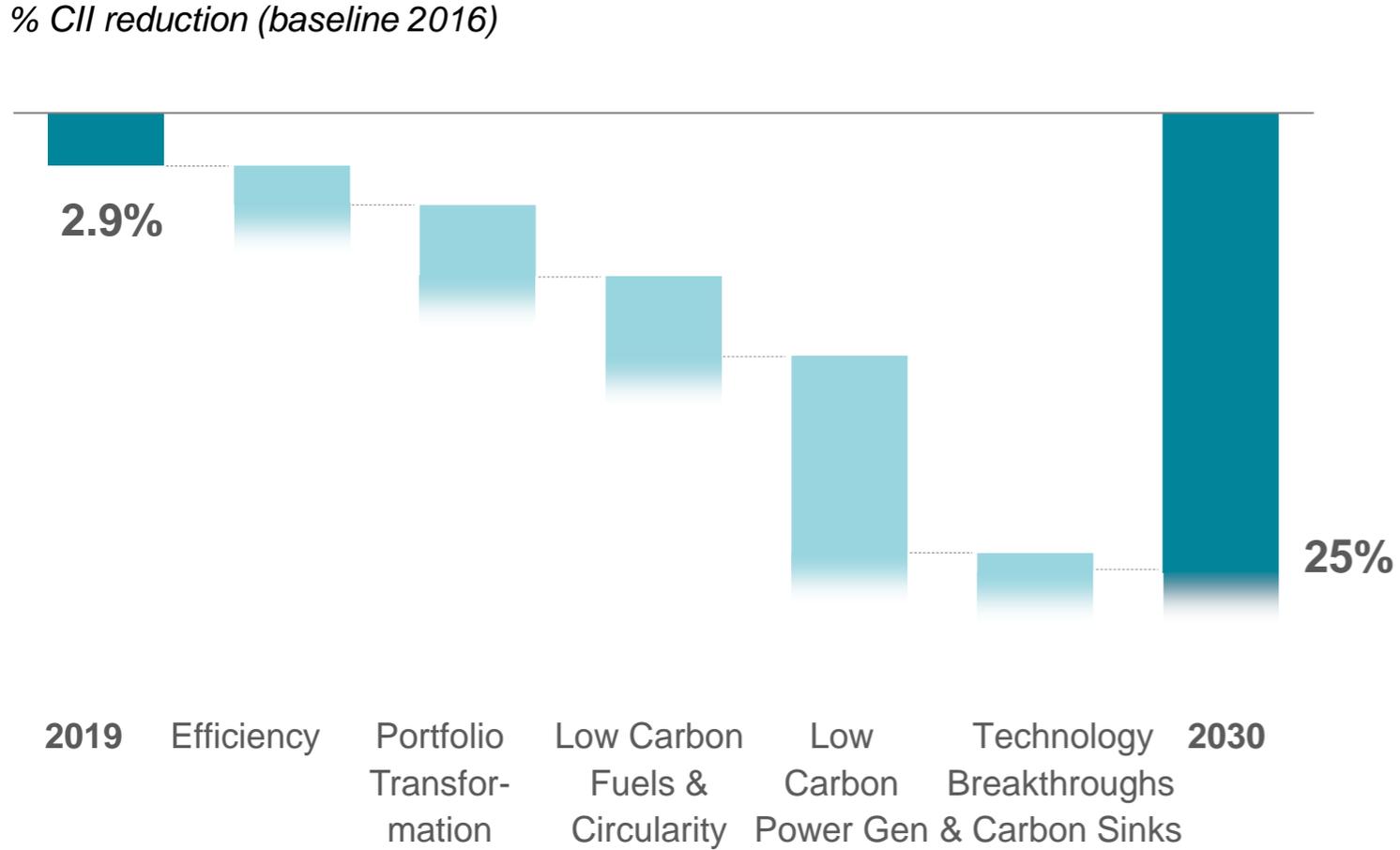
- **> 65% of biofuels produced from waste** by 2030 (up to 100% potentially to satisfy market or regulation demands)
- Large **availability of required feedstock with flexibility** between alternatives
- **~4 Mt of waste<sup>3</sup>** to be used as raw materials by 2030

1. Gross volumes 2. Expected capacity of sustainable biofuels by 2025 includes: 700 kt/y from current existing capacity, 250 kt/y capacity from the advanced biofuels plant in Cartagena, 130 kt/y capacity from a gasification plant to produce methanol and ~300 kt/y capacity through modifications in existing units. 3. Gross volume. It includes Repsol's whole circular strategy: biofuels, circular chemical products and plastics and biogas production

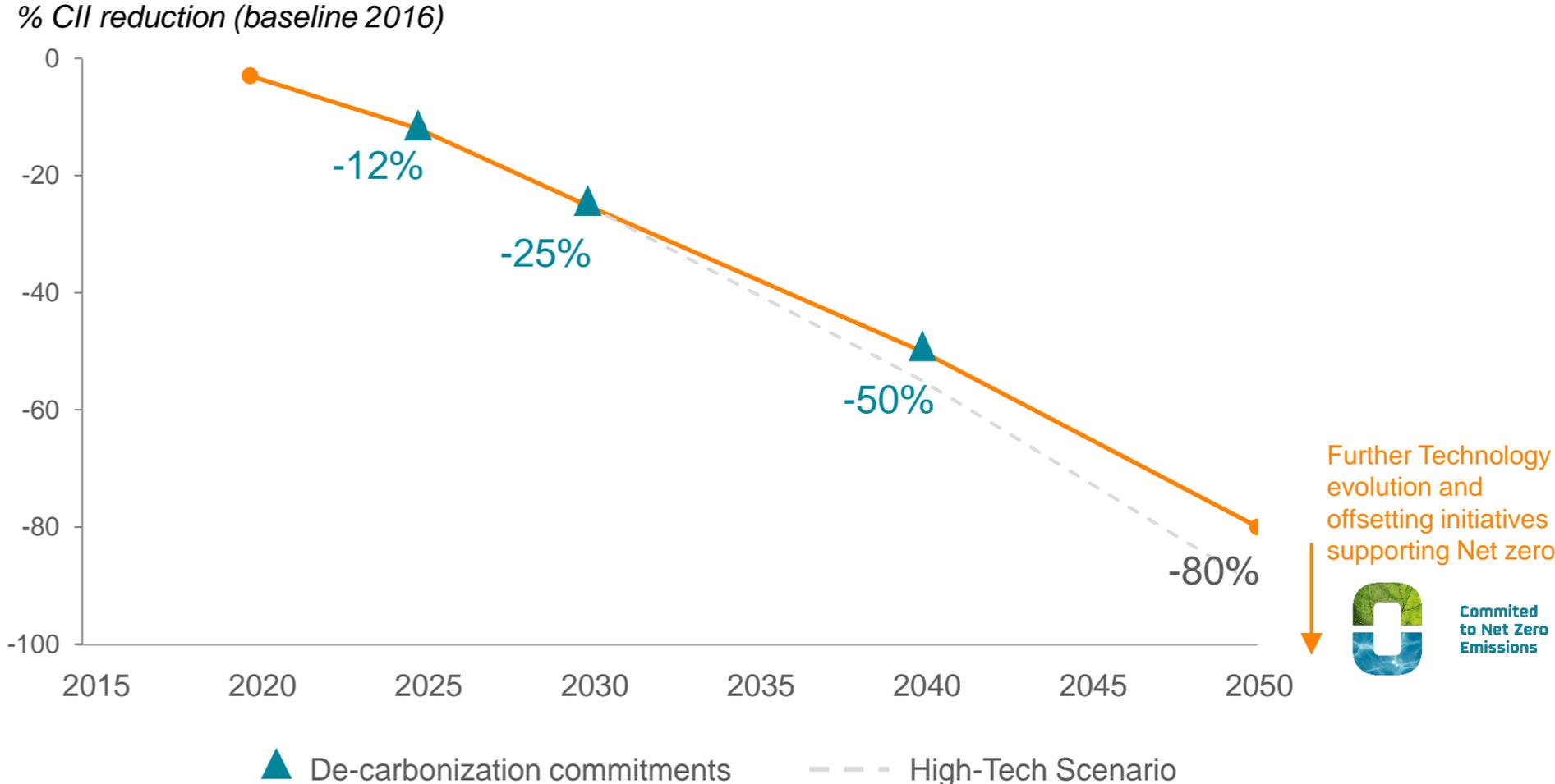
# CII evolution: Repsol speeds up the transformation by increasing its carbon reduction targets from 20% to 25% by 2030



## CII reduction breakdown by decarbonization lever



## A clear decarbonization pathway towards net zero in 2050



# SP summary

06.



# Delivering a compelling investment case into the Transition

Strategic Plan 2021-2025. Driving growth and value with capital discipline

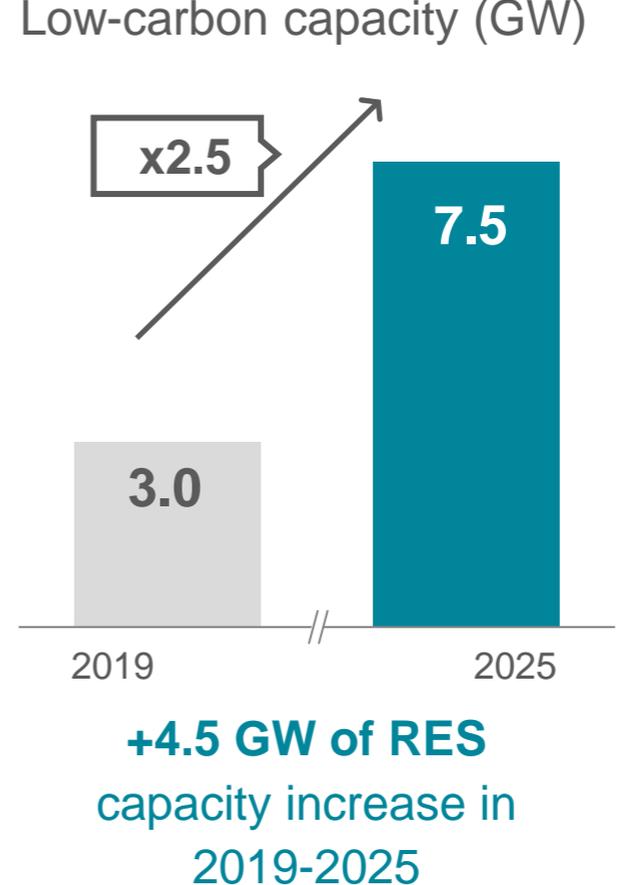
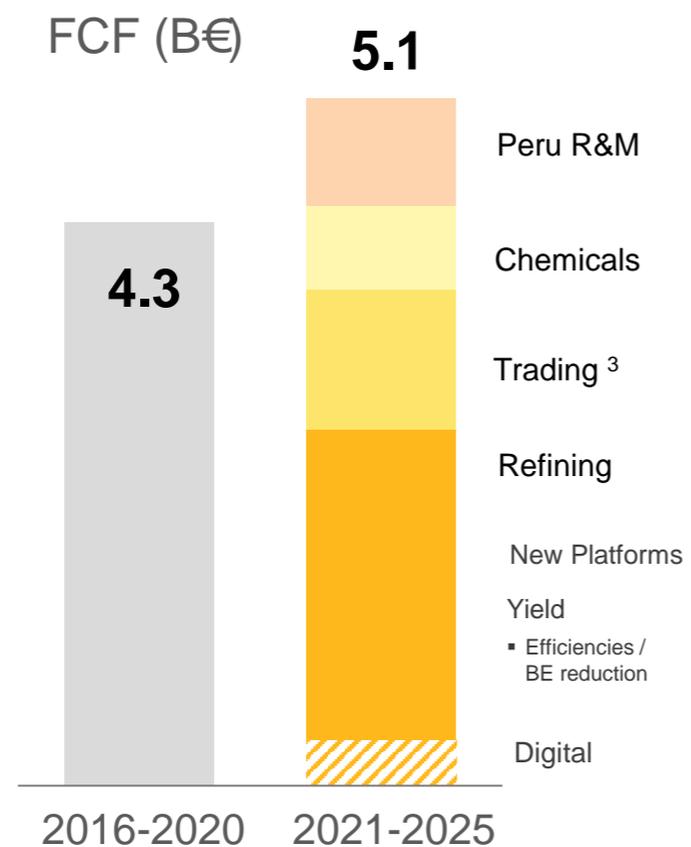
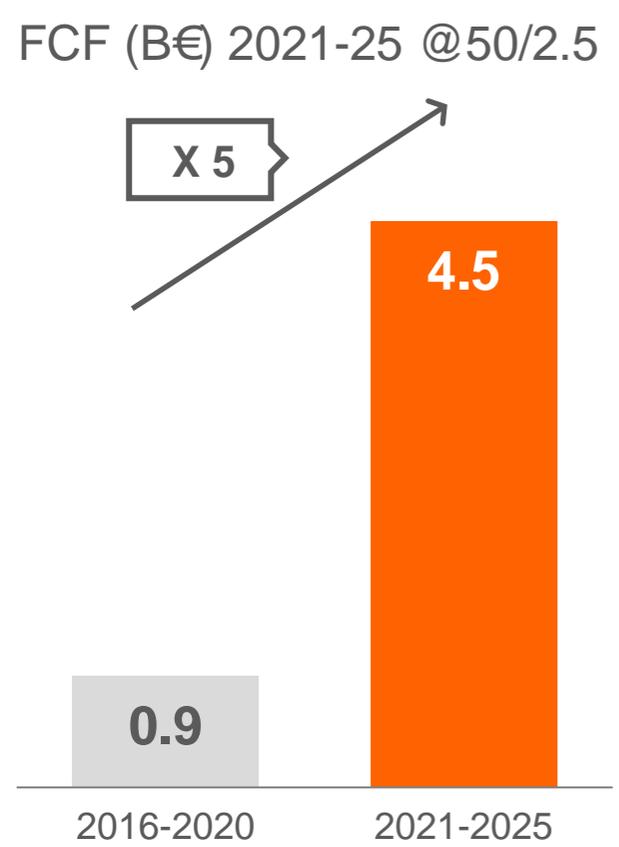


Leading the  
**journey**

to an ambitious  
**destination**

<b>FCF generation</b>	FCF 21-25: €2.2 B/y
<b>Profitable business platforms</b> <ul style="list-style-type: none"><li>– 2021-22: Resilience and Strength</li><li>– 2023-25: Accelerate transformation</li></ul>	EPS 25: €1.8/share CFFO/share +7% CAGR 19-25
<b>New Operating model</b>	RES partner or IPO
<b>Top quartile distribution</b>	DPS: €0.6/sh 2021 ; €0.75/sh 2025 <ul style="list-style-type: none"><li>• SBB: 50 M share/y from 2022</li></ul>
<b>Prudent financial policy</b>	Gearing 21-25: ~25%
<b>Profitable and achievable Net Zero</b>	12% CII reduction by 2025 ROACE 25 +2 p.p.
<b>Distinctive ambition for transformation</b>	30% low carbon CAPEX 21-25

# Main business value growth and ESG KPIs and commitments



- 2025
- 12% IIC reduction<sup>1</sup>
  - 1<sup>st</sup> quartile in CHRB<sup>2</sup>
  - At least **40%** of LTI for CEO and senior management linked to sustainability goals

1. 2016 baseline 2. Corporate Human Rights benchmark. 3. WHT&G included 4. Lubricants, Asphalts and Specialties Note: 2019 @\$50/bbl & \$2.5 HH

**Delivery 2020**

**07.**



# Resilient performance in 2020 and delivery on long-term strategic objectives

Key messages



**Finished 2020 in stronger financial position**

**Solid 4Q20 results close to pre-COVID levels**

**Strong FCF and lower breakevens**

**New Strategic Plan to 2025**

**2021 still in “resilience mode”**

- Resilience Plan delivered over initial targets
- Lower Net Debt and robust balance-sheet
- Delivered on shareholder commitments and decarbonization targets
- 4Q20 adjusted net income in line with 4Q19
- Strong performance of Customer-Centric businesses
- Positive CFFO in all segments
- €2 Bn of FCF in 2020 (€0.8 Bn organic)
- \$30 /bbl Upstream breakeven. Exploration success.
- Sound investment proposition into the Energy Transition
- Growth platforms to 2025+
- Legacy businesses as cash generators
- Progress in 2020 towards SP 2021-2025 targets
- Uncertainty and volatility despite recent oil price strength

# Organic FCF BE at ~\$30/bbl. Exploration success. Progress in decarbonization.



Operational highlights – Upstream

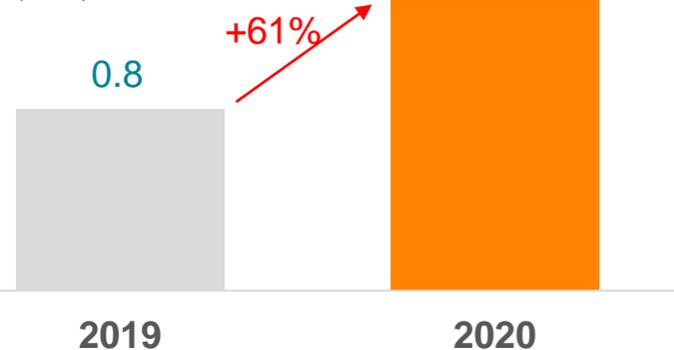
## Opex reduction

(€Bn)

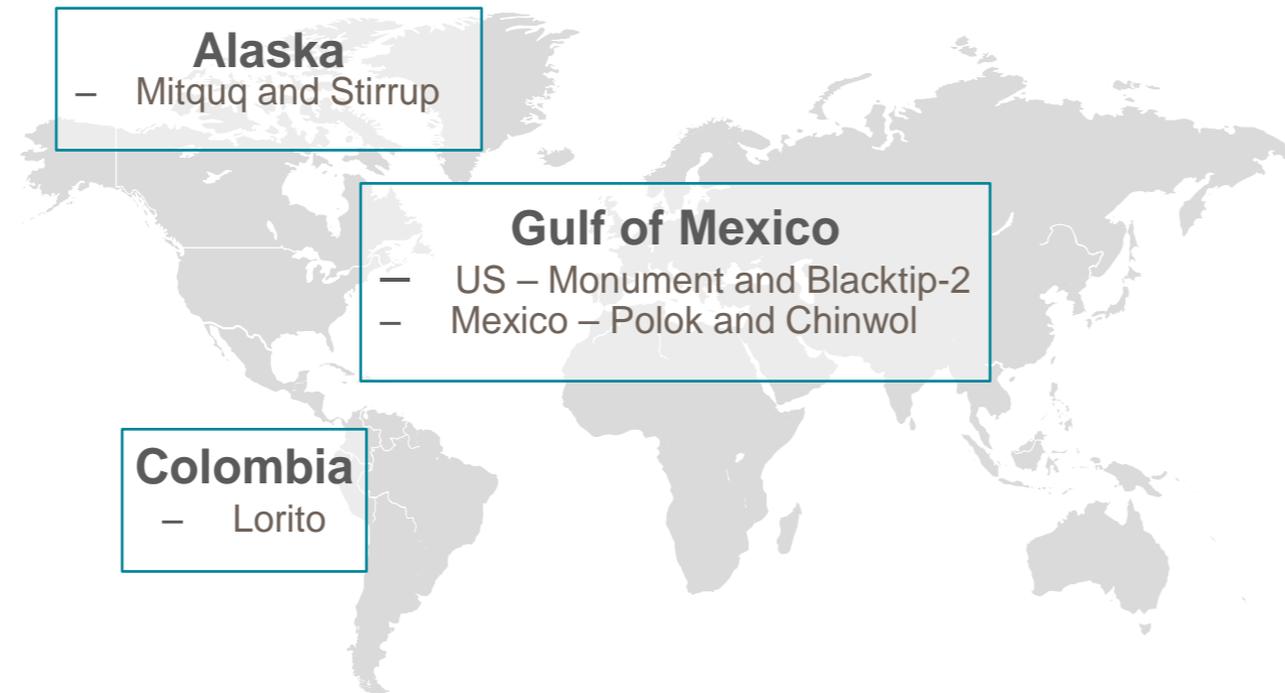


## FCF increase

(€Bn)



## Successful highly selective drilling program in 2020



**Remarkable success rate:** 7 discoveries out of 9 wells completed in 2020

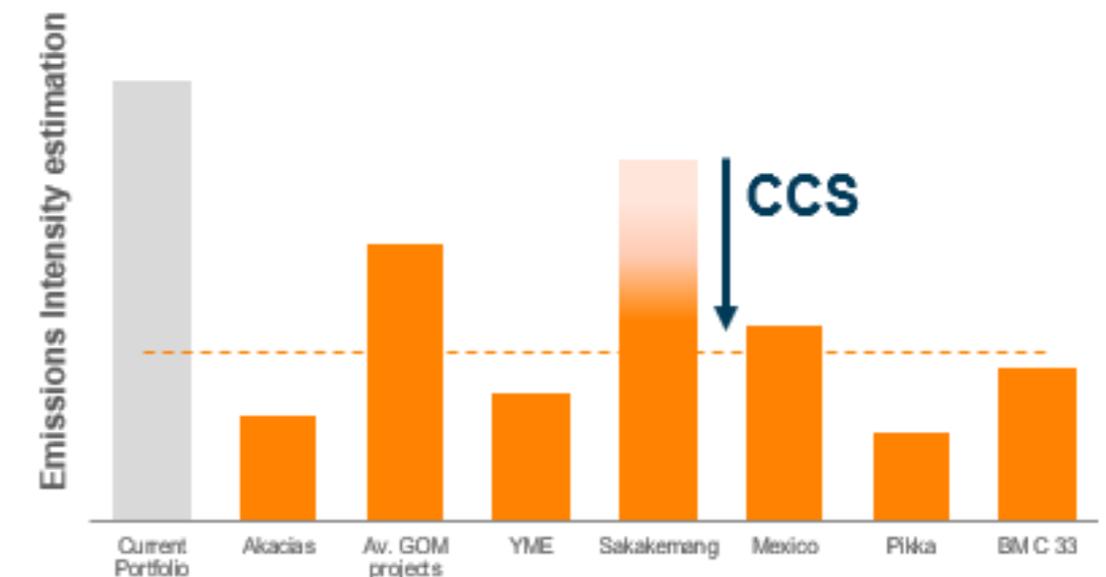
**Focused exploration:** 8 of 9 wells drilled in productive basins. Exploration costs 27% lower than in 2019.

**High impact:** Polok (Mexico), Stirrup (US Alaska) and Monument (US GoM) included in WoodMackenzie Top 10 discoveries of 2020 <sup>(1)</sup>

<sup>(1)</sup> WoodMackenzie Top 10 commercial & economically viable discoveries.

## 270,000 Tons of CO<sub>2</sub>e reduction in 2020 <sup>(2)</sup>

New production 2021-2025 pushes down emissions intensity



**Sakakemang:**  
CCS project in FFD phase with 1.5-2 Mt CO<sub>2</sub> per year captured

<sup>(2)</sup> Through energy efficiency, methane and flaring initiatives

# Lower Refining margins and demand. Chemicals resilient through the crisis

Operational highlights - Industrial



## Refining

Repsol assets remained among most competitive in Europe

- All refineries under operation in 2020
- Reduced breakeven to minimum levels
- Positive refining margin indicator in 4Q20 (2.2 \$/bbl on average in 2020)

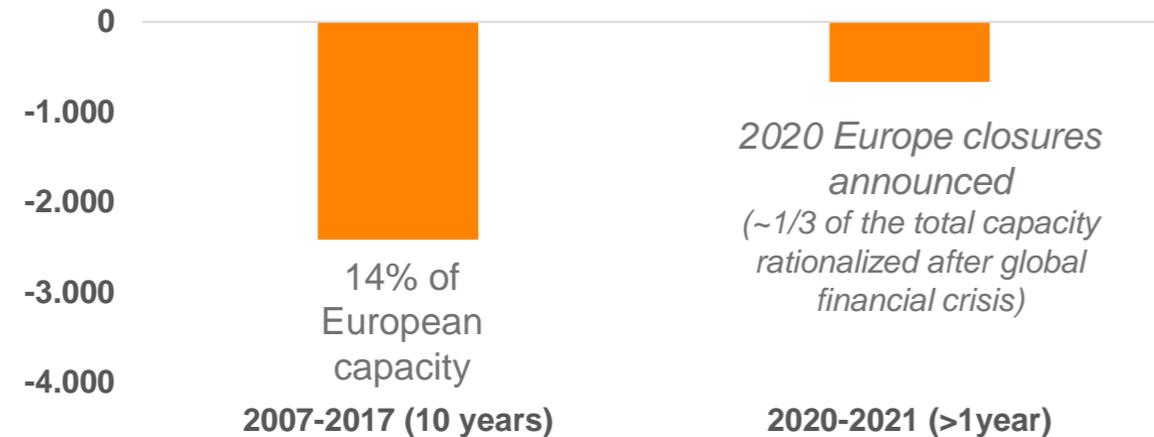
## Chemicals

Resilient through COVID-19 crisis

- International margins gradually recovered to 2019 levels
- Sales in line with 2019
- 4Q20 better demand and margins

## Acceleration of capacity adjustments

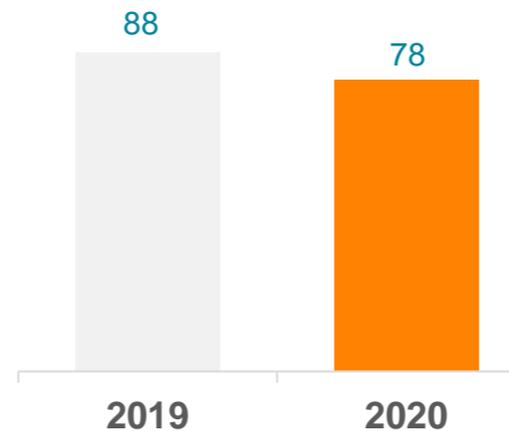
European refinery rationalization announcements (kbbld)



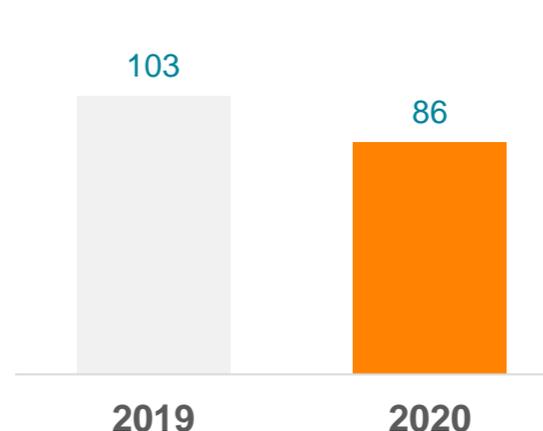
IHS and internal source

## Utilization of Repsol's refining capacity

Distillation utilization (%)



Conversion utilization (%)



# Progress in the transformation of the Industrial business

Operational highlights - Industrial



**Sustainable biofuels** 1.3 Mt by 2025  
>2 Mt by 2030

**Cartagena: 1st advanced biofuels plant in Spain**

**250,000 Tn/y** operational in 2023

Reduction of 900,000 Tons/y of CO<sub>2</sub> emissions

Capex: €188 M

**Puertollano: 1st biojet producer in Spain**

**7,000 Tn** in 2020

Savings of 440 tons of CO<sub>2</sub> emissions

**Tarragona: Biojet production**

**10,000 Tn** in January 2021

Savings of 630 tons of CO<sub>2</sub> emissions



**Renewable Hydrogen** 0.4 GWeq by 2025  
1.2 GWeq by 2030

**Leading H24All European Consortium** to produce renewable Hydrogen in Spain

**100 MW** Alkaline electrolyzer plant

1<sup>st</sup> operational **photoelectrocatalysis pilot plant** in 2020



**Advanced decarbonization projects**

**Bilbao: net-zero emissions fuels plant**

Using CO<sub>2</sub> and green hydrogen generated with renewable energy

**Bilbao: urban waste-to-gas generation plant**

# All businesses generated a higher operating result in 4Q20 than in 4Q19

Operational highlights - Commercial and Renewables



## Mobility

- Strong 4Q20 operating result
- Sales in Service Stations -23% 2020 in Spain vs. 2019
- > 2 Million digital clients

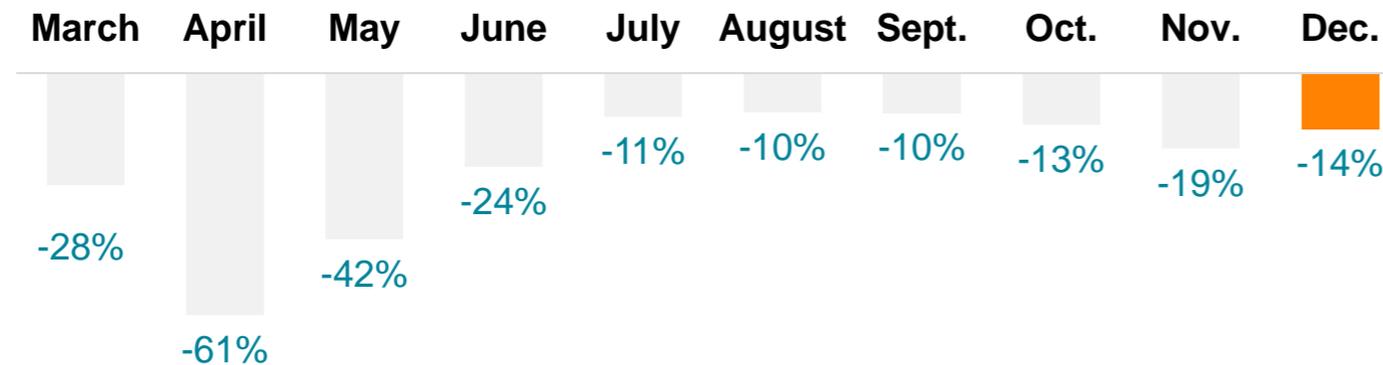
## Lubricants, Asphalts and Specialties

- Lower costs
- Contribution of International expansion (South East Asia, Mexico)

## Electricity and Gas

- +12% growth of retail client base in 2020
- +50% growth of client base since 2018
- Chile JV:
  - Start of commercial operation **Cabo Leones III**
  - FID Atacama, 14 years PPA

Transportation fuel demand monthly variation in Spain 2020 vs. 2019



Source: CLH

# Road to Net Zero: surpassed CO<sub>2</sub> reduction targets for 2020

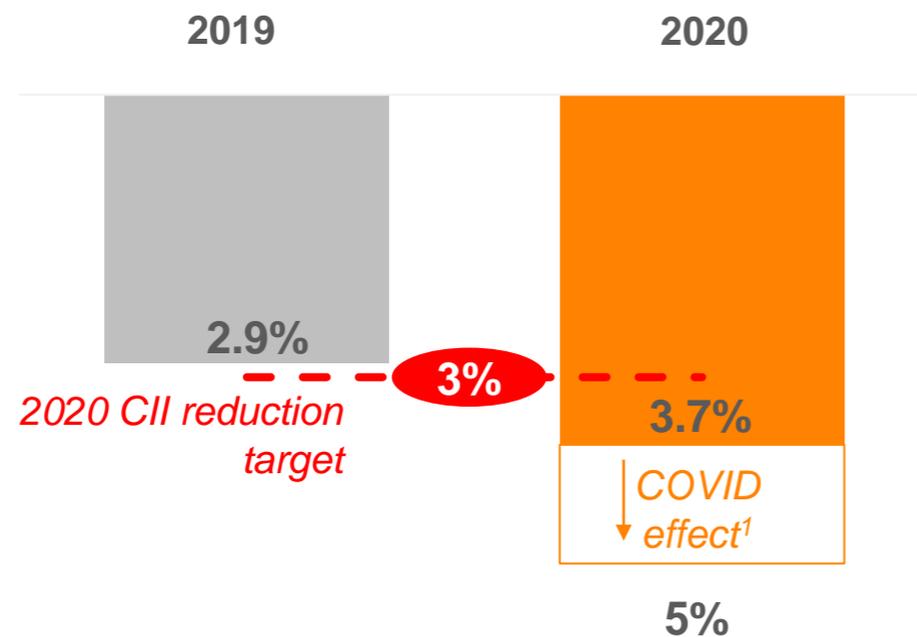
Operational highlights – Emission reductions



## Delivered 2020 carbon intensity reduction target

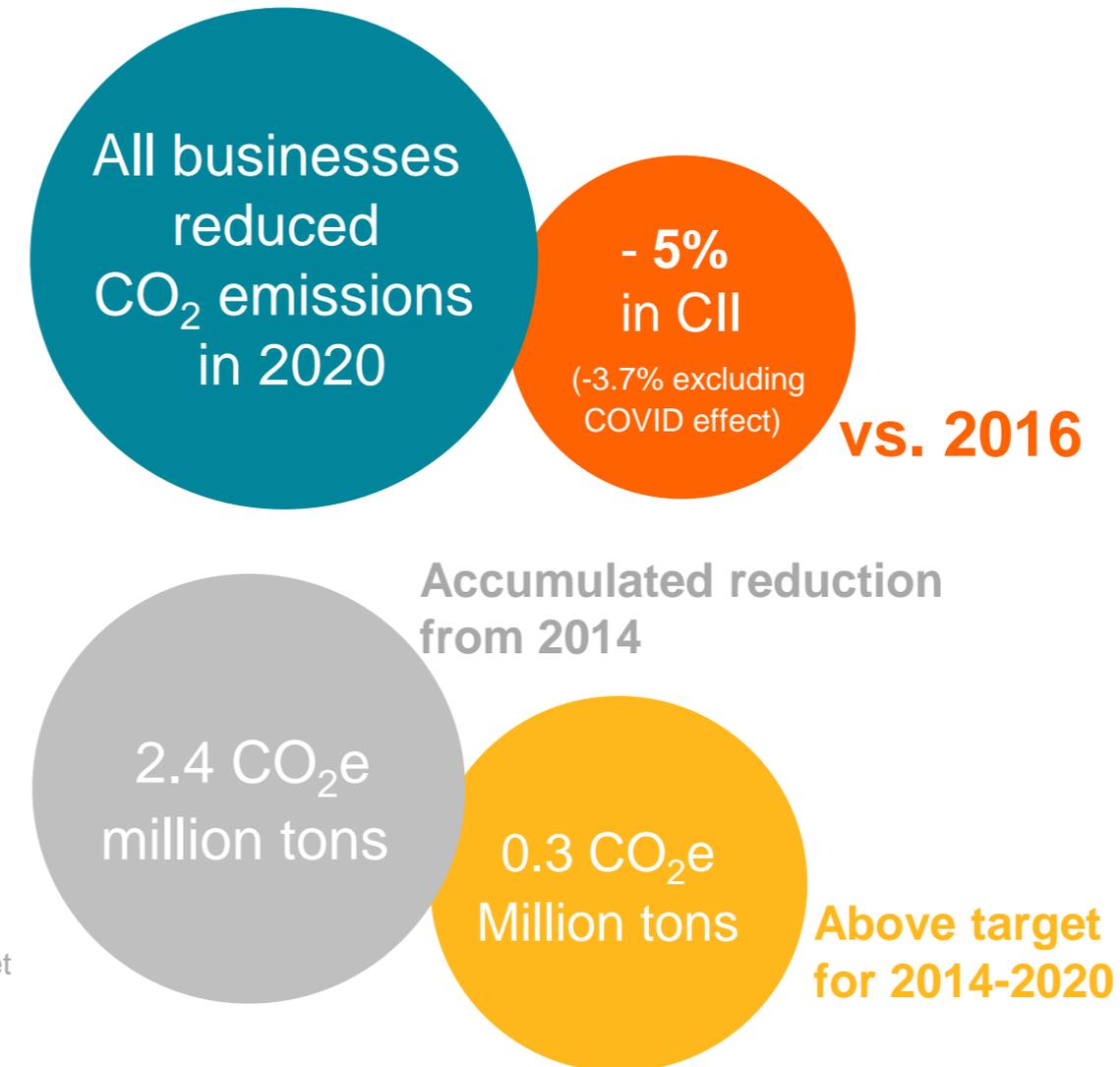
Carbon Intensity Indicator reduction 2019-2020

% CII reduction (baseline 2016)



• <sup>1</sup> Even without the lower activity due to COVID-19 Repsol reduced its CII over the 2020 3% target

CII: Carbon intensity indicator



# 2021: ongoing transformation in a resilience scenario

Outlook



Production	~ 625 kboed	
Refining Margin Indicator	\$3.5 /bbl	
EBITDA CCS <sup>(1)</sup>	~ €5.3 Bn	• 30% higher than in 2020
Capex	~ €2.6 Bn	• >25% deployed in Low Carbon platforms
Net debt (with leases)	≤ €6.8 Bn	• In line with 2020 (exc. hybrids transactions of 2021)
Dividend	€0.6 /share	• From July dividend will be only in cash

<sup>(1)</sup> @ \$50/bbl Brent, \$3/MMBtu HH and \$1.18/€

# Investor Update

February 2021

# Stepping up the Transition

## Driving growth and value



The Repsol Commitment  
Net Zero Emissions  
by 2050