

WEBCAST – CONFERENCE CALL

Second Quarter 2018 Results

July 26th 2018



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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 press release are included in Annex 2 "Alternative Performance Measures" in the interim Management Report for 1H 2018 and the Repsol website.

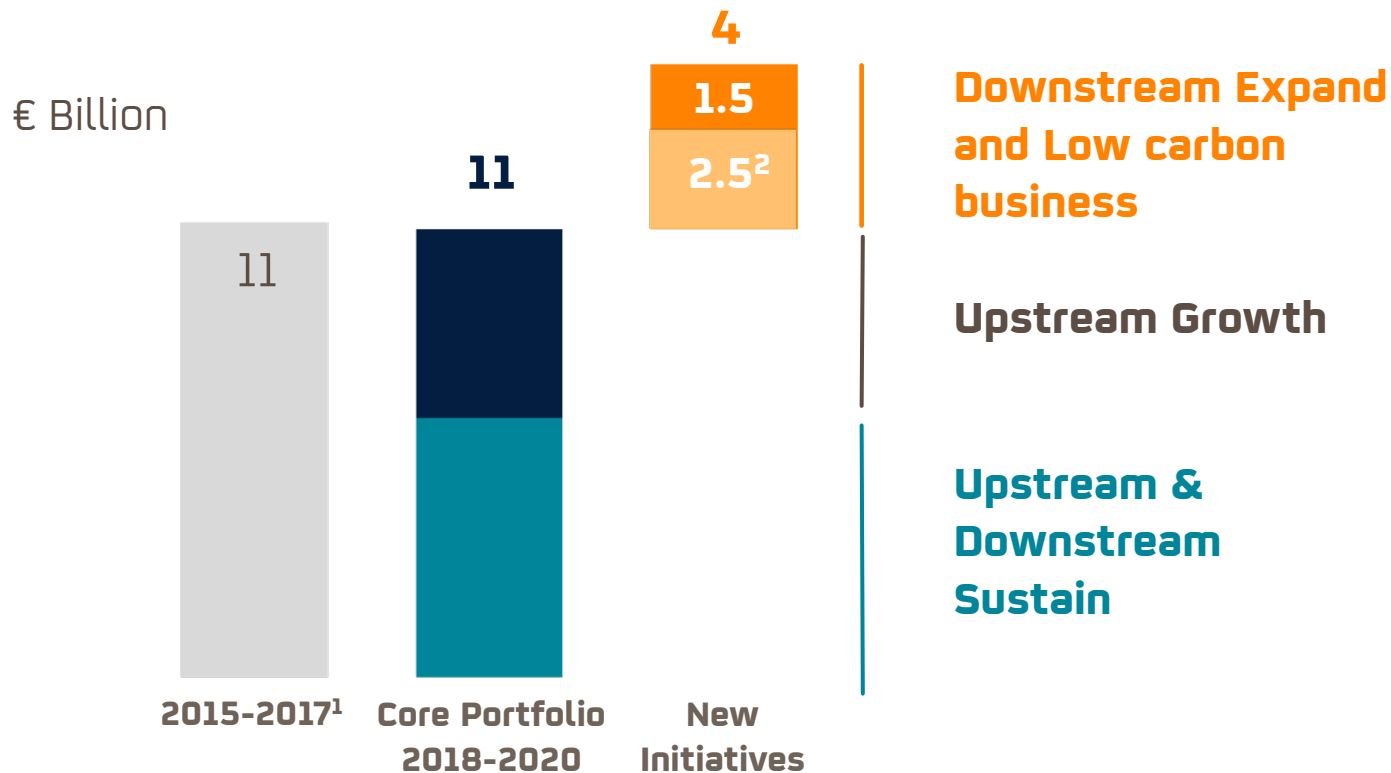
The information contained in the document has not been verified or revised by the Auditors of Repsol.



- 1. Key messages**
- 2. Operational activity**
- 3. Financial results**
- 4. Outlook for 2018**
- 5. Conclusions**

Key messages

2018-2020 Capex breakdown



1. Excluding Capex from Talisman acquisition.

2. Includes €750M from Viesgo acquisition

Net Debt: €2.7Bn

EBITDA

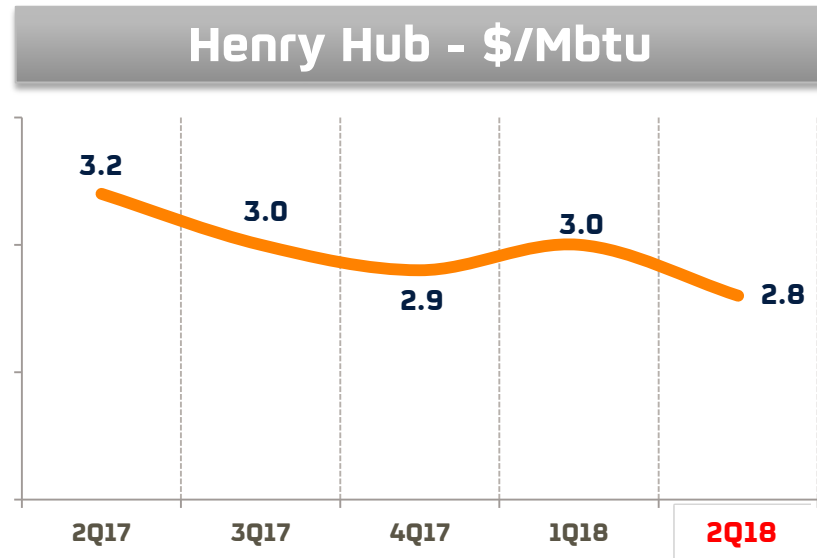
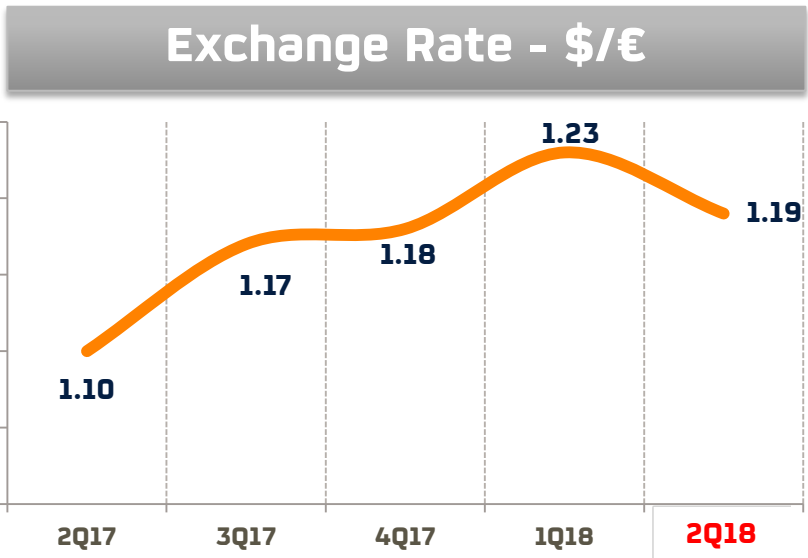
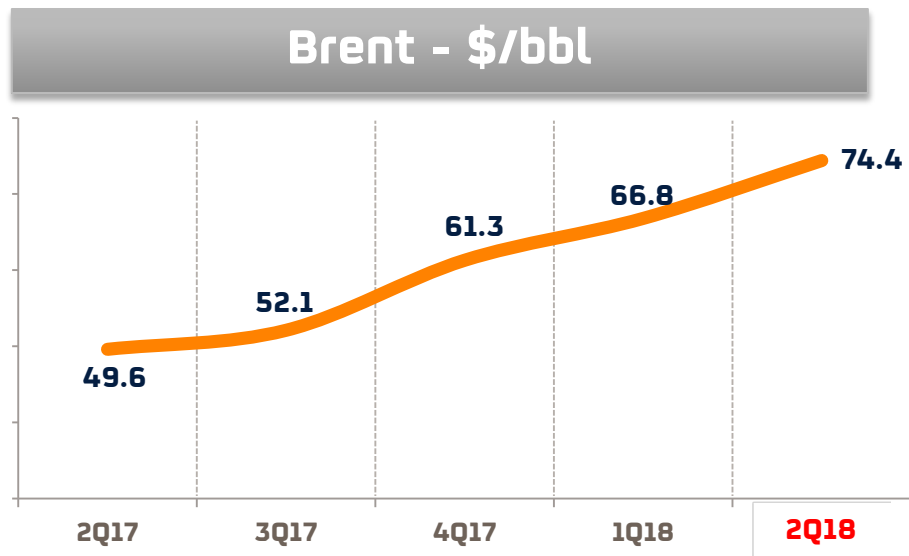
2Q 2018

€2Bn

1H 2018

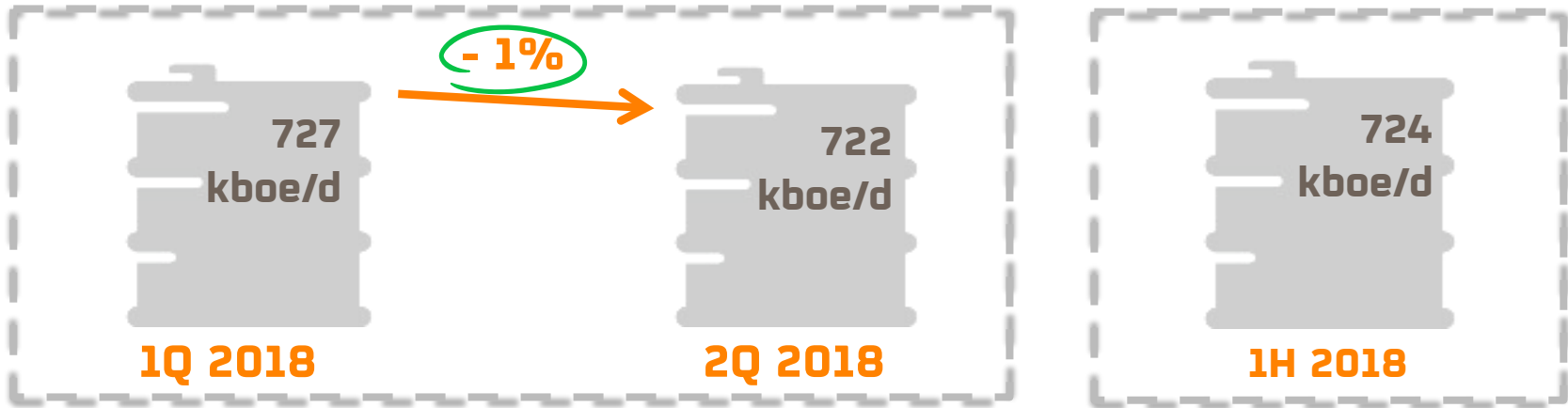
€3.8n

Market environment



Operational Activity

Upstream



2Q18 volumes were supported by:

- Higher production in Peru
- Increased volumes in Marcellus
- Ramp-up in Reggane
- **Libya** → **38 kboe/d** net

Exploration program:

- ✓ **5** exploratory wells completed [**3 positive**]

Development activity:

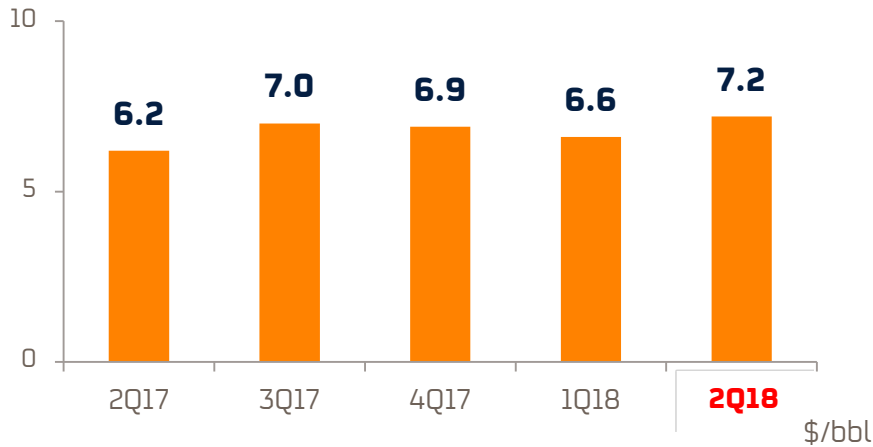
- ✓ Bunga Pakma (**Malaysia**) first production reached early in July

Operational activity

Downstream



Refining Margin Indicator

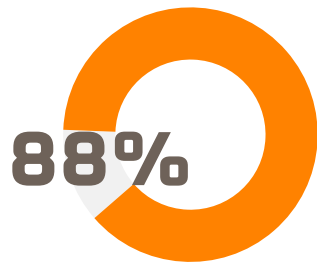


Petrochemicals

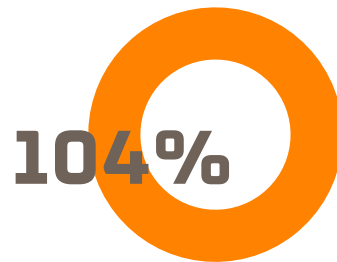
- Worse international environment
- Multiannual turnaround of Sines cracker

Utilization rates

2Q 2018



Distillation



Conversion units

Commercial businesses

- **Marketing business:**
 - Higher activity in our Services Stations in Spain
- **LPG and G&P:**
 - Negatively impacted by seasonality

Financial Results



	Q2 2018	Q2 2017	Variation %
CCS Adjusted Net Income	549	445	+ 23%
Net Income	936	367	+ 155%

UPSTREAM	Q2 2018	Q2 2017	Variation
CCS Adjusted Net Income	360	115	+ €245M

Million €

DOWNSTREAM	Q2 2018	Q2 2017	Variation
CCS Adjusted Net Income	337	429	- €92M

Million €

CORPORATE & OTHERS	Q2 2018	Q2 2017	Variation
CCS Adjusted Net Income	-148	-99	- €49M

Million €

Outlook for 2018



- ✓ **Capex guidance:** full-year forecast of **~€4Bn**
 - Upstream → **€2.2Bn**
 - Downstream → **€0.9Bn**
 - Low carbon business → **€0.8Bn**
 - Corporation → **€0.1Bn**

- ✓ **Production:** **~715 kboe/d** subject to fluctuations in Libya

- ✓ **Downstream:**
 - Full year Refining Margin Indicator **~7\$/bbl** with a premium in CCS margin
 - Chemical business: Sines cracker on operation since July, significant improvement expected in 2H18 and with a FY EBIT of **~€350M**

- ✓ **Digitalization:** On track [**120 ongoing projects**]

- ✓ **Efficiency programs:** On track [**45%** of FY business savings target posted in 1H18]

- ✓ **Financials:**
 - Full-year **EBITDA** forecast at **~€7.9Bn**
 - **Share capital reduction:** **6 million** shares purchased in 1H18. Remaining shares to be purchased through **buyback program**

Conclusions



- ✓ **On track to deliver 2018 targets**
- ✓ **Value growth based on:**
 - **Improved shareholder returns**
 - **Increased profitability across portfolio**
 - **Building a low-carbon Gas and Power business**
- ✓ **Organic cash flow generation and proceeds from Gas Nat we will allow to :**
 - **Increase capex**
 - **Grow shareholder remuneration 8% annually**
 - **Share buyback to offset the scrip dilution**
- ✓ **Stronger contribution from Downstream expected in 2H18**

Q&A Session

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