



REPSOL

WEBCAST – CONFERENCE CALL

First Quarter 2019 Results



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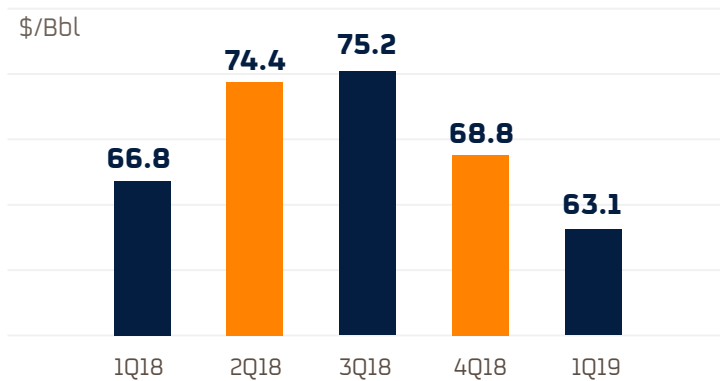




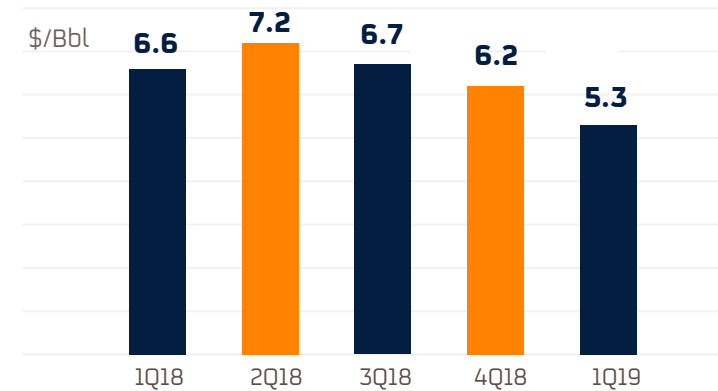
Delivering strong set of results albeit the current environment

Market environment

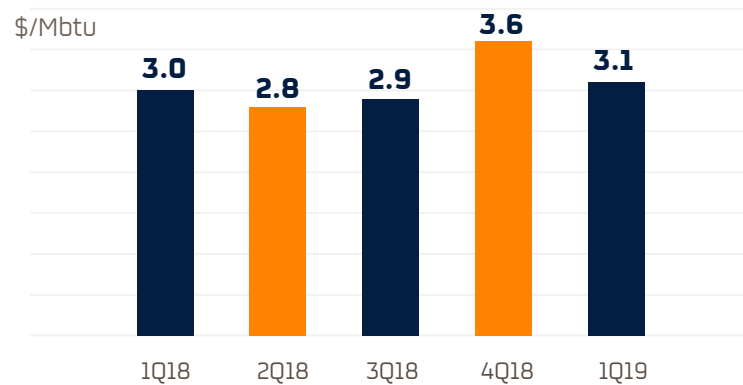
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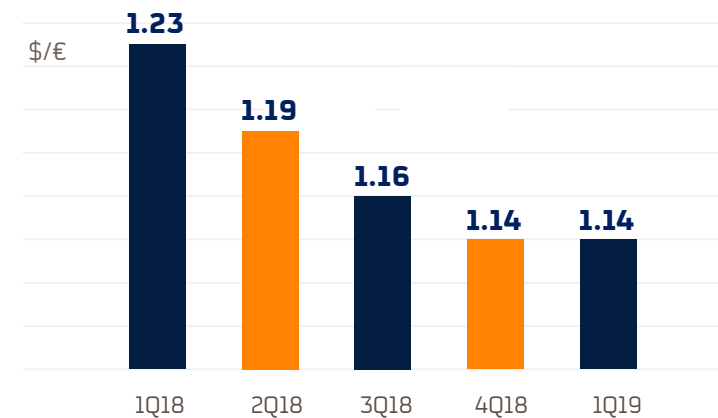
REFINING MARGIN INDICATOR



HENRY HUB PRICE



EXCHANGE RATE



Working along the lines of our strategy

Key messages

1Q19 Adjusted Net Income 6% higher y-o-y

Confident on achieving operational and financial targets set for 2019

Upstream

- Focus on successful delivery of our projects
- Good news in exploration and support of a stronger dollar
- Lower contribution from Libya and lower prices
- CFFO increased 25% y-o-y

Operating cash flow

- More than covered capex, financial costs and shareholder remuneration
- Significant working capital build-up
- Total Group's CFFO increased 26% y-o-y

Downstream

- Challenging refining environment
- Acceleration of refineries maintenance work to maximize value capture from IMO 2020
- Positive contribution of Mexico

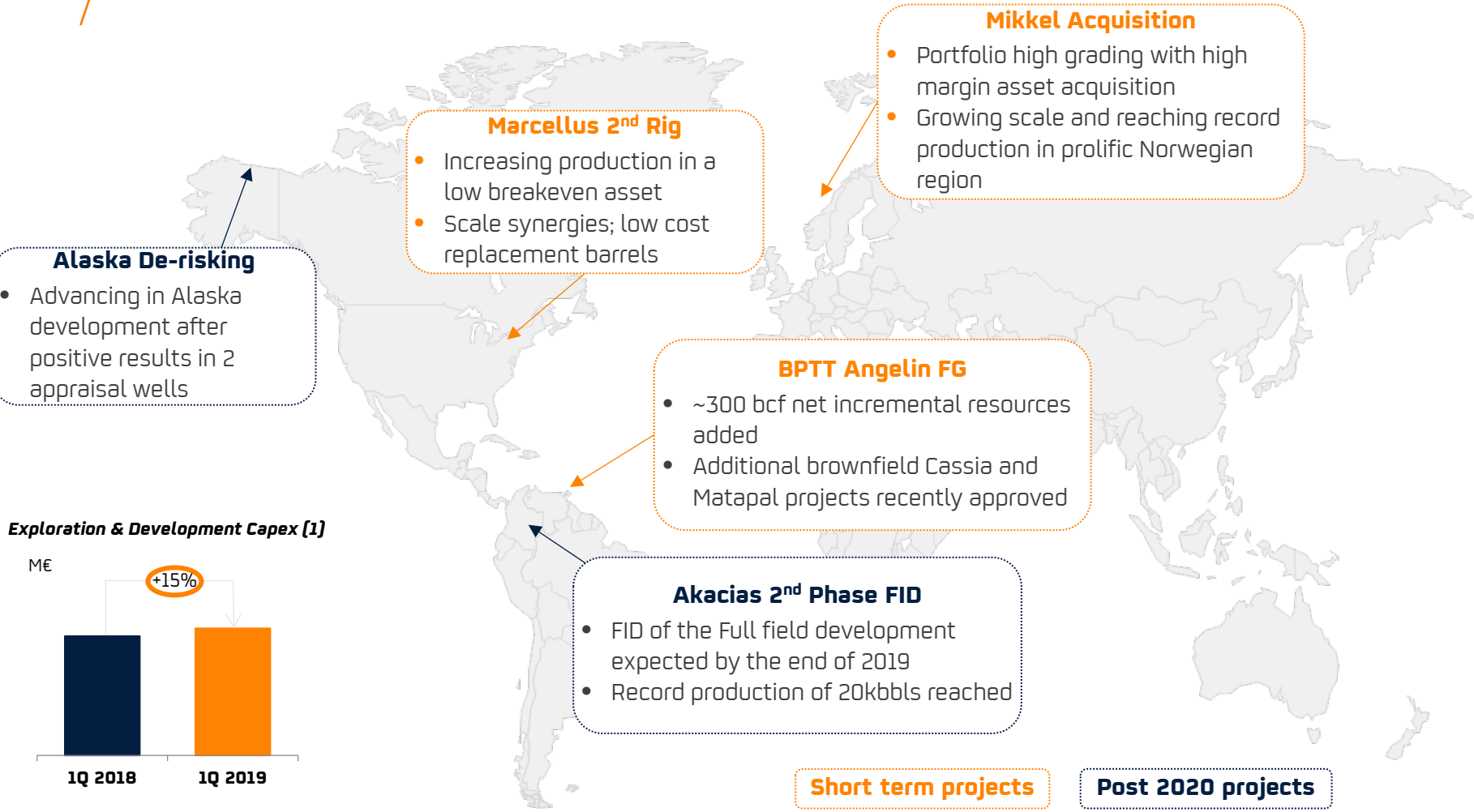
Net Debt

- € 3.7 Bn at the end of 1Q19
- Liquidity represents more than 2 times of short term gross debt maturities
- € 1 Bn bond amortized
- >70% acceptance of scrip dividend option

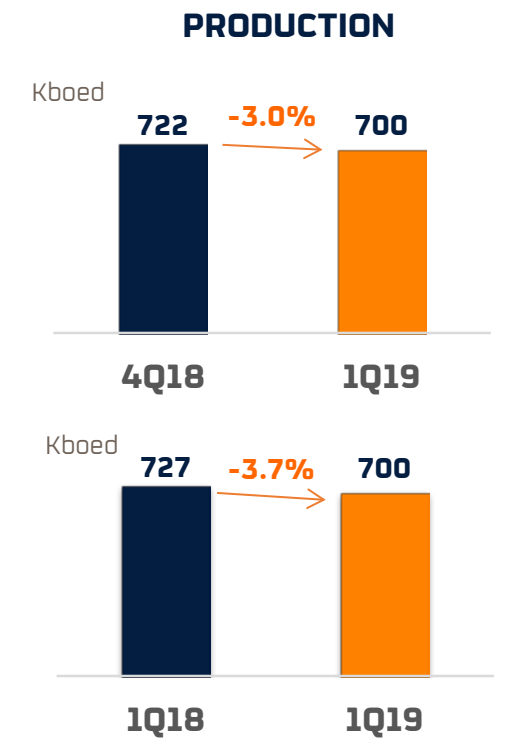
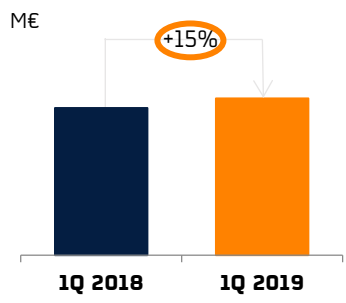
Dividend increase up to 0.95 €/share and a share capital reduction to offset the dilution associated with the scrip option

Upstream highlights

Increasing Investment



Exploration & Development Capex [1]



High portfolio flexibility has allowed Repsol to increase investments in a more positive commodity environment

Note 1: excluding inorganic acquisitions/divestments. Capex refers to CF from investment activities

Upstream highlights

Major Exploration discoveries with new acreage focused in areas with competitive advantage



Strategic Plan Guidelines

South East Asia - Production replacement

- Top explorers in **Indonesia**

Europe-Russia - Potential growth areas

- Near-field Exploration in **Norway**

North America Focus on emerging plays

- Strong technical advantage as **Nanushuk** play openers.

New Acreage

Sakakemang discovery

- 7th largest discovery Worldwide in 2018-2019 [1]
- Largest discovery in 18 years in Indonesia [2]
- ~2 Tcf recoverable reserves with relevant resources upside
- Fast track development due to nearby facilities
- Good margins due to high gas realization prices
- Repsol Operated [45% WI]

Telesto discovery

- 12-28 MMbbl recoverable reserves
- Fast track development via Visund nearby facilities

Pikka Appraisals

- 2 positive appraisal wells extending Pikka discovery further south

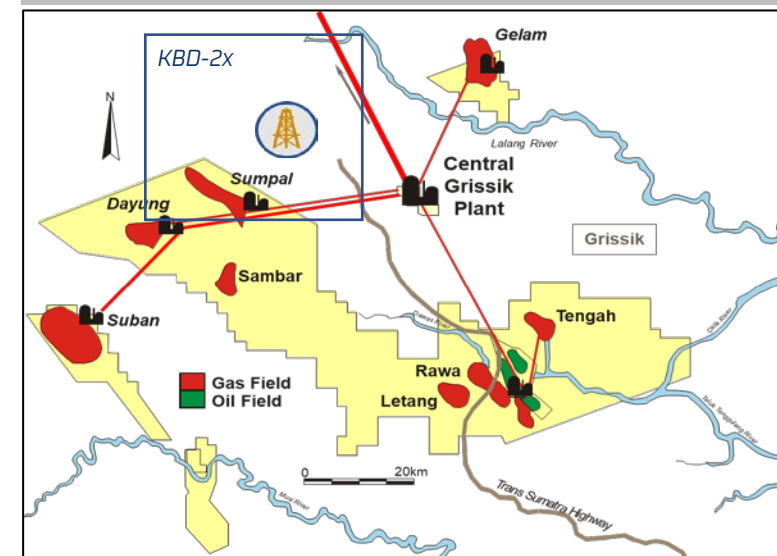
US Gulf of Mexico

- **Blacktip** depwater discovery
- Partnership with LLOG to develop Leon and Mocassin

- South Sakakemang block (Indonesia)
- 4 new licenses in Norway
- 2 blocks in Colombia
- 1 block in Bulgaria

KBD-2x Location

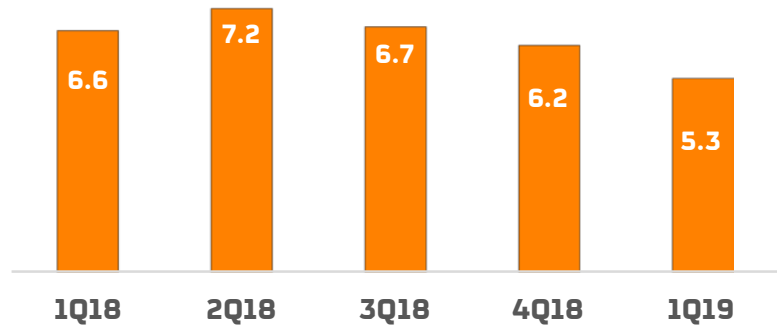
Nearby Facilities



Downstream highlights

Solid performance and progressing towards our strategic goals

REFINING



COMMERCIAL BUSINESSES

- **Increased** number of Service Stations in **Mexico** to 183 out of **260 contracts signed**
- **Mobility business:** maintaining profitability despite competitiveness of the market
- Positive results in **Mexico** partially offset lower results in **LPG**

PETROCHEMICAL

- Advantage of **feedstock flexibility** in our system (up to 40% of gas feedstock)
- Higher sales
- Healthy international margins

LOW CARBON BUSINESS

- More than **830,000 retail clients** at the end of 1Q19
- Continuing with growth plan supported by **customer-centric energy supplier strategy**

1Q19 Results

Financial highlights

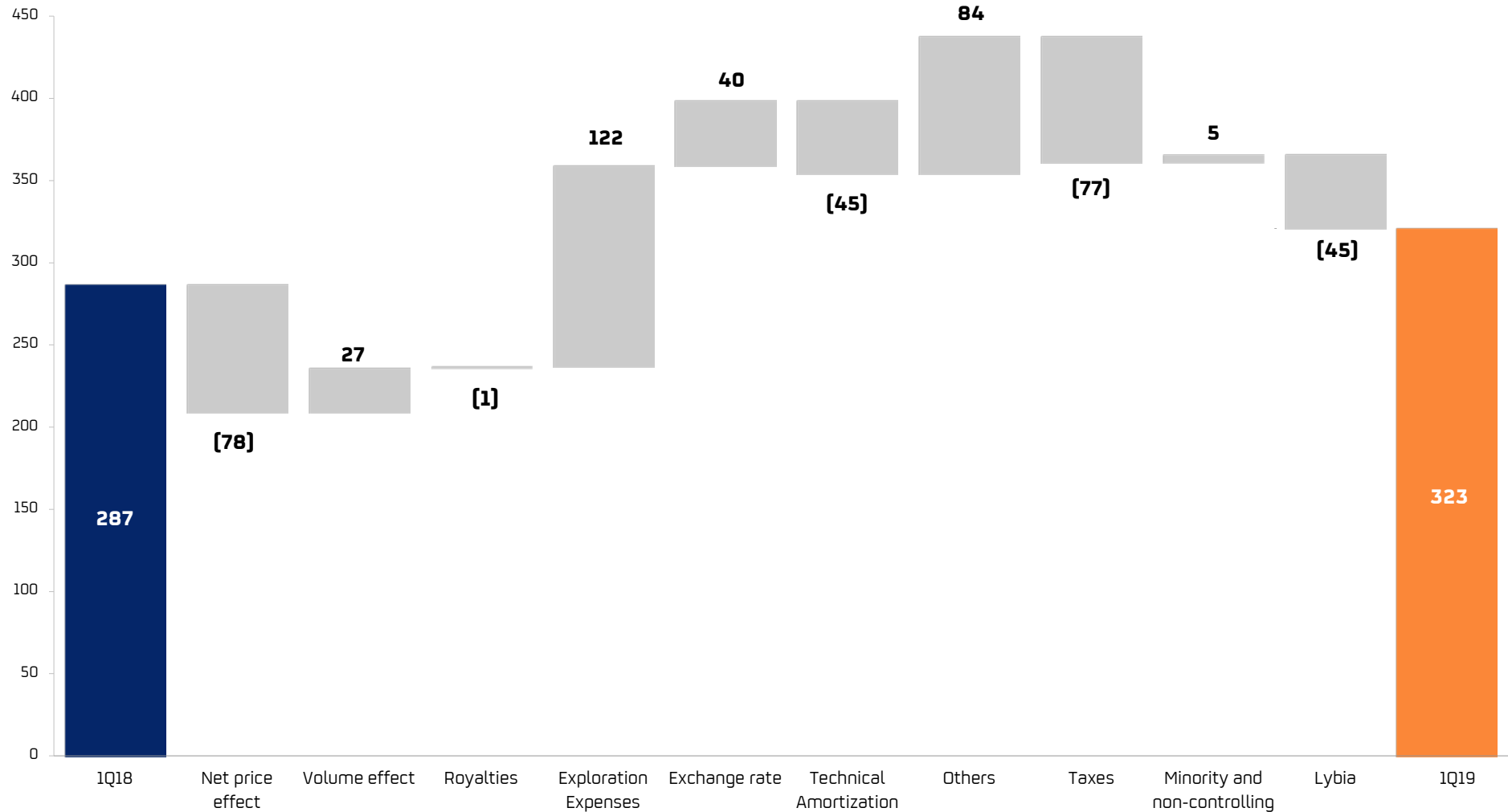
Results (€ Million)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
Upstream	287	310	323	12.5
Downstream	425	485	404	(4.9)
Corporate and others	(129)	(163)	(109)	(15.5)
ADJUSTED NET INCOME	583	632	618	6.0

Upstream Adjusted Net Income increased 12.5% versus 5.5% brent price decrease compared to 1Q18



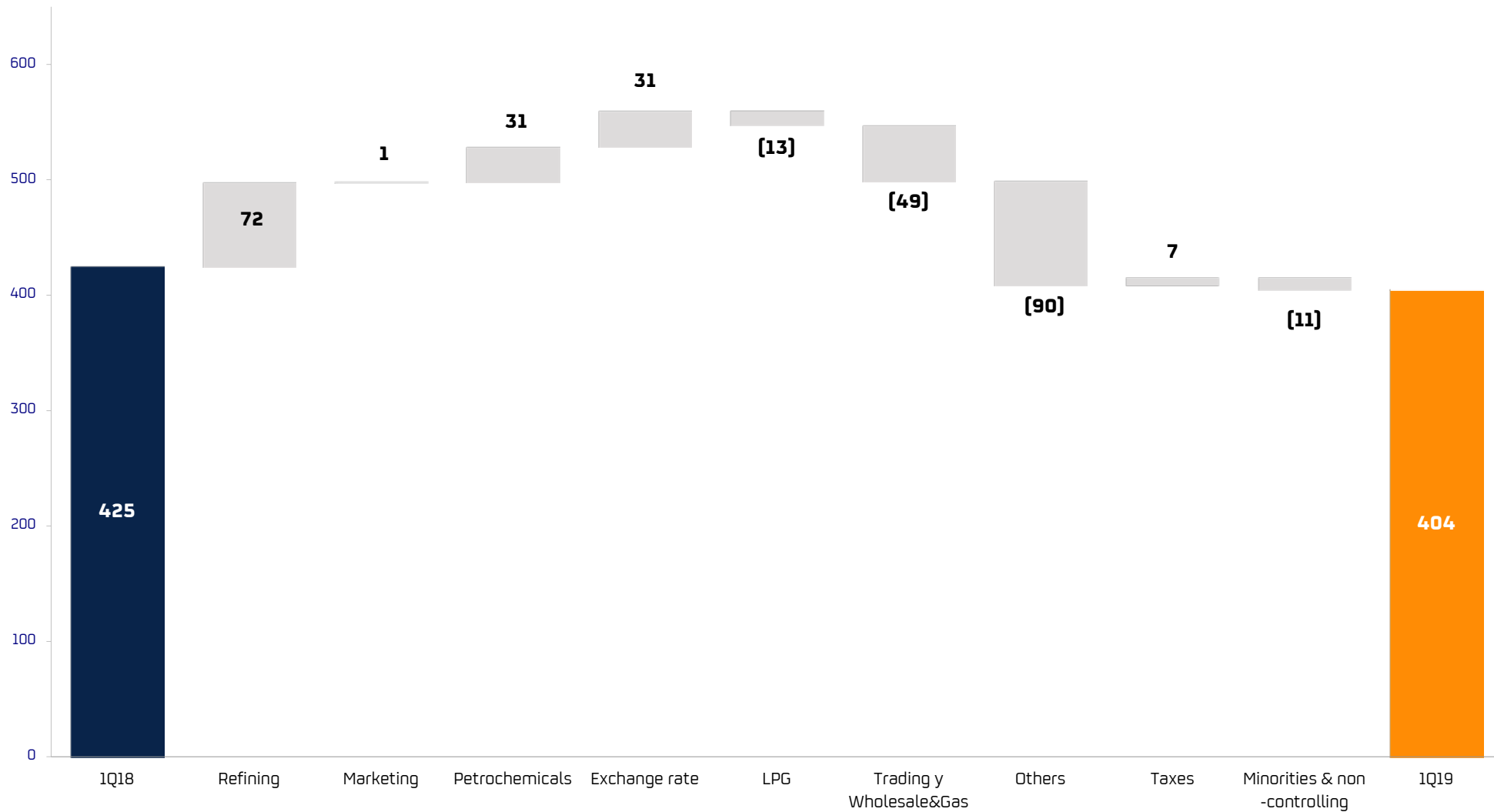
1Q19 Results

Upstream Results



1Q19 Results

Downstream Results



Impact of IFRS 16

M€	Var.	1Q19			
		Upstream	Downstream	Corporation	Total
EBITDA	↑	42	38	2	81
DD&A	↓	(32)	(34)	(2)	(68)
EBIT	↑	10	3	-	13
Financial Results	↓	-	-	(22)	(22)
Income Tax	↑	(3)	(1)	6	1
Adjusted Net Income	↓	7	2	(17)	(8)



Outlook 2019

FY2019 targets
maintained broadly
unchanged

Upstream

- Average production ~**720Kboed**
- **Buckskin**: first oil expected in 3Q19
- **Akacias**: FID for the full development expected before the end of the year

EBITDA CCS

- Maintaining target of **€8 Bn**
- Organic Capex: **€ 3.8 Bn**

Downstream

- **Update to margin indicator** lower compared to budget
- **Higher premium** in the actual CCS margin

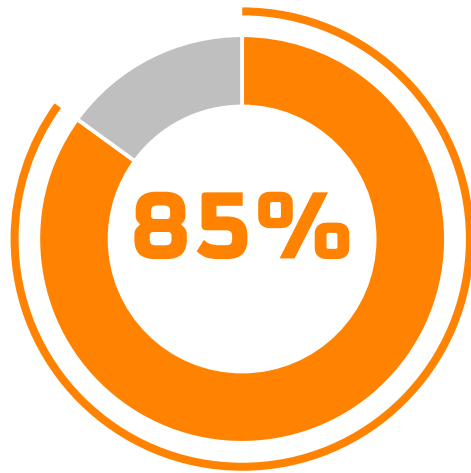
Efficiency and Digitalization

- Expect to achieve more than **50% of target for 2020**
- >130 initiatives generating CFFO impact of **€ 150 M**
- **Upstream CFFO target**: € 0.6 Bn improvement by 2020
- **Downstream CFFO** improvement in 2020 by € 200 M
- Commitment to **reduce Corporate costs** by 9% in 2020

IMO 2020



IMO compliance is guaranteed...



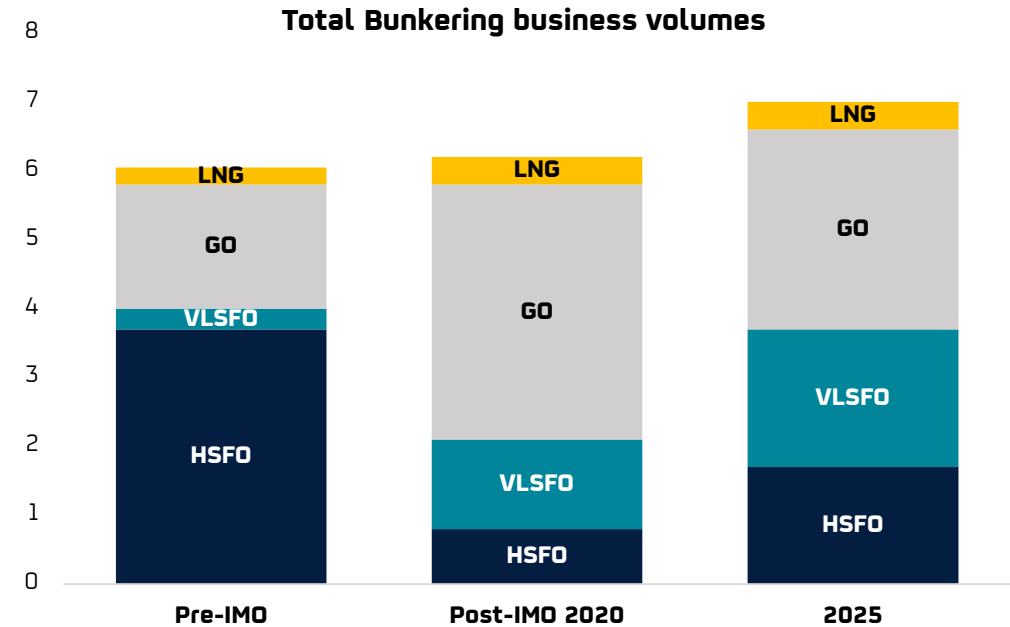
of total fuel consumption is concentrated in only **25% of the vessels**. Most owned by largest 25 companies, mostly domiciled in OECD countries

8 countries add up to **60%** of Fuel sales

Singapore, China, United States, UAE, Netherlands, South Korea, Spain and Panama

Recent survey on port authorities forecasts 85% compliance in 2020

...and brings a structural change



IMO is not only a temporary disruption for HSFO

Demand falls 80% in 2020, to recover at the end of decade to a share of **25%**, but very far away of 60% in 2019, and recovering to ~50% of 2019 volumes

Guaranteed compliance after demand concentration in relevant companies and offer limited to developed countries. Structural change in Bunkering, with Gasoil as clear winner with scrubbers' limited penetration and VLSFO current restrictions

On track to deliver 2020 strategic objectives

Conclusions



1. Increasing shareholders returns



- Dividend increase by 6% in 2019 to 0.95€/share*
- High acceptance of latest scrip
- 100% buyback of scrip dividend

2. Growing our portfolio profitability



- Strong Group CFFO generation : +26% 1Q19 vs 1Q18
- Relevant pipeline of attractive growth:
 - Upstream: Sakakemang discovery and Angelin FG
 - Downstream: Mexico (SS, Aviation and Lubricants)
- Delivery and portfolio improvement:
 - Upstream: Akacias record production, Mikkell acquisition
 - Downstream: premium to Refining indicator

3. Thriving in the energy transition



- Developing an operated profitable low carbon business with **2.9GW** low carbon generation and **850k** clients
- Reducing our carbon footprint



4. Financial flexibility



Improved financial position: outlook S&P, maturity of €1 Bn bond



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