





Mobility business transformation and way forward

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Repsol's commercial businesses at a glance

Commercial businesses

Mobility

LPG&Fuels for non mobility uses

Lubricants, asphalts and specialty products

E&G retail

2018 financials:

EBITDA: ~€800M

~15% of Repsol Group

CFFO: ~€650M

ROACE: ~30%

Repsol's mobility fuel business at a glance

>4,900

Service Stations
in five countries

>1,000

Operated sites

**Fuels Market
share**

Spain: 37% [#1]

Portugal: 26% [#2]

Peru: 22% [#2]

2018

EBITDA:

~€600M

CFFO:

~€500M

90k fleets
50 airports
80 airlines
served

470 LPG and
NGV sites
>200 charging
points in S.S.

**Clients served
daily: 2.5M**

Loyalty cards: 6.5M

Waylet: 1M

ROACE:

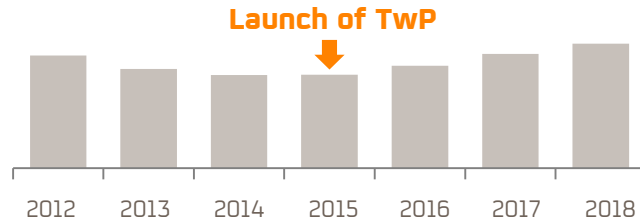
>20%

Executive summary:
what have we done &
where are we going?

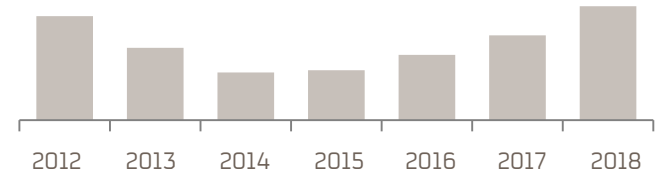


Our business today: Attractive and material business with stable and growing cash flow generation

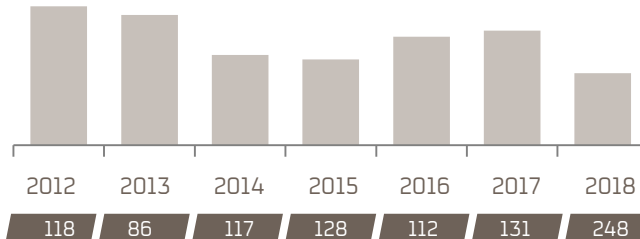
EBITDA



Cash Flow from Operations (CFFO)



Free Cash Flow (FCF)



Capex
€M

Current Cost of Supplies EBITDA, CFFO, FCF

Key insights

- Increasing EBITDA by 20% and CFFO 25% since 2015
- Investing in the international expansion and new businesses in 2018

Mobility business portfolio

Top notch portfolio with a combination of mature and high growth businesses

Iberia business

- Iberia Core legacy business built over solid competitive advantages and a recent successful transformation [TwP] with a recent upgrade launched [TwP 2.0]
- Moving forward on new mobility energies and new business models around our customers

International business in advantaged markets

- Existing leadership position: Peru
- New market entry: Mexico, Hinterland



TRADITIONAL MOBILITY

NEW BUSINESSES

New business:

- Waylet
- Wible
- Ibil
- Fleet management
- Alternative energies
- Combined offer E&G

Iberia core:

- Fuels marketing
- Convenience stores / non-oil
- Fuel cards
- Aviation fuels

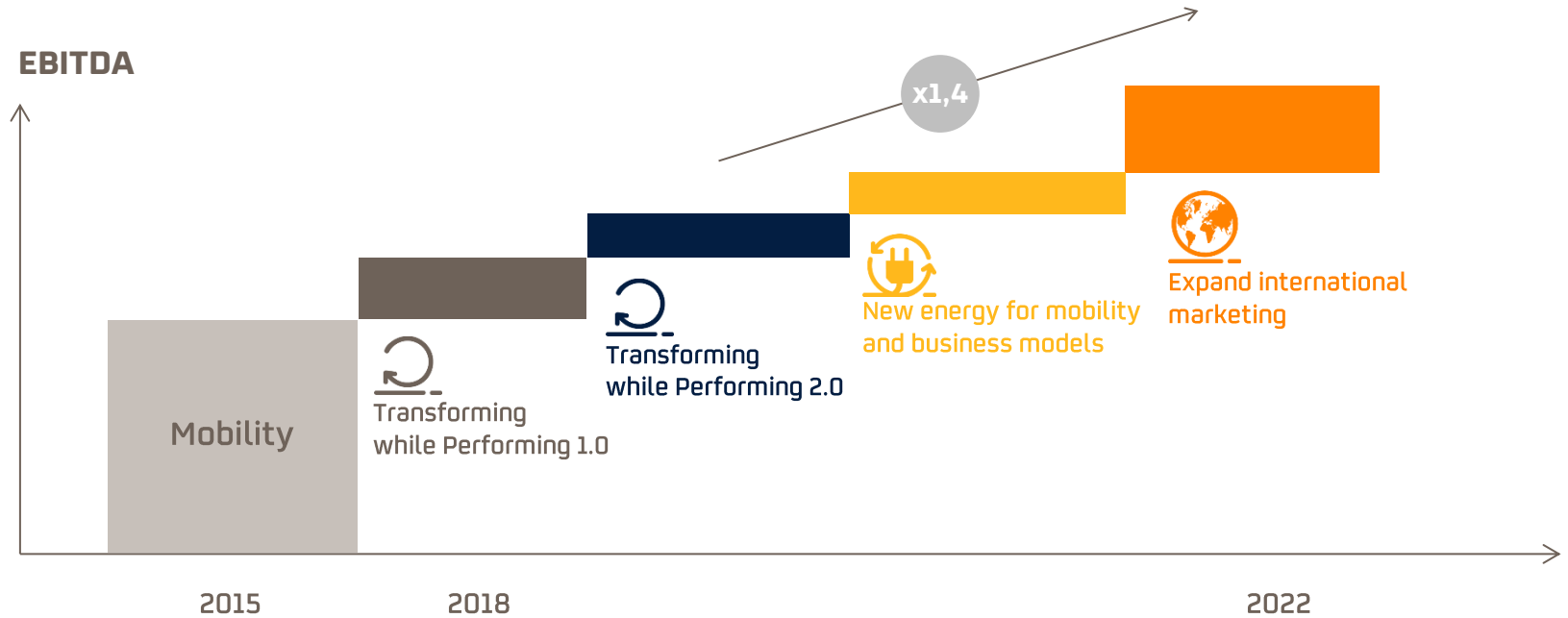
Focused international expansion:

- Mexico Marketing
- Peru Marketing
- Hinterland [France/ Morocco]
- Other LatAm

IBERIA

INTERNATIONAL

So, exciting times and ambitious growth targets for our Mobility business: x1,4 EBITDA



Current Cost of Supplies EBITDA

Iberia Business



Core mobility business built over solid competitive advantages...



01

Market position

Leadership in Spain and Portugal, enabling scale economies

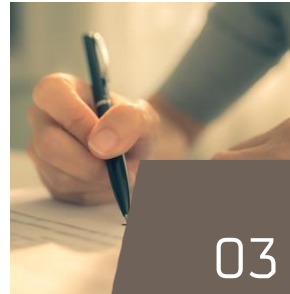


02

Brand recognition

Market differentiation for superior quality and service

Customer satisfaction

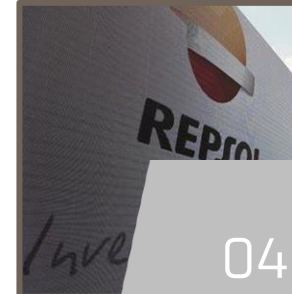


03

Partnerships

El Corte Ingles, Mutua Madrileña, Iberia, Disney, Correos, Amazon, ...

- Cross –selling
- Exclusive offers
- Share loyalty



04

Product & technology

Technical leadership
Conventional fuels:
Neotech

- New mobility fuels:
- LPG and NGV(470 s.s.)
 - Recharging points for EV (>200)



05

Customer relations

Largest retail client base in Iberia

- 2.5M daily clients
- 7.5M clients in loyalty programs

These competitive advantages enabled Repsol to lead Iberian Fuel market until 2015

Strategy pillars



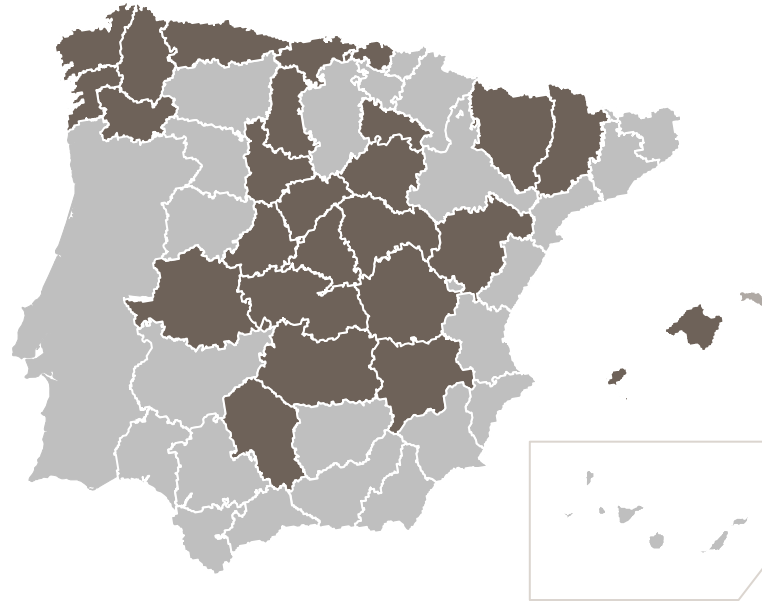
New Service stations openings



Prime locations



Safe and efficient operations



Repsol's market share

■ <30% ■ >30%



Source: General Direction of Energy and Mining Policy, Ministry for the Ecologic Transition of Spain

Financial crisis and changing trends created a new scenario for Mobility business...

> **Fall in demand**



- -25% market decrease in 2007-2013¹
- Global recession with an impact in Iberia

> **Evolution of customer needs**



- More service expectations
- Digitalization of interactions with customers
- Higher focus on price

> **Low-cost irruption**



- Low cost Service Station growing from 21% to 26% of SS share in 2010-2015
- Aggressive pricing with low-cost / low service offer

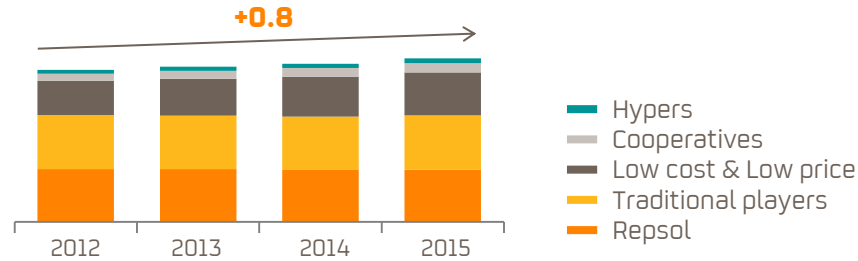
> **New regulation**



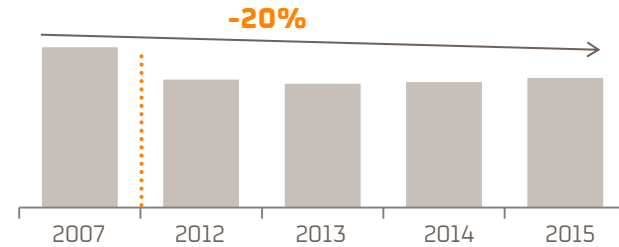
- Limitation of dealers terms contracts
- Additional restrictions on the expansion of service station networks

...with a relevant impact on the Iberian fuels market

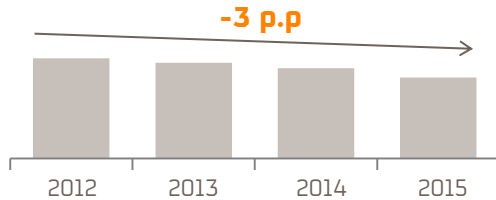
Number of service stations (# '000)



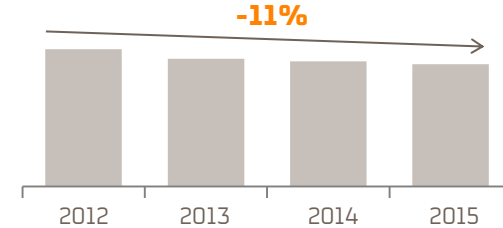
Iberia road fuels¹ market sales (Mt)



Repsol market share (% of service stations)



Repsol Iberia Mobility EBITDA²



Source: Repsol; CORES; General Direction of Energy and geology of Portugal; BCG Analysis

1. Includes gasoline and diesel auto. 2. Current Cost of Supplies EBITDA for service stations and B2B

From 2015, a new strategy for Iberia: Transforming while Performing (TwP)...

From pump stations to multiservice stations

Optimize each location

- Optimized portfolio
- Reviewed value proposition for dealers
- Focus on efficiency and innovation



Boost new revenue sources

- Maximization of non-oil
- New Partnerships with leading companies
- New business development



Maximize client value

- Superior E2E customer experience
- Reinforce loyalty
- Personalized offers



Leverage digital tools

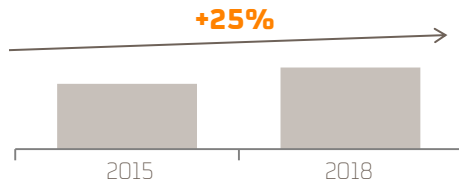
- Launch of Waylet in 2017
- Development of Big data and analytics



TwP delivering outstanding results in Retail Stations...

We boosted results...

EBITDA

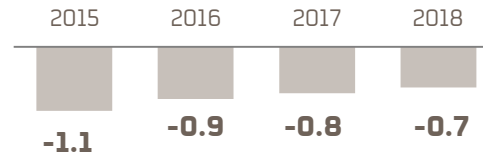


0.7%

Volume sales growth

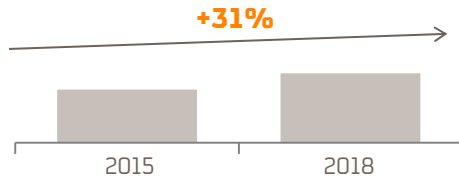
...improving our competitive position...

Annual Market share loss (p.p.)



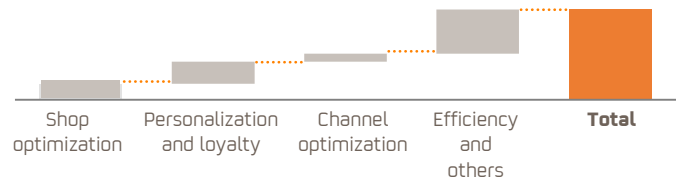
...through an intense optimization...

EBITDA per SS



...across different levers

EBITDA growth (2015-2018)



TwP has boosted EBITDA results in Iberian Service Stations

...also boosting results in Iberia B2B and Aviation

Key strategic initiatives in place

> **Segmentation and value proposition**



> **Digital pricing and margin optimization**



> **Salesforce and customer experience digitalization**

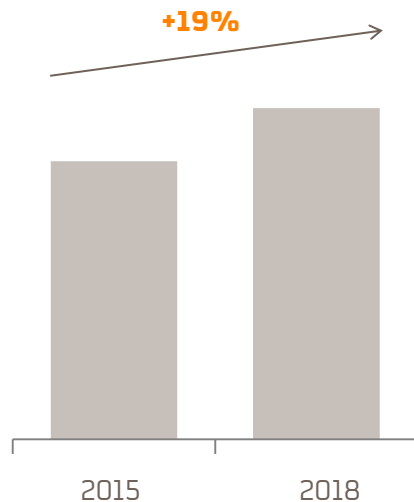


> **Jet growth**



Current Cost of Supplies EBITDA

EBITDA



13% Volume sales growth





The future

The future : New competitive context



Regulatory changes

- Policies focused on ambitious de-carbonization targets and reduction of emissions
- Limitation of circulation of urban vehicles in urban centres (NOx)



Consumer habits

- More demanding
- More digital
- Car sharing
- More environmental awareness
- More demand of personalized treatment and quick and direct responses



Alternative technologies

- LPG
- Electric cars
- CNG and LNG
- Hydrogen

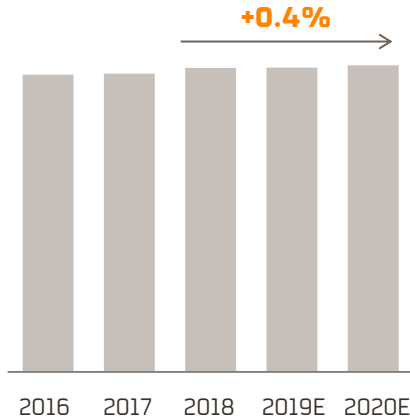


New competitors

- Disruptive business models

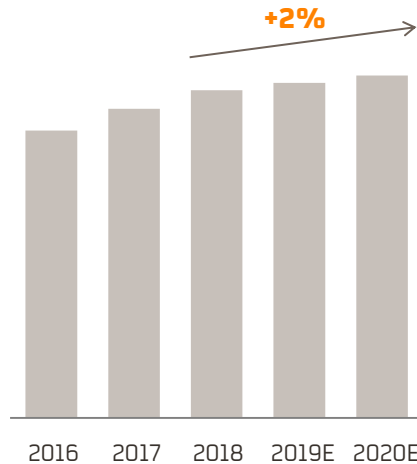
The Future: Iberia core markets with positive underlying growth in the short term

Iberia gasoline and diesel consumption



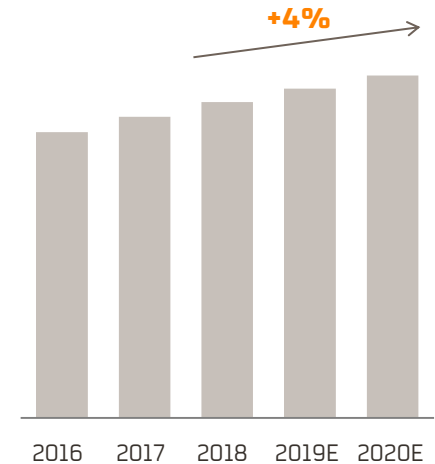
12 month rolling Jan 19 vs 18: 2.9%

Iberia jet fuels consumption^[1]



12 month rolling Jan 19 vs 18: 4.6%

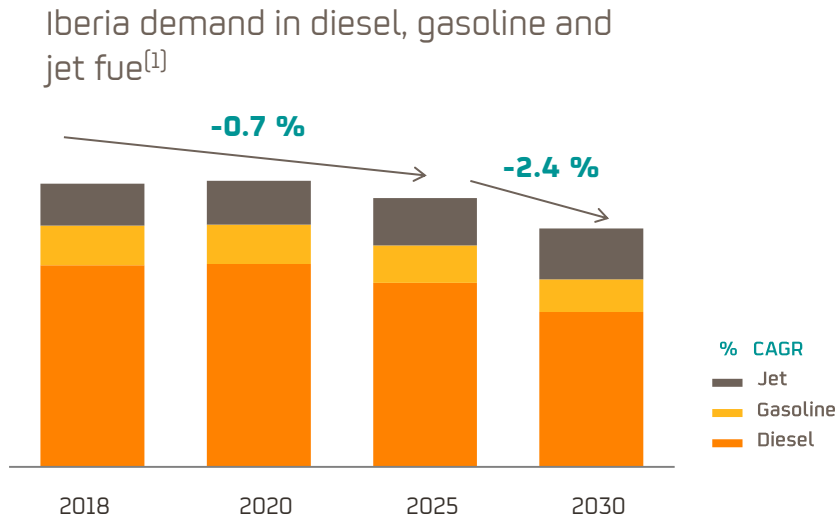
Iberia convenience retail



[1] Consists solely of kerosene
[2] Source: CORES; Euromonitor; Repsol

The future: potential longer term decline in demand for road transportation fuels

Driven by efficiency and electrification in private use vehicles



Key assumptions to our models

- Vehicle fleet grows at 0.5% p.a.
- Km driven/vehicle increases by 0.5% p.a.
- Increase of efficiency of 3% p.a., in line with EU regulation
- Penetration of EV of 30% of new cars by 2030

[1]. Includes demand for gasoline, diesel and jet fuel in service station and direct sales; Electric vehicle [EV]

The Future: Three Strategic pillars for our Iberia business going forward...



Upgrading our Core
business

TwP 2.0 new programs for all
business lines



Providing new energy
for mobility

Widening our energy offering



Building material new
business models
(mobility and others)

Repsol as a mobility and
convergent services provider

Delivering results in the short term...

...while building the future of our business

TwP 2.0: ongoing transformation of core business model sustaining profit growth momentum



Customer driven transformation



Full digitalization of our operations

- Digital Marketing and Promotions
- Sensoring of our retail stations
- Fuel cards tech upgrade



Digital boost to client interaction

waylet

- Waylet 2.0 Loyalty Program
- New value adding services
- Extended payment network



Transfer our best practices and new business models across network



- New convenience franchise roll-out: Supercor Stop&Go
- To reach 350 new format convenience stores by 2020



Implement Customer-centricity in our platforms

- Unify customer's data
- Consistent client experience
- Different businesses cross-sale



Deepen strategic partnerships

- Generate unique value-propositions
- Reinforce competitive advantages

I.E., New strategic alliance with ECI



ECI: grouping purchases

Improve of purchasing prices

>95k

product references



Repsol: power supplier of ECI group

Repsol positioned as main gas & power supplier of ECI

540 35+

ECI stores supplied GWh per year



Repsol E&G commercialization at ECI stores

Proactive Repsol E&G offering at competitive and individualized rates

11M 92k

ECI registered clients ECI employees



Extend Waylet use

Waylet mobile payments available in all ECI stores starting June 2019

Exclusive promotions and crossselling offers

Additional volume captured and increased loyalty

The Future: Three Strategic pillars for our Iberia business going forward...



Upgrading our Core
business



TwP 2.0 new programs for all
business lines



Providing new energy
for mobility



Widening our energy offering



Building material new
business models
(mobility and others)



Repsol as a mobility and
convergent services provider

Delivering results in the short term...

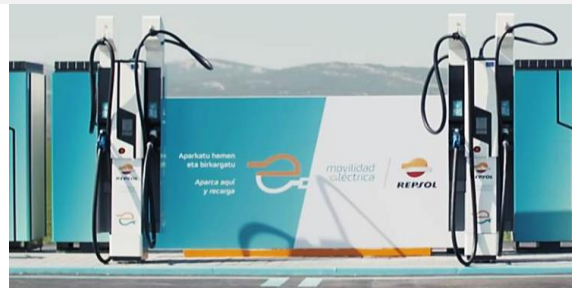
...while building the future of our business

New energies for mobility to capture market opportunities



Leader in LPG

- > #1 in automotive LPG and NGV with 470 service stations
- > Positive market outlook especially in cities



Ambition to build leadership position in Electric mobility

- > Partnership with IBIL, Spain's first authorized e-recharge manager
- > +1,700 charging points (+200 of them in public areas)
- > 1st ultra-fast charger installed in Southern Europe



Leader in Biofuels

- > Largest marketer of biofuels in Iberia Peninsula
- > New advanced unit in Cartagena to produce biofuels. Maximum flexibility both in the raw materials and in the quality of the final products

The Future: Three Strategic pillars for our Iberia business going forward...



Upgrading our Core
business



TWP 2.0 new programs for all
business lines



Providing new energy
for mobility



Widening our energy offering



Building material new
business models
[mobility and others]



Repsol as a mobility and
convergent services provider

Delivering results in the short term...

...while building the future of our business

New services and business models as pillars of long term strategy



Mobility Services Provider

- > WIBLE: JV with KIA for car sharing business in Madrid
 - 500 plug-in hybrid cars in Madrid
 - Over 70,000 users since July 2018
- > Other mobility initiatives under assessment
 - E.g. Battery recharge services



Entry in Gas and Power retail

- > Acquisition of Viesgo's low emissions assets and retail customers
- > 5th Retailer in gas and power in Spain
- > Fastest growing gas and power retailer in Spain (750k to 850k customers)



Home and mobility energy convergence

- > Joint offers of E&G with fuels to B2C
 - Through Waylet application
 - +30,000 clients leveraging joint offers since November 2018
- > Development of new combined offers
 - Distributed generation
 - Energy management systems

International Business



Our strategy going forward: International

> Peru



- Consolidating a leadership position in the Peruvian market while transferring experience and best practices and platforms from Iberia [TWP Peru]

> Mexico



- Building a top 5 position in an opening growth market
- Leveraging both on experience and best practices from Iberia as well as expertise from Peru.
- Synergistic approach with other businesses [e.g. Lubes, Trading, Chemicals]

> Others



- Expanding into Iberian hinterlands to exploit integrated position and synergies
- Evaluating new options in markets with advantage [e.g. Latam]

Consolidating our position in Peru (I)

Leadership position in an growing market

- **Market with attractive growth**
 - 32 M consumers market
 - GDP growth: 6.4% CAGR (2008-2017 in USD)
 - Investment grade
 - Fuels^[1] market growth: 3.8% CAGR (2011-2016)
 - Fast growing convenience sector
- **Integrated presence of Repsol**
 - Largest refiner in Peru, with Refineria La Pampilla near Lima
 - Also presence in E&P business
- **Repsol #2 player in oil marketing in Peru**
 - 560 retail Stations
 - 22% Market share

[1] Includes gasolines and gasoil Source: World Bank, IEA



Consolidating our position in Peru (II)

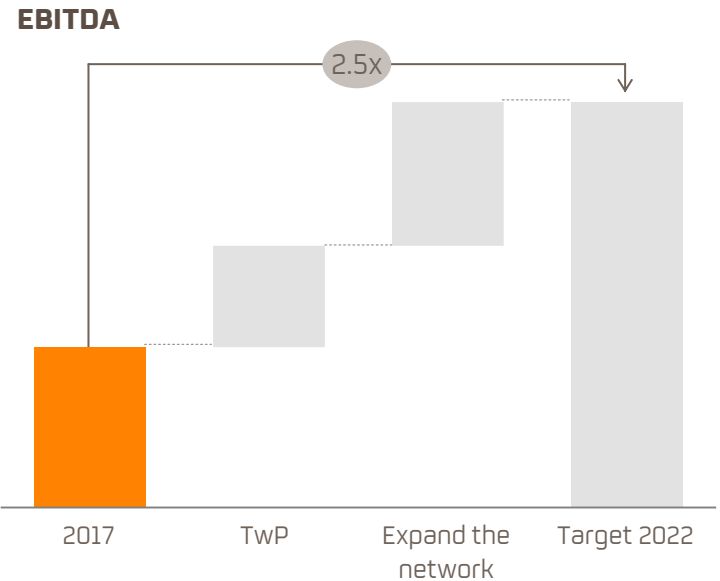
Capturing growth and transforming our business

> Expand our retail and marketing business

- Reinforce position as #2 and gain scale
- 120+ new stations to be added by 2022, targeting a total of >680 SS
- Recent acquisition of Puma Energy [26 Service Stations and B2B business]

> Exporting Transforming while Performing experience and platforms to Peru Marketing

- Optimize network
- Digitalization [App, analytics, etc.]
- Upgrade and expand non-oil business
- Grow and sophisticate fleet business
- Sophisticated customer loyalty value proposition



New market entrance: Mexico (I)

Why Mexico?

> **An attractive large market for Repsol Mobility**

- One of the largest fuel retail markets worldwide with ~2.6% yearly growth^[1] rate for the next 5 years

> **Favorable market conditions**

- Underpenetrated market: 7,000 petrol stations to hit the market by 2022
- Favorable market fragmentation with no strong player with > 8,000 owners
- Ongoing process of liberalization offering a new opportunity to enter
- Cultural and linguistic advantage plus liberalization experience.

[1] Includes gasolines and gasoil. Source: World Bank, IEA



New market entrance: Mexico (II)

Our ambition

REPSOL'S AMBITION (2022)

Top 5 player



Scale

8-10%

Market share



Result

80-100

\$M EBITDA



Term

3-5

Years



Return

>15%

IRR



Investment

300-400

\$M Capex

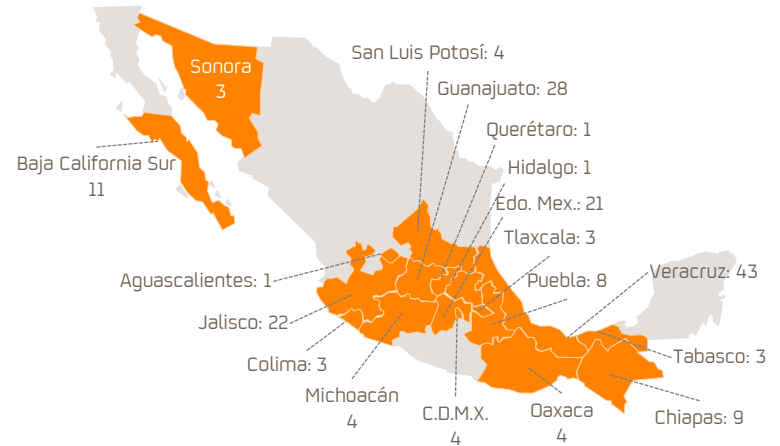
+800 service stations to be opened by 2022

New market entrance: Mexico (III)

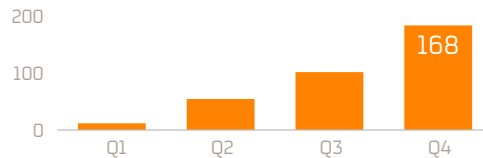
Positive progress so far

> Expansion of our retail and marketing business in Mexico

- Entry in January 2018
- Already a top 5 international player
- Fastest market entry with 168 SS in 2018
- +225 new SS expected in 2019



Operative Service Stations (2018)



New market entrance: Mexico (IV)

Positive progress so far

> Advantaged supply agreements

- Contracted logistics capacity in three key terminals
- Assessing potential participation in midstream infrastructure projects



Expanding our lubricants business

Bardahl Joint Venture



- Provider of lubricants and oil/gasoline additives
- Own brand of products and extensive distribution network across Mexico
- **€16M** EBITDA 2018
- Significant annual growth: **9%** [15-17]
- **6%** market share

> **Strategic investment in Bardahl to leverage complementarity**

- Acquisition of 40% stake
- Complement to service station network expansion plan within the country
- Part of the initiative to double lubricant sales by 2021
- Leverage Repsol service station network to sell Repsol's lubricants

> **Rationale**

- Accelerate Repsol Lubes growth in Mexico through Bardahl's distribution network and local market know-how
- Develop a Repsol lubes production hub in Latin America
- Good fit of brands with Repsol positioned in premium segment
- Growth in volume and optimization of Bardahl production capacity

A history of growth with our target set at a €100M business

CAGR 2012-2017 14%, projected to 30% 2017-2020

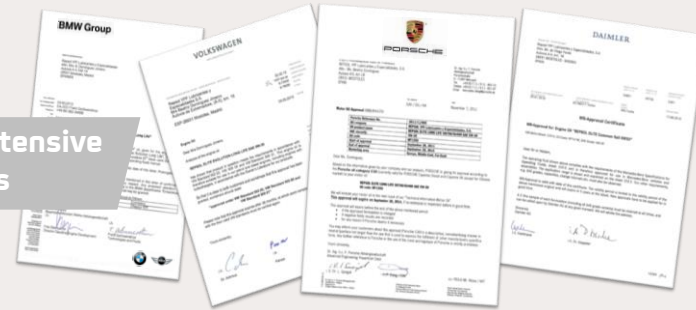
Broad product range with more than 200 references



Successful motorsports sponsorship



OEM's extensive approvals



Intensive product development at our Tech Lab



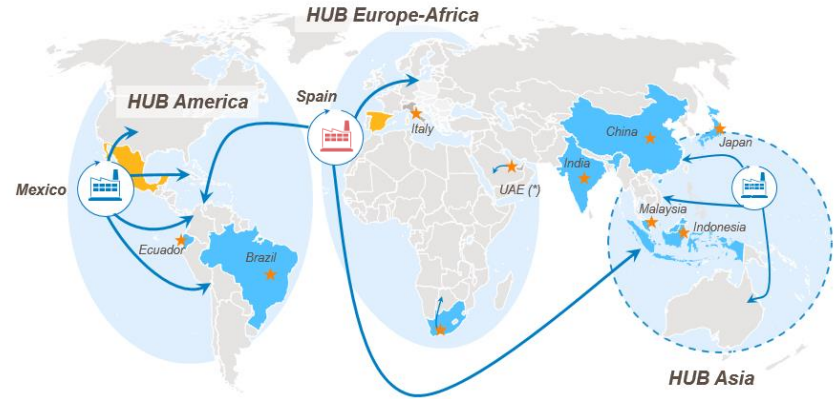
International expansion in lubricants

A way forward

Global presence in 2016



Global presence in 2019



- ➔ Exports
- 🔄 Local sales
- ⦿ Expected
- 🏭 Joint Venture with a local company
- 🏭 Puertollano Production Plant
- ★ Local production franchise

Note: [*] 2H19

A man in a grey suit, blue shirt, and dark tie is holding a white smartphone. The background is blurred, showing what appears to be an office or public space. An orange diagonal overlay covers the left side of the image, containing the text 'Closing remarks' in white. The overall composition is professional and modern.

Closing remarks

Closing remarks

> Mobility business with strong and attractive opportunities

> Repsol very well positioned to take advantage of the new market dynamics

> We have a clear strategic roadmap for future profitable growth

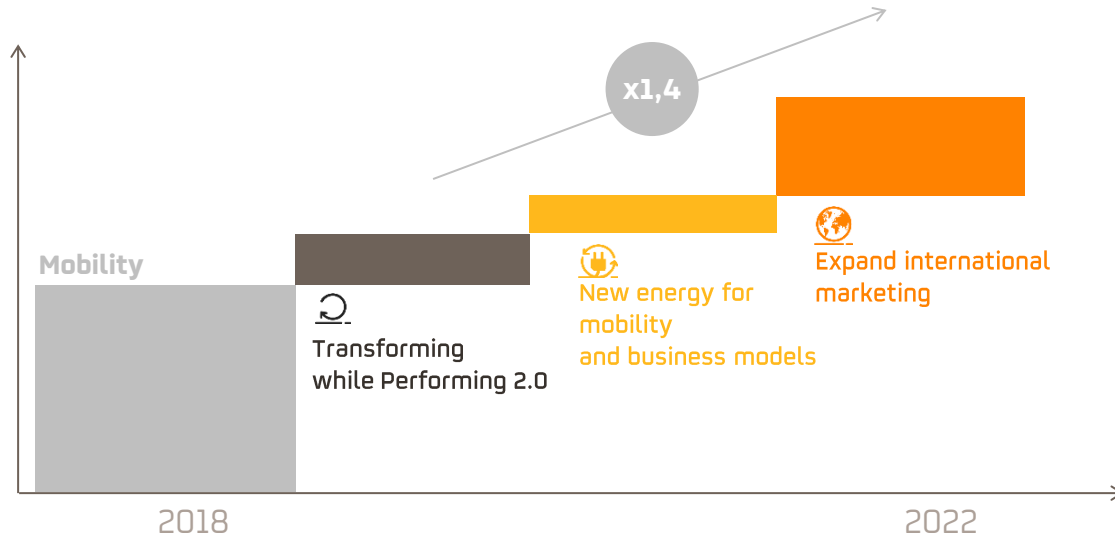
- Short term positive demand momentum in core markets: fuels and convenience
 - New mobility business models gaining critical mass
 - International markets with strong growth prospects
-

- Clear leadership and critical mass in core markets built on valuable competitive advantages
 - Proven track-record in business transformation
 - World-class digital capabilities and assets
 - Pioneer in oil retail and gas and power convergence play
-

- Continue the transformation of our core business
- Leverage our advantages to expand into adjacent mobility businesses and in the new energies/convergence play
- Export our optimized business models to advantaged and growing international markets

So, exciting times and ambitious growth targets for our Mobility business: x1,4 EBITDA

EBITDA



Current Cost of Supplies EBITDA

EXECUTION &
NEXT IS NOW
TRANSFORMATION

Now it's all about
**EXECUTION &
TRANSFORMATION**



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