

WEBCAST – CONFERENCE CALL

Third Quarter 2018 Results

October 31st 2018



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In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016. Information and disclosures related to APM used on this presentation are included in Appendix IV "Alternative Performance Measures" of the Interim consolidated financial statements for the nine month period ended September 30, 2018 and Repsol's website.

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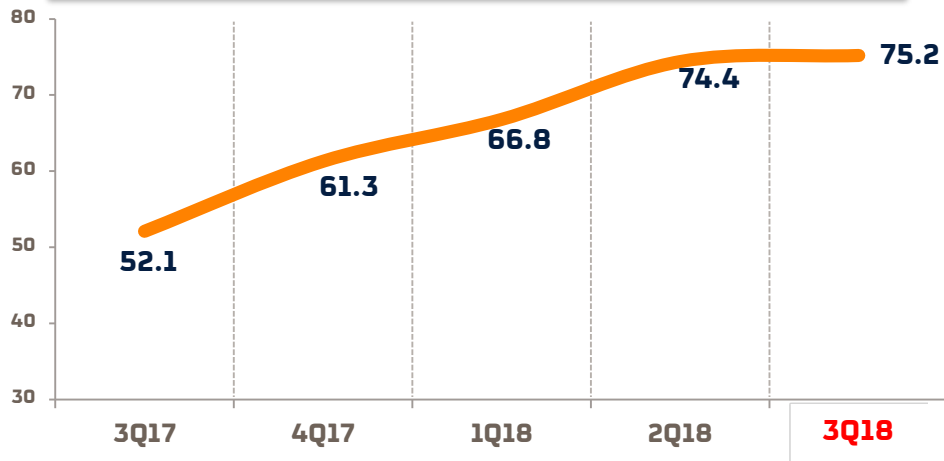


- 1. Key messages and operational activity**
- 2. Financial results**
- 3. Outlook for 2018**

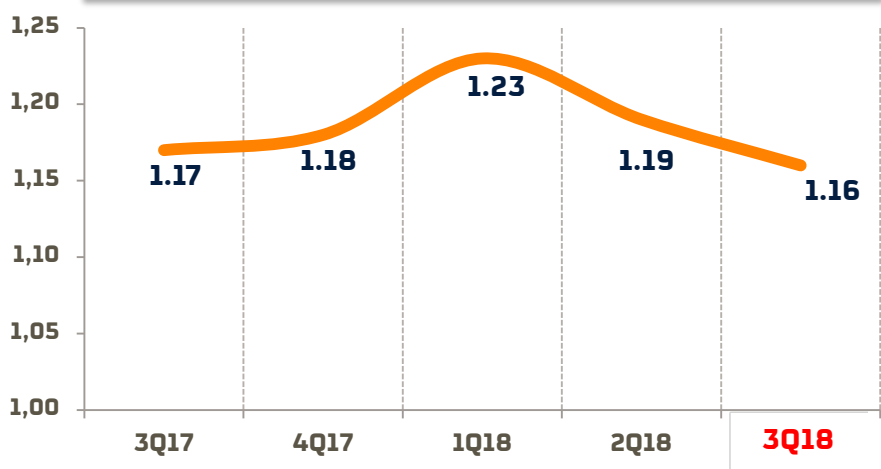
Market environment



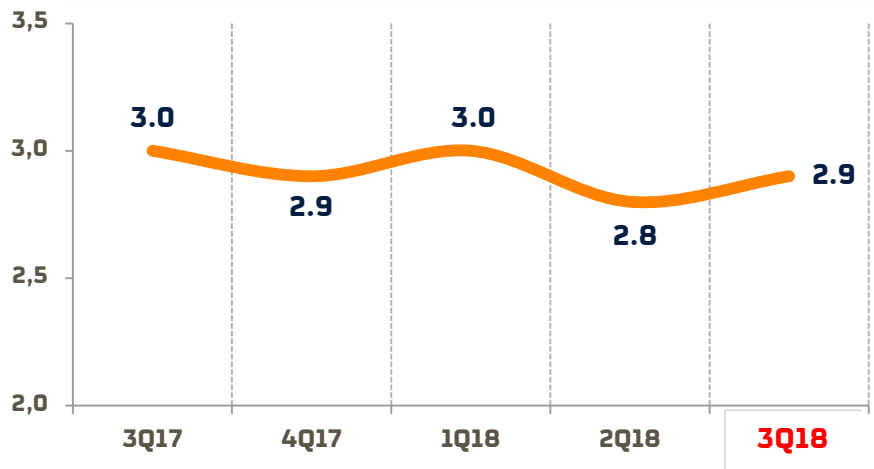
Brent - \$/bbl



Exchange Rate - \$/€



Henry Hub - \$/Mbtu

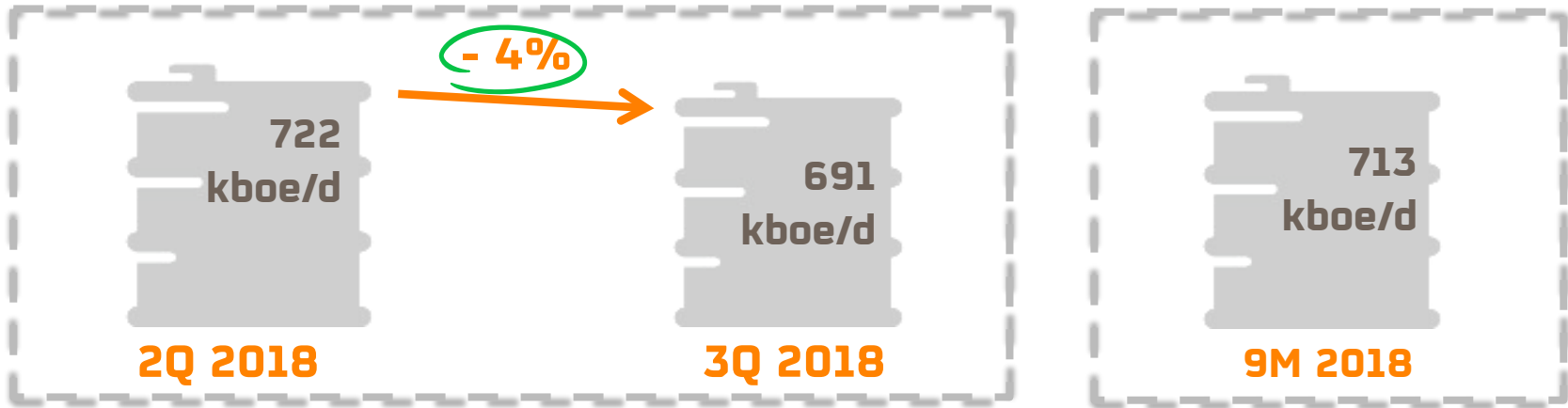


Key messages of 3Q18

- **EBITDA at CCS** → **€1.9Bn**
- **CFFO** → **€1.6Bn**
- **Net debt** → **€2.3 Bn**
- **UPSTREAM**
 - ✓ Focus on the successful **development of projects and portfolio high-grading**
- **DOWNSTREAM**
 - ✓ **Results in line** with the second quarter
- **LOW CARBON**
 - ✓ **Viesgo** closing expected early in **November**
 - ✓ Acquired permits to develop **264 MW solar project** in Spain
- **CORPORATION**
 - ✓ Buy-back program → **32 million shares** already purchased
 - ✓ CaixaBank announced divestment of **9.3%** stake in Repsol

Operational Activity

Upstream



3Q18 volumes were affected by:

- Planned maintenance
- Lower domestic gas demand in **Venezuela**
- **Libya** → **35 kboe/d** net

Development activity:

- Reggane (**Algeria**) reached plateau in August

Exploration program:

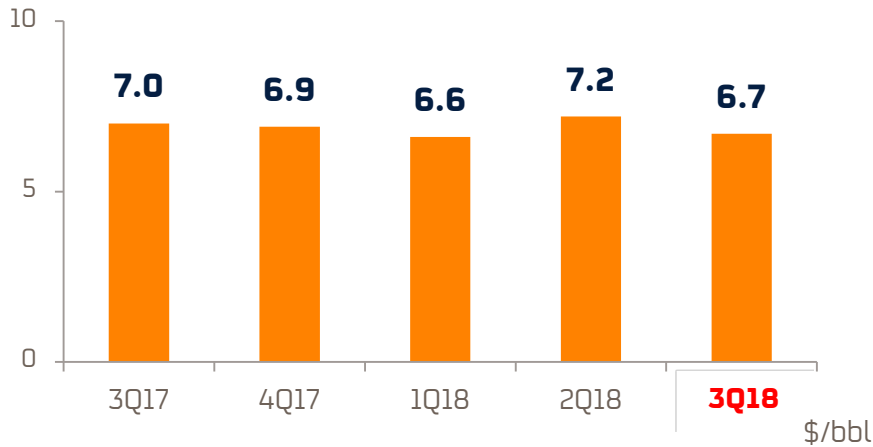
- **5** exploratory wells completed:
 - ✓ Under evaluation → **2**
 - ✓ Unsuccessful → **3**

Operational activity

Downstream



Refining Margin Indicator

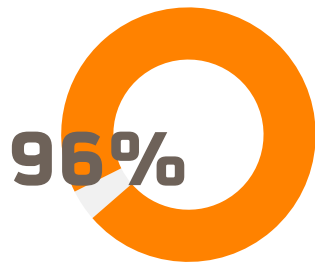


Petrochemicals

- Challenging international environment
- Start-up of Sines

Utilization rates

3Q 2018



Distillation



Conversion units

Commercial businesses

- **Marketing business:**
 - Positively impacted by driving season in Spain
- **LPG and G&P:**
 - Negatively impacted by seasonality

Financial Results



	Q3 2018	Q3 2017	Variation %
CCS Adjusted Net Income	588	528	+ 11%
Net Income	625	527	+ 19%

UPSTREAM	Q3 2018	Q3 2017	Variation
CCS Adjusted Net Income	368	148	+ €220M

Million €

DOWNSTREAM	Q3 2018	Q3 2017	Variation
CCS Adjusted Net Income	336	502	- €166M

Million €

CORPORATE & OTHERS	Q3 2018	Q3 2017	Variation
CCS Adjusted Net Income	-116	-122	+ €6M

Million €

Outlook



- ✓ **FY18 Capex: ~€4Bn**
- ✓ **Efficiency and Digitalization:** Full-year targets achieved as of September
- ✓ **Upstream**
 - **Venezuela:** 2 cargos from PDVSA received in October
 - **Akacias** [CPO-9]: working towards doubling production in 2019
 - **Marcellus:** second rig starting in 4Q18
 - **Buckskin:** expected first production in 2019
 - **Alaska:** two well appraisal campaign in Pikka
 - **Sagitario:** appraisal phase expected to start 1H19
 - **Angelin:** first gas expected in 1Q19
- ✓ **Downstream:**
 - Refining Margin Indicator recovering in the last days of October
 - Chemical business: expected FY EBIT of **~€280M**

Conclusions



- On track to deliver 2018 targets
- **UPSTREAM**
 - ✓ Cashflow generator of the company
 - ✓ Accelerating portfolio rotation
- **DOWNSTREAM**
 - ✓ Repsol refining perfectly positioned to benefit from IMO 2020
 - ✓ Chemical business resilient even at high oil and naphtha prices
- **LOW CARBON**
 - ✓ Viesgo transaction will be the core of inorganic growth to 2020

Sustained higher oil scenario, strong balance sheet and financial flexibility will allow us to accelerate projects while increasing annual shareholder remuneration by 8%

Q&A Session

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