



REPSOL



Downstream Day

Introduction to the sessions

María Victoria Zingoni

EDM COMMERCIAL BUSINESS & CHEMICALS



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- Strategic Update
- 2018 Performance
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- Downstream Team





Key figures

Energy transition

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What is Downstream for Repsol?

~20%
ROACE 2016-2018

6
REFINERIES

1 Mbpd
REFINING CAPACITY

100 Mt
TRADING & SUPPLY
PHYSICAL
THROUGHPUT



3 CHEMICAL
SITES
SINGLE HUB

2.8 Mt
OF CHEMICAL SALES

Tech
OWN
TECHNOLOGY
(PO/SM)

>4,900
SERVICE
STATIONS
5 COUNTRIES

>15 Mt
WHOLESALE
10 M
CLIENTS



59%
LPG MKT SHARE
SPAIN + PORTUGAL

~28%
LUBRICANTS SPAIN
MARKET SHARE



850,000
GAS AND POWER CLIENTS

2.9 GW
LOW CARBON
GENERATION
CAPACITY

14%
WHOLESALE GAS
MARKET SHARE

A photograph of a male worker in profile, wearing a white hard hat, safety glasses, and a light-colored work jacket. He is holding a black walkie-talkie to his mouth. The background shows an offshore oil rig structure over the ocean under a clear sky. A semi-transparent grey overlay covers the left side of the image, containing white text.

Key figures

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Key Trends of Energy Transition

GLOBAL TRENDS

Regulation change and license to operate

Decarbonization

Technological shift and **Digital** revolution

Customer centricity and new consumption patterns

New Competitors



**Energy
Transition**

TRENDS IN THE ENERGY CONSUMPTION MODEL

Global **growth** in demand

Increased electrification in energy consumption

Natural gas as **transition** source

Increased share of **renewable** energy in the mix

Development of new **services** and business models around the customer

*"Our future is bound to turn us into a **global multi-energy provider**, capable of supplying each individual the energy they need at any given time in a **safe, competitive, and sustainable** way."*

Antonio Brufau
REPSOL CHAIRMAN

Global Primary Energy Demand in 2040

~50%

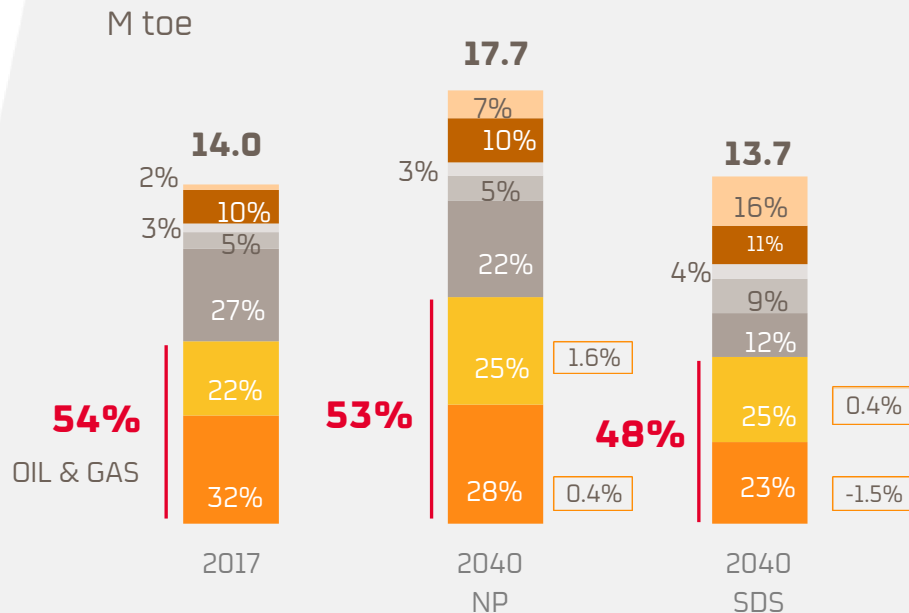
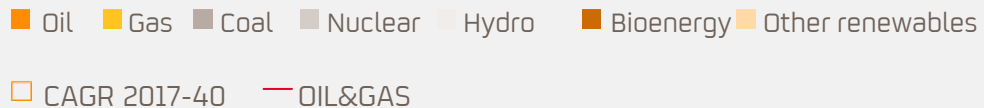
Fossil fuels will maintain hegemony in both scenarios with around 50%

Source: WEO 2018 IEA

NP: New Policies

SDS: Sustainable Development Scenario

toe : tonnes of oil equivalent



Global Primary Energy Demand in 2030

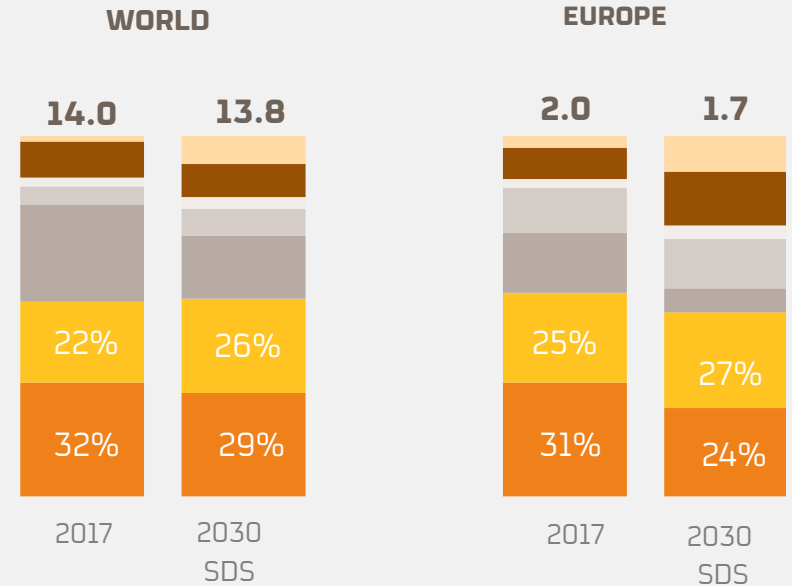
~ 55%

Eventhough in Sustainable Development Scenario issued by International Energy Agency, Oil&Gas would represent 55% of global energy demand and 51% of European demand by 2030

Source: WEO 2018 IEA
 SDS: Sustainable Development Scenario
 toe : tonnes of oil equivalent

Oil Gas Coal Nuclear Hydraulic Bioenergy Other renewables

M toe





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Delivering value through the cycle

01



Increasing shareholder returns

- **Dividend** per share **8% p.a. growth** with full buyback of shares
- **Dividend target fully covered** at \$50/bbl
- **CFFO dividend coverage** to grow from 3.9x in 2017 to 4.3x in 2020
- **Sustainable long term pay-out**

02



Growing our portfolio profitably

- **Growth** across all value-creation metrics, **at any oil price**
- **Downstream** activated as **asset-light** growth engine
- Upstream delivering **performance improvement** / portfolio upgrade
- Strong pipeline of **attractive growth** projects in both divisions

03



Thriving in the energy transition

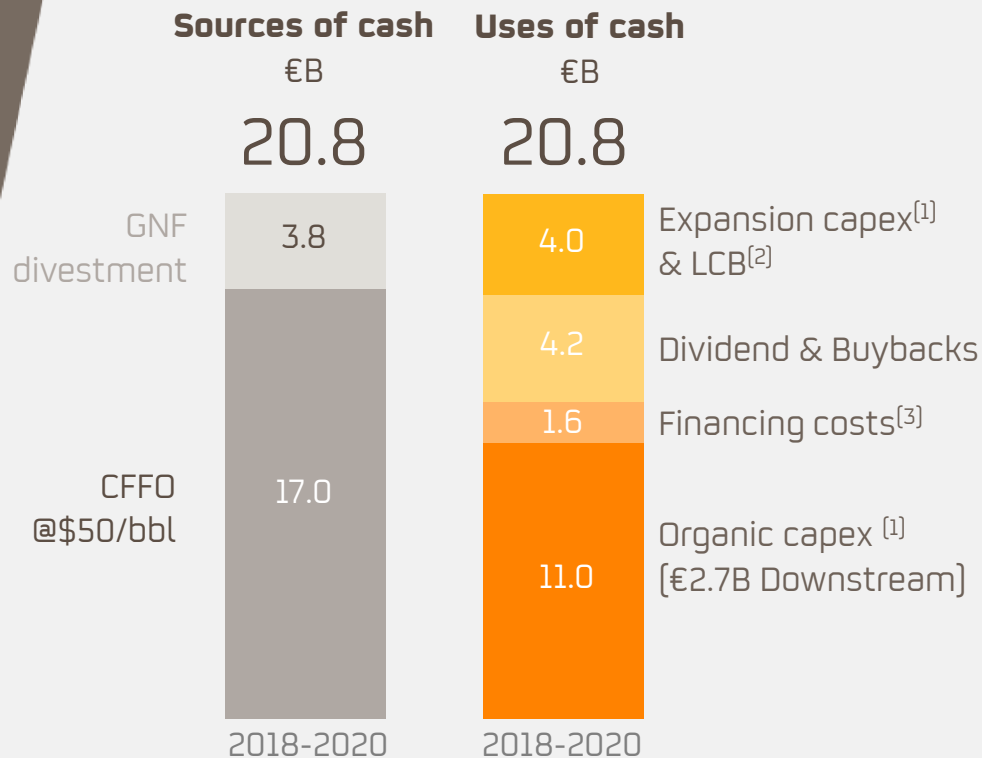
- **Develop long term options**
- Leverage our **competitive advantages**
- Reduce carbon footprint
- Build new capabilities



Financial Flexibility

Strategic Update 18-20

Fully funded at **\$50/bbl**
keeping a strong
financial position



[1] CAPEX refers to Cash Flow from investment activities

[2] Downstream expand and Low carbon business.

[3] Financing costs include financial leases, financial charges, dividends to minority, hybrids interests and other movements

A double-gear engine ready to deliver value growth and shareholder return

Focus on portfolio & balance sheet resilience

DOUBLE-GEARED ENGINE



Upstream

Improving returns with profitable growth while high-grading portfolio



Downstream

Consolidating superior performance and enabling new value growth levers

Strong cash generation from core business



Developing a low carbon business for the energy transition

KEY PRIORITIES

Value growth & shareholder return

Downstream Strategic Plan



Sustain

Reinforce leadership of current positions

- Ongoing successful transformation on high quality assets
- Enhancing strengths through digitalization and new technologies

Maximize value capture from positive industry outlook

- Best positioned for IMO and fully exploit integration



Expand

New international growth opportunities

- Leveraging our competitive advantages
- Asset-light businesses (Commercial, Trading) in emerging markets and hinterland
- Gain global scale in advantaged petrochemical high value products



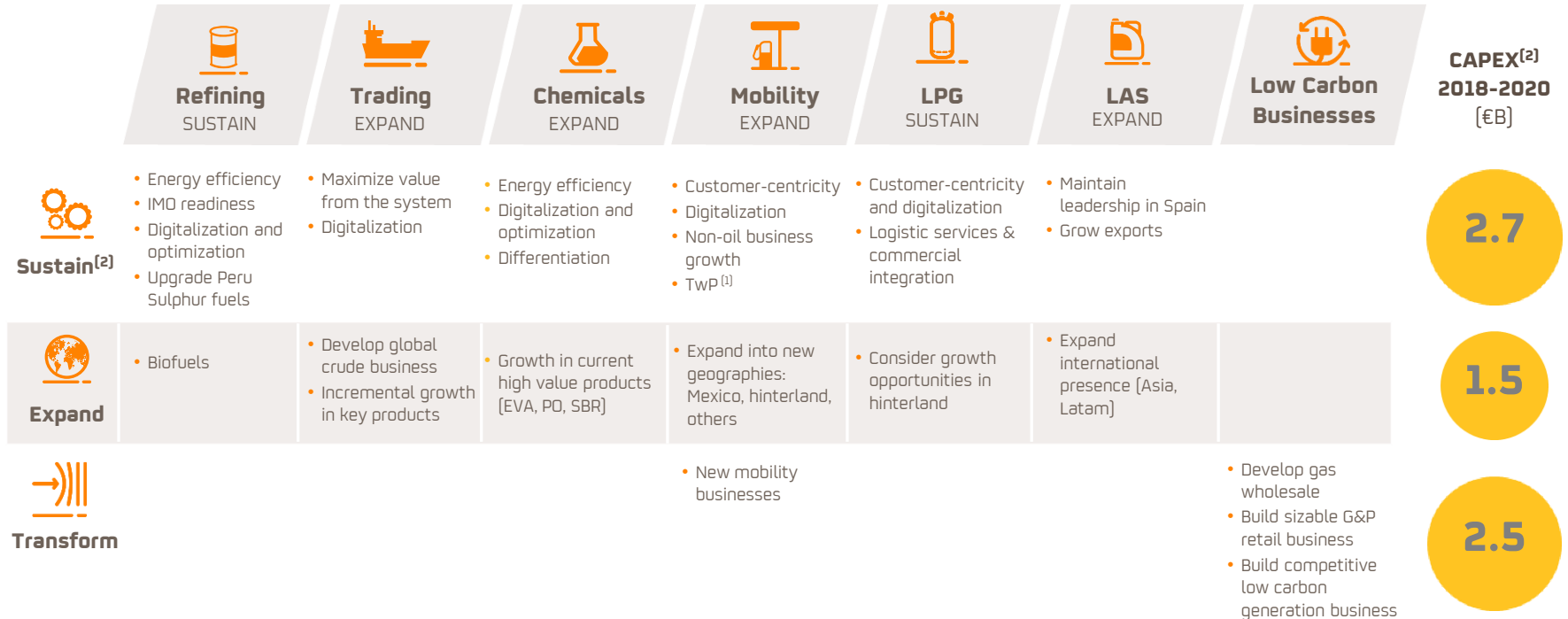
Transform

Build New Businesses

- Develop today the business for the future
- Thrive in Energy Transition, offering efficient and sustainable energy as suppliers of gas and electricity

Building upon our strengths

Main strategic lines by business



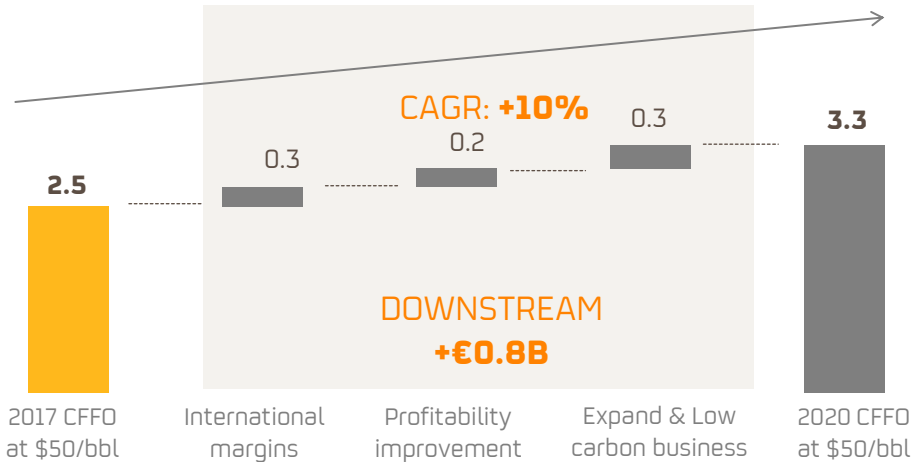
[1] TWP = Transforming While Performing, a program for operational excellence

[2] CAPEX refers to Cash Flow from investment activities. "Sustain" are the necessary investments to keep current state of businesses

Sustainable value growth across the portfolio

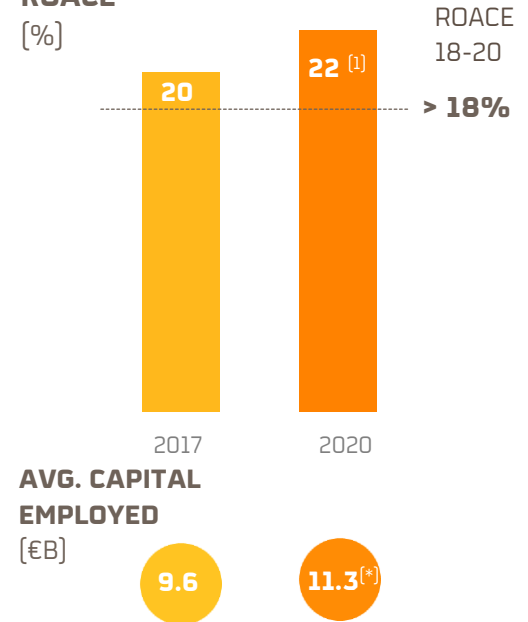
CCFO AT \$50/bbl

(€B)



ROACE

(%)



AVG. CAPITAL EMPLOYED

(€B)



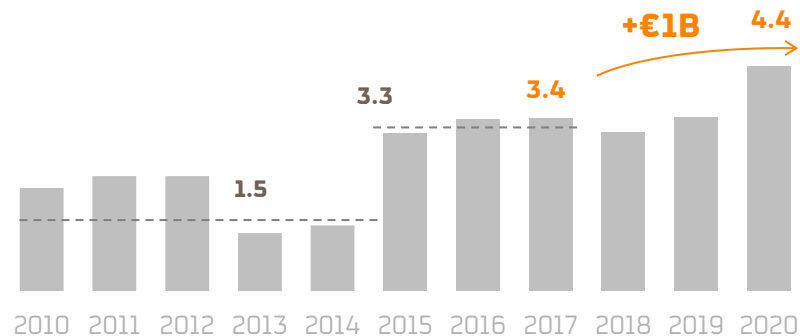
CCFO (Cash Flow from Operations) = EBITDA +/- Working Capital variation + Dividends from affiliates - taxes paid - abandonment cost and others
 Forecasts made under flat \$50/bbl Brent price and flat \$3/Mbtu Henry Hub price.

[1] Low Carbon business is not included

Solid historical Downstream performance

EBITDA

€B

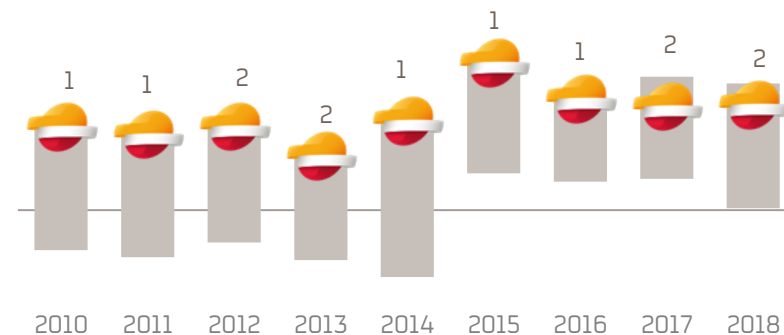


FX \$/€	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	1.33	1.39	1.28	1.33	1.33	1.11	1.11	1.13	1.18	1.18	1.18

BRENT \$/bbl	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	79.5	111.3	111.7	108.7	98.9	52.4	43.7	54.2	71.3	50.0	50.0

R&M INTEGRATED EBIT

[EUROPEAN PEERS]



Source: Repsol analysis based on peers yearly reports
 Integrated R&M calculated as EBIT CCS - Adjusted operating profit from the R&M divided by the total volume of crude processed

Growth Plan and Cultural Evolution as pillars of our Strategy



IMO



Trading



Digital transformation



Chemicals



Geographical expansion



Low carbon businesses



Clear and joint direction



Talent and leadership



Agility, collaboration and accountability

A photograph of a male worker in profile, wearing a white hard hat, safety glasses, and a light-colored work jacket. He is holding a black walkie-talkie to his mouth. The background shows an offshore oil rig structure over the ocean under a clear sky. A semi-transparent grey overlay covers the left side of the image, containing white text.

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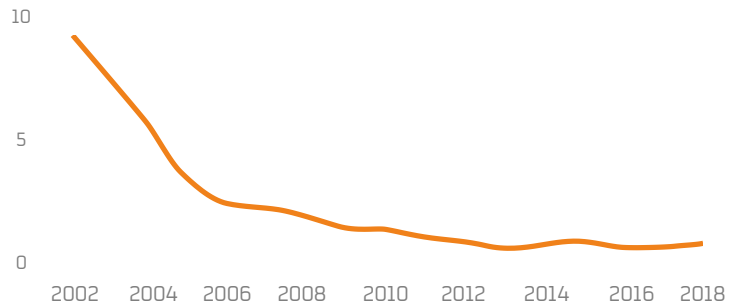
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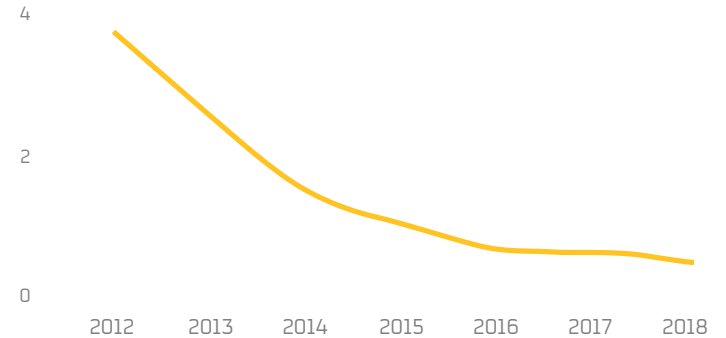
Downstream Team

Our Commitment to Safety and the Environment

LOST TIME INJURY FREQUENCY
[LTIF]



PROCESS SAFETY INCIDENT RATE
[PSIR]



Downstream Performance 2018

On the way to achieve Strategic goals



Clear
and Joint Direction
New Downstream Organization



Talent and
Leadership
Internal & External talent
>200 new experienced hirings



Agility, Collaboration and
Accountability

EXECUTION &
/ NEXT IS NOW /
TRANSFORMATION



IMO Readiness

- Turnaround plan for 2019



Digitalization



- Waylet
- Google Analytics
- Sky project



Chemicals



- High-added value products
- Niche opportunities under analysis



International Expansion



- Mexico
- Puma Energy Peru



Low Carbon Businesses



- Viesgo Acquisition
- Valdesolar



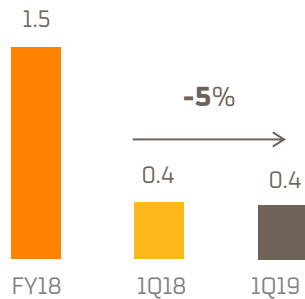
- Windfloat
- Wible

Key metrics 1Q19

	FY18	1Q18	1Q19
Brent \$/bbl	71.3	66.8	63.1
\$/€	1.18	1.23	1.14

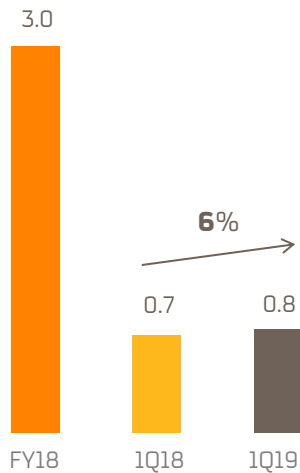
ADJUSTED NET INCOME

€B



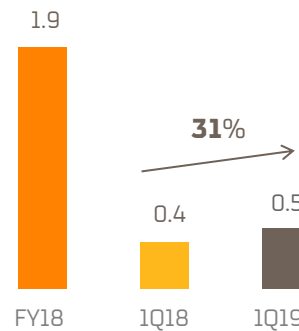
EBITDA CCS

€B



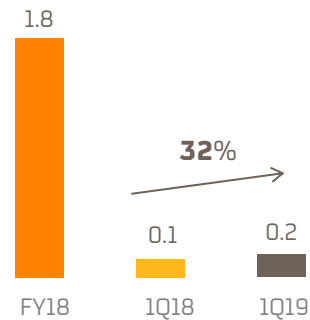
CFFO

€B



CAPEX

€B





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Agenda

8th MAY 2019

**14.45– 15.30 Arriving at Refinery
& light lunch**

15.30– 16.00 Introduction
María Victoria Zingoni

16.00– 17.30 Refining
**Juan Antonio Carrillo
de Albornoz**

IMO
**Lourdes Rodríguez
Juan Carlos Ramírez**

17.30– 18.30 Visiting the Refinery
**Juan Antonio Carrillo
Joaquín García-Estañ**

9th MAY 2019

8.30– 8.45 Introduction

8.45– 9.30 Digitalization &
Technology
**Enrique Fernández
Jaime Martín Juez**

9.30– 10.30 Chemicals
José Luis Bernal

10.30– 10.45 Coffee Break

10.45– 11.45 Mobility and Commercial
Businesses expansion
**Miguel Apoita
Sebastián Mussini**

11.45– 12.45 Low Carbon
**Francisco Vázquez
João Costeira**

12.45– 13.30 Light Lunch

13.30– 14.30 Downstream overview
Conclusions
María Victoria Zingoni

Downstream Structure

Heads of Businesses



María Victoria Zingoni
EMD COMMERCIAL BUSINESSES
& CHEMICALS



José Luis Bernal
CHEMICALS



Miguel Apoita
MOBILITY



Sebastián Mussini
LUBRICANTS, ASPHALTS
& SPECIALTIES



Francisco Vázquez
ELECTRICITY & GAS



Joaquín García Estañ
HEAD OF CARTAGENA REFINERY



Enrique Fernández Puertas
HEAD OF DIGITALIZATION PMO



Laura Rejón*
WHOLESALE & TRADING GAS



Carmen Muñoz*
LPG



Jaime Martín Juez
HEAD OF TECHLAB



**Juan Antonio Carrillo
de Albornoz**
EMD INDUSTRIAL BUSINESSES
& TRADING



Lourdes Rodríguez
TRADING



Jaime Fernández C.*
DOWNSTREAM PERU



Juan Carlos Ramírez
REFINING PLANNING & LOGISTICS



Fernando Alonso*
REFINING OPERATIONS



João Costeira
CHIEF DEVELOPMENT OFFICER
ELECTRICITY & GAS



Manuel Pérez Jurado
OPTIMIZATION & ANALYSIS

[*] Not attending event



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