

Strategic  
Plan  
2021-2025

# Stepping up the Transition

Driving growth and value



The Repsol Commitment  
Net Zero Emissions  
by 2050

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# Strategic Plan 2021-2025: Delivering a compelling investment case into the Transition



Leading the  
**journey**

to an ambitious  
**destination**

- A legacy **double-gear engine** providing cash-flow and solid foundations for the Transition
  - **Profitable business platforms** with leading **advantaged positions**: Iberia & Downstream
  - **New operating model**, catalyzing value transparency & De-carbonization
  - Leading shareholder distribution with a **top quartile remuneration**
  - Preserving our financial strength
- 
- A **profitable** ambition of net zero emissions and multienergy **company growth** (FCF growth)
  - **Distinctive** potential for transformation to 2030 in terms of speed, intensity and feasibility

A profitable company in the Energy Transition with strong cashflow growth & capital discipline

# Agenda

- 01.** A complex environment offering opportunities
- 02.** Repsol: Outstanding platform to thrive in the energy transition
- 03.** Path to Repsol 2030
- 04.** Strategy 2021-25: Stepping up the Transition
- 05.** Leading investment case
- 06.** Conclusions



**A complex environment  
offering opportunities**

**01.**



# A complex environment offering significant opportunities



## Economic recovery

- Challenging economic environment
  - Recovery to 2019 levels expected not before 2023
- Global energy demand to follow economic recovery
- Long term secular growth in energy demand
  - Global population and higher living standards driving growth despite efficiency gains

## Energy transition and decarbonization

- Regulatory and social alignment towards decarbonization priority
- Growing share of electrification in the energy mix, with increased contribution from renewables
- Oil and gas to maintain a key role in energy mix
- New technologies driving change in energy landscape (i.e. H<sub>2</sub>, biofuels, circularity, carbon sinks)

## Volatile commodity prices

- High market uncertainty and volatility
- COVID driving oil price to low 40s and refining margins under pressure
- Steep reduction of investments and increase of closures across O&G value chain
  - Potential upside for prices with economic recovery
- Long term volatility for oil and gas prices

# Repsol: Outstanding platform to thrive in the energy transition

# 02.



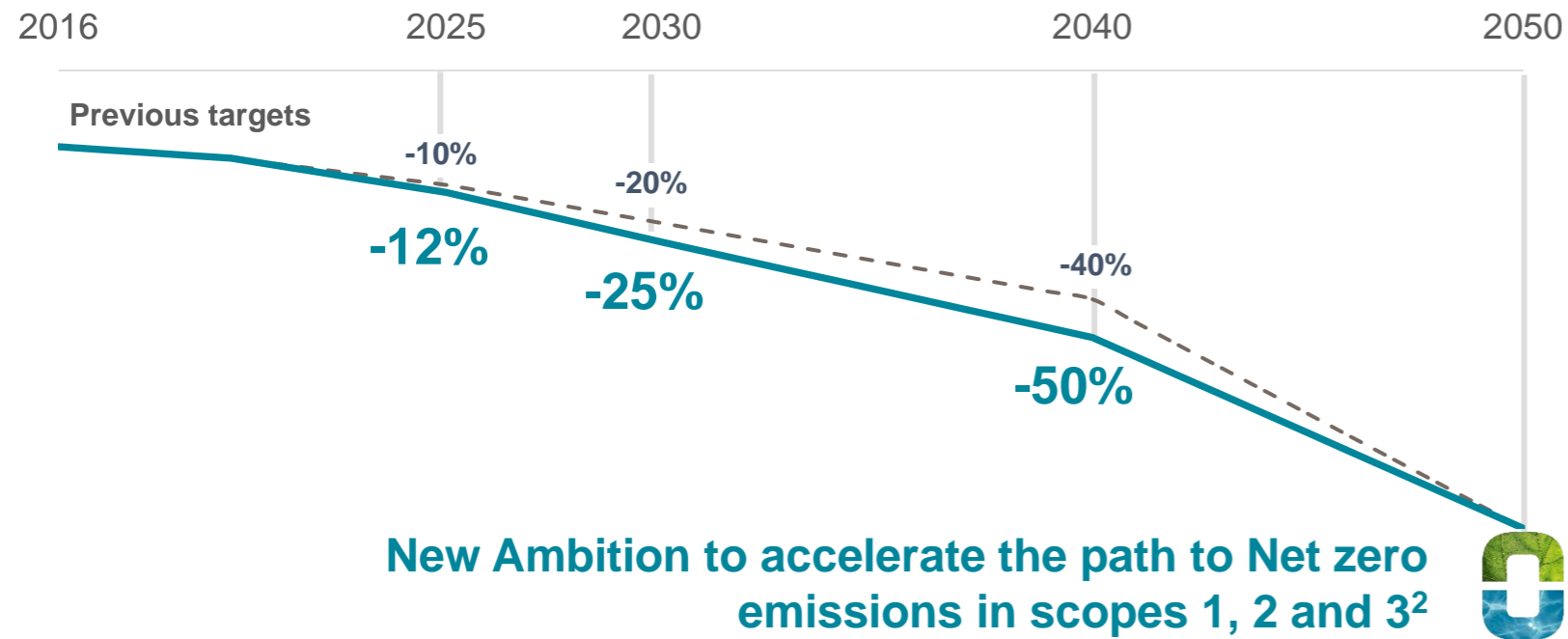
# Repsol: Pioneering commitment with decarbonization goals



## First O&G to target Net Zero emissions

Committed in December 2019, now increasing our ambition

Carbon Intensity Indicator<sup>1</sup> reduction target [gCO<sub>2</sub>/MJ]



**Leading the energy transition** in line with the objective of the **Paris agreement** to limit global temperature increase to well below 2°C

## Leading ESG company



**Top grade 2020**



**Top grade 2019**



**1st quintile 2020**

**32%**

Repsol's institutional shares managed by **ESG investors...**

**15%**

...more than doubling the Global oil and gas average

1. 2016 baseline. 2. Scope 3 emissions based on the use of the products from our upstream production  
 Note: TPI: Level 4 "Strategic Assessment"; CDP: Within Oil & Gas: A-; MSCI: In Integrated Oil and Gas: AA  
 Source: Leaders Arena research August 2020 & Repsol SID List Feb 2020.



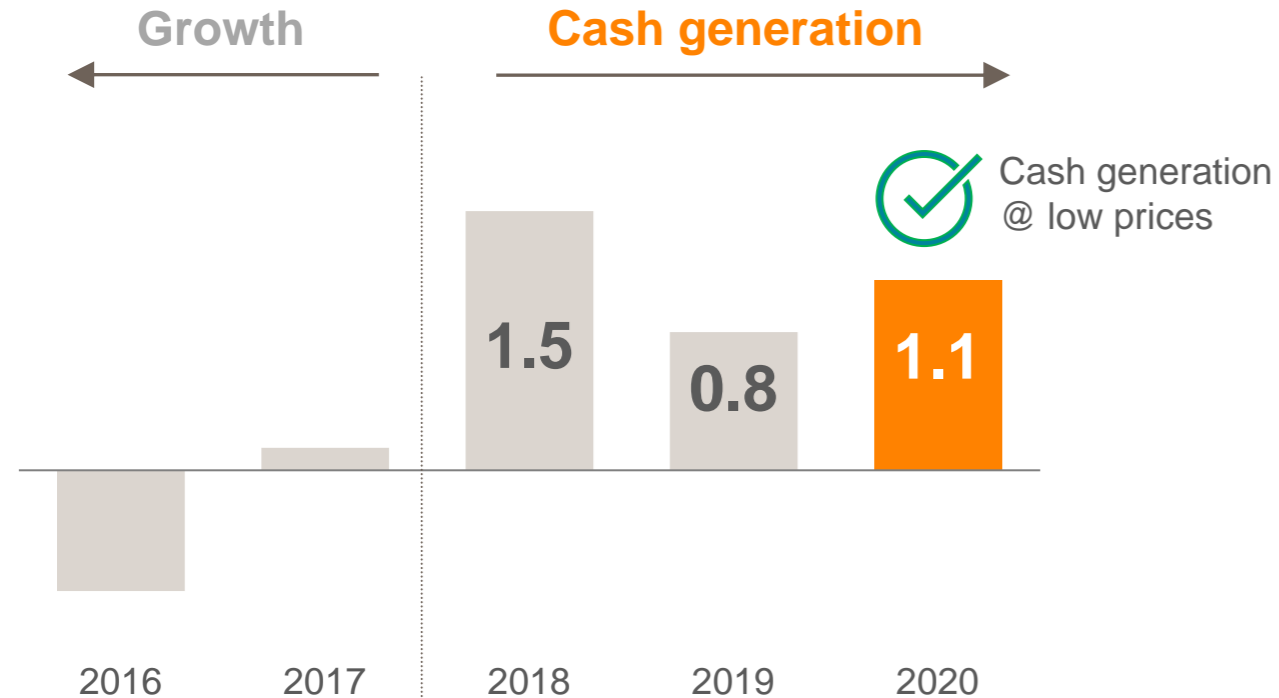
# Doubled-gear machine

Upstream



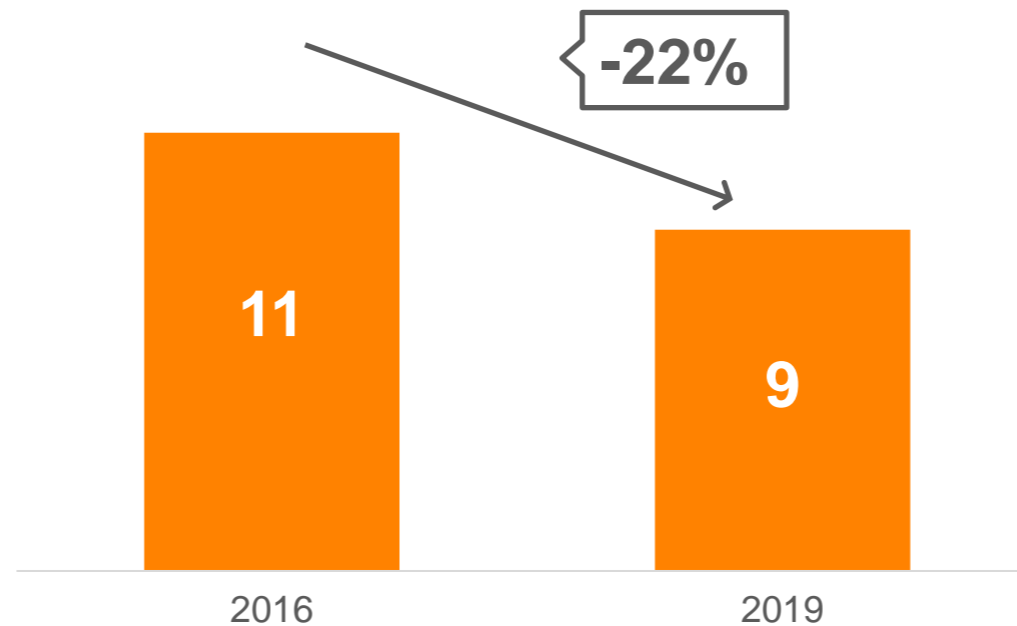
## Strong FCF generation

### Free cash flow (B€/y)



## Focus on OPEX reduction

### OPEX (\$/boe)



## Value vs. Volume mindset

- **Portfolio** with balanced exposure and **optionality**
- Selective **capex allocation**  
→ intensity: <\$10/boe<sup>1</sup>
- **Continuous** capex/opex **efficiency programs**
- Strong **track record**:
  - Asset **turnaround**
  - **Project delivery** safe, faster and leaner
  - World class **explorer**

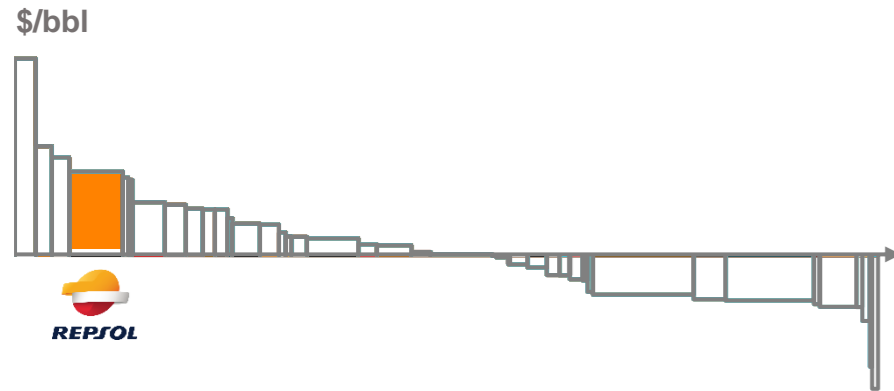
# Doubled-gearred machine

Downstream



## 1. World-Class Industrial business<sup>1</sup>, with Tier 1 assets

### 123 WMK Refining Net Cash Margin model<sup>2</sup> by EU companies 2020 (42 companies, 84 refineries)



### Solid integrated chemical business

- 40% LPG feedstock flexibility vs 25% EU average
- Differentiation & vertical integration with value-added products
- Customer centricity
  - Best 2020 polymer producer award<sup>3</sup>



Strong integration across Refining, Chemicals & Trading

## 2. Iberian leading Customer business

- Leading energy brand in Iberia with top market shares
- Material and growing non-oil business
- Strong results growth 2015-19: +43% EBITDA 
- World class digital products and capabilities
- Top resilience: Delivering €0.5 B FCF in a challenging 2020

Refining + Commercial Margin: Repsol +\$2/bbl margin vs. EU peers in 2015-2019<sup>4</sup>

1. Includes Refining, Chemical, Trading and Peru R&M businesses. 2. Wood Mackenzie Refinery Evaluation Model (Post-Investment Preliminary 2020 Update) – Europe. Updated: May 2020 3. Best polymer producers Awards for Europe by the European Plastics Converters association (EuPC), 2020 4. Integrated margin calculated as CCS/LIFO-Adjusted operating profit from the R&M segment divided by the total volume of crude processed (excludes petrochemicals business). Based on annual reports and estimates. EU Peers: Eni, Cepsa, Galp, OMV, MOL, Hellenic, PKN Orlen, Neste Oil

# Repsol today: Starting the Transition from a strong position

Relevant low carbon portfolio & sustained and resilient Free Cash Flow



## CUSTOMER CENTRIC

### 24 M customers

1 M G&P retail customers  
(+40% in 18 months)  
2 M **waylet** users

### Leader in multi-energy low carbon products<sup>1</sup>

66% Biofuels; 74% LPG

### 1,250 Charging points

Spanish leader in fast charging and public charging points

## RENEWABLES

### 1.1 GW Operational<sup>2</sup> in Spain and Chile

0.7 GW Hydro  
0.4 GW Wind

### 11.7 GW Strong pipeline

0.4 GW Under construction  
3.5 GW High visibility pipeline  
7.8 GW Under development and negotiations

## INDUSTRIAL

**700 kt/y** bios produced

**250 kt/y** advanced bios  
FID taken in Cartagena

**First 7kt** biojet fuel ever made in Spain

### Circular polyolefins

10 kt plastic waste removed since 2015

### CCU demo plant Project

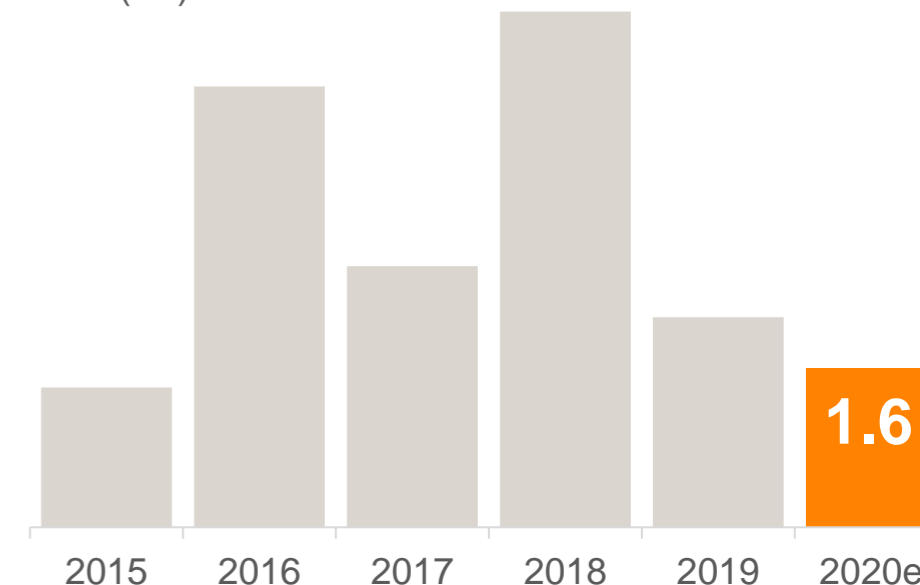
2.5 kt/y e-fuels capacity

## FCF resilient



Only company to be FCF positive each and every year since prices dropdown

FCF (B€)



**The ability to adapt and extract value of difficult environments underpins future success for Repsol**

1. Spain Market share in volume; value for 2019

2. Operating capacity of Delta I (335 MW), Windfloat (5 MW), Cabo Leonés III phase I (78 MW – 50% WI) and hydro assets (699 MW)

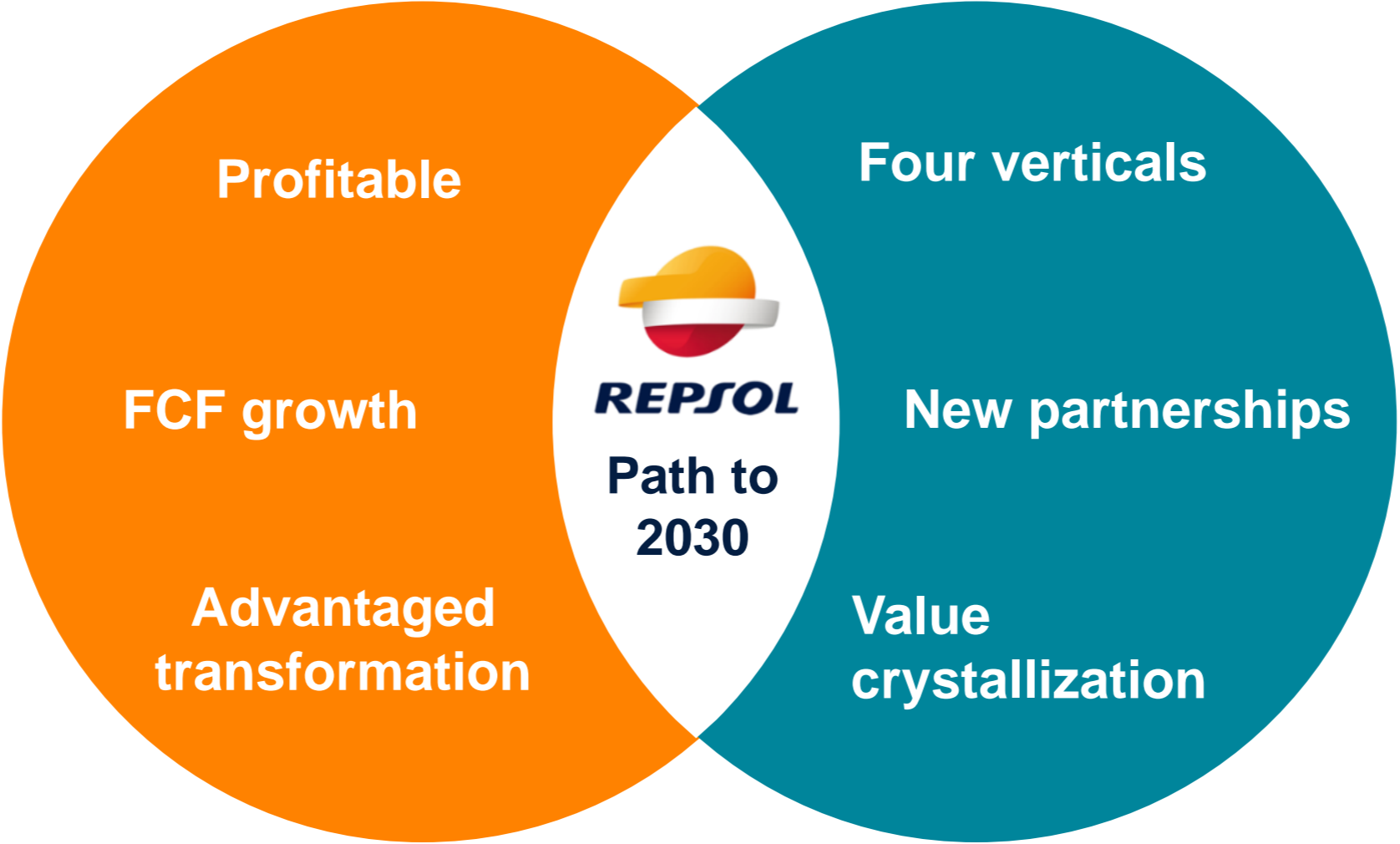
# Path to Repsol 2030

03.



**De-carbonize  
the portfolio**

**New operating  
model**



Towards Net Zero emissions

Leading investor proposition

# Early movement: New Repsol corporate model for increased accountability and value transparency



Group Corporate Center (Governance, Financial and Strategic Management and Integration synergies)

Group Global Services (Efficiency and Scale)

**Upstream**  
Upstream

|              |             |   |
|--------------|-------------|---|
|              | <u>2019</u> |   |
| EBITDA       | €4.3 B      | ✓ |
| CAPEX        | €2.5 B      |   |
| P1 Reserves: | 2.1 Bboe    |   |
| Production:  | 709 kboe/d  |   |

**Industrial**

Refining<sup>1</sup>      Biofuels  
Trading              Chemicals  
Wholesale & Gas Trading

|                   |             |   |
|-------------------|-------------|---|
|                   | <u>2019</u> |   |
| EBITDA            | €2.0 B      | ✓ |
| CAPEX             | €0.9 B      |   |
| Refining capacity | 1.0 Mbbbl/d |   |
| Chemical sales    | 2.8 Mt/y    |   |

**Customer-centric**

Mobility      P&G Retail  
LPG            Energy solutions  
E-Mobility    LAS<sup>2</sup>

|           |             |   |
|-----------|-------------|---|
|           | <u>2019</u> |   |
| EBITDA    | €1.0 B      | ✓ |
| CAPEX     | €0.4 B      |   |
| # Clients | 24 M        |   |

**Low-carbon generation**

Renewables  
Conventional low-carbon generation  
Energy Management

|           |                         |        |
|-----------|-------------------------|--------|
|           | <u>2019</u>             |        |
| EBITDA    | €0.04 B                 |        |
| CAPEX     | €0.2 B                  |        |
|           | <u>2020</u>             |        |
| Capacity: | 3.3 GW                  | ✓      |
|           | Of which RES (inc. ...) | 1.1 GW |

**Yield and Focus**

**Yield and New Platforms**

**Yield and Transformation**

**Business Build**

**EQUITY PARTNERS or IPO**

## New corporate model enabling value crystallization

1. Refining Spain and Peru R&M 2. Lubricants, Asphalts and Specialties

# Clear logic for Repsol new corporate model



Clear **differentiation of businesses profiles and equity stories** within the Group

**Alignment of cost of capital** with business profile for each business

Ability to develop **appropriate partnerships** for each business

**Value crystallization** and transparency

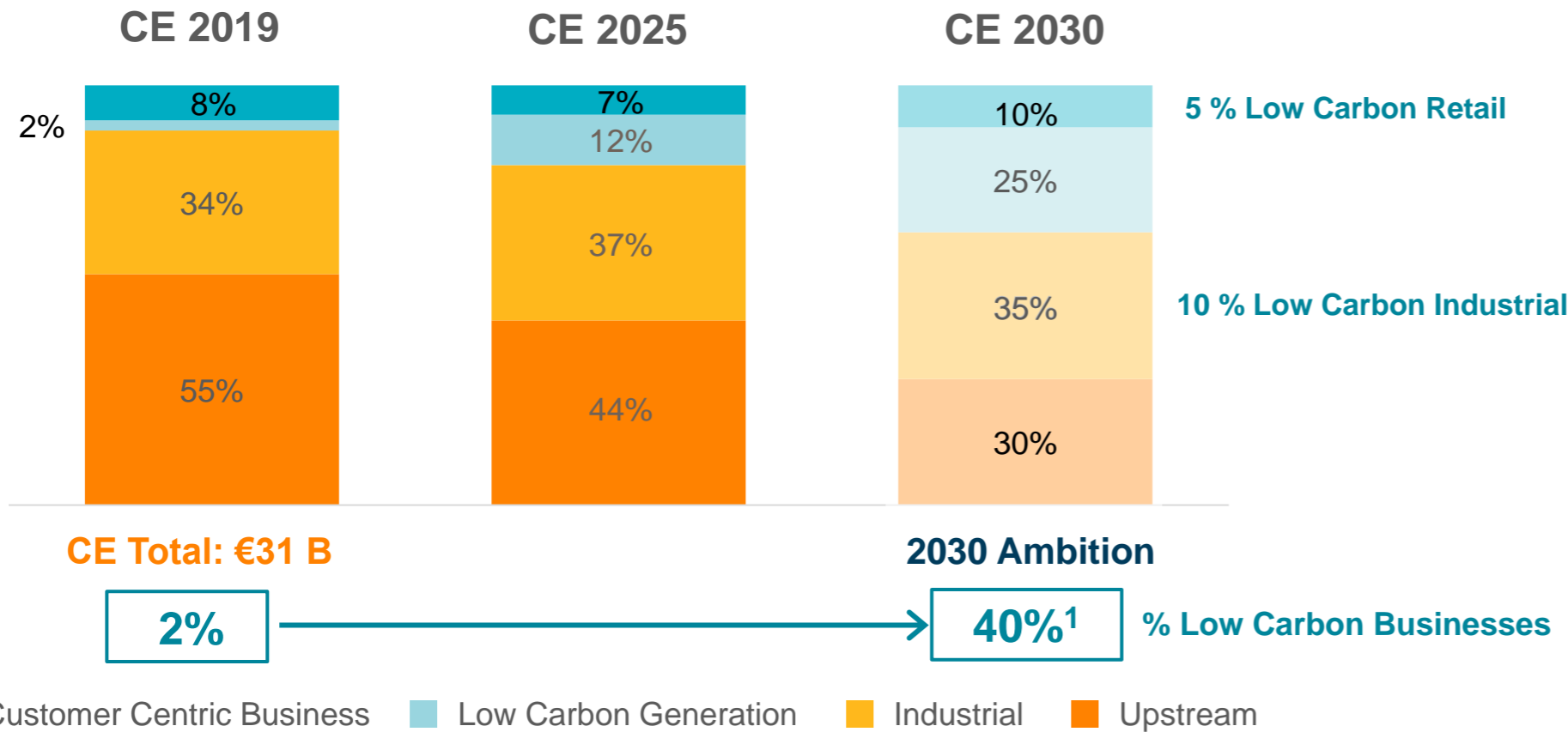
Acceleration **of new ways of working**



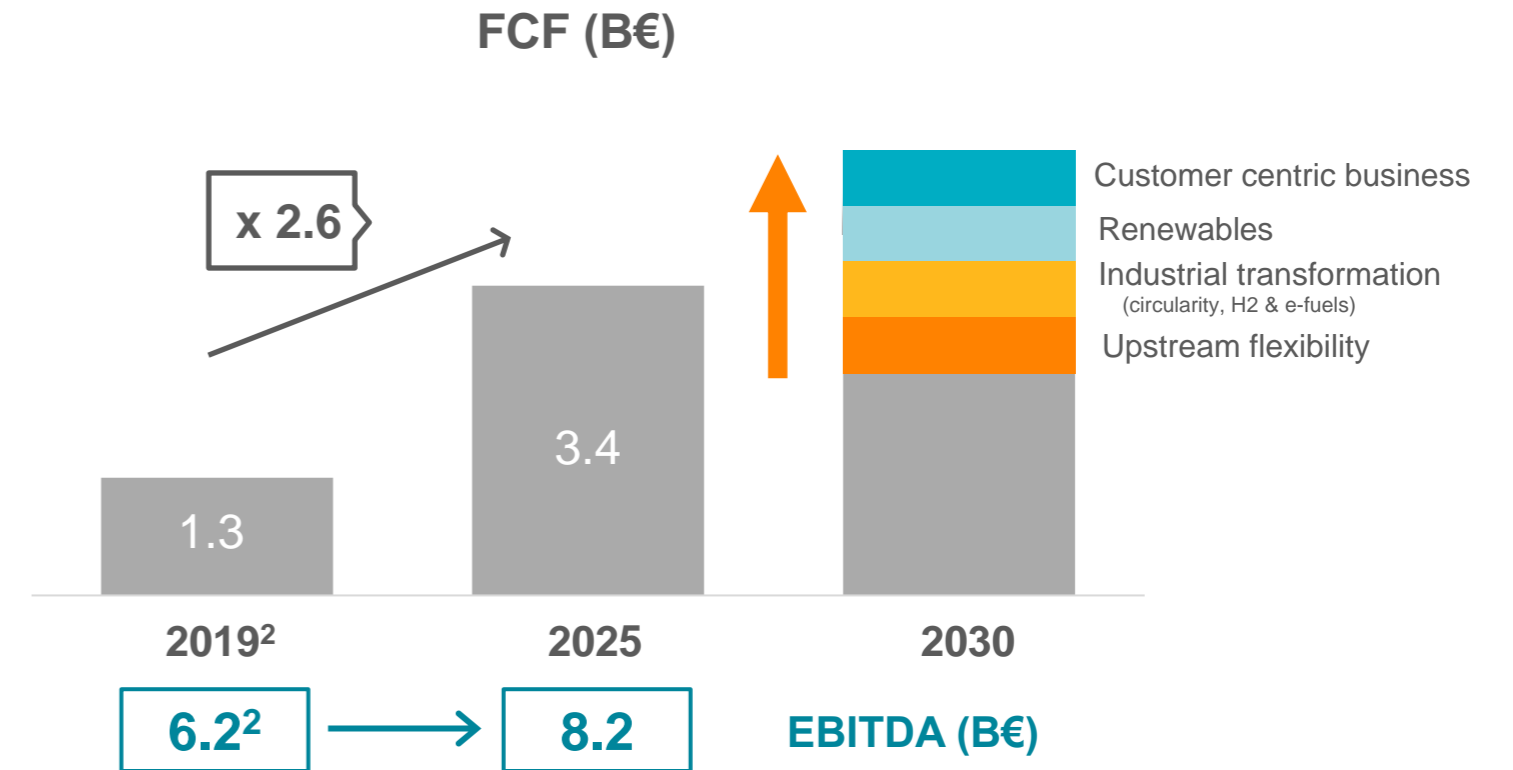
# Repsol 2030: A more sustainable, balanced and profitable company



## Transforming the company's portfolio



## Strong cash-flow growth



**2030 Repsol's Low Carbon business: ~40% of CE**

**Growing 2030 FCF well above 2025**

1. Increase in low carbon CE through investments in low carbon generation, new industrial low carbon platforms (circularity, H<sub>2</sub> & e-fuels, etc.), decarbonization through efficiency initiatives, e-mobility, and value-added services, among others

2. In homogeneous price basis @\$50/bbl & \$2.5 HH

Note: CE of RES considering consolidation by the proportional method. Capital employed figures not including Corporation (€2 B in 2019)



# Uniquely positioned to thrive in the energy transition: Distinctive approach and differentiated starting point



the right  
**ambition**

a credible  
**size**

a well-suited  
**play**

- De-carbonization as a **business opportunity** creating profitable Transition growth platforms
- **Legacy business** providing cash-flow to enable Transition
- **Large enough** to build a leading player in energy transition
- **Small enough** in the O&G universe to feasibly transform the portfolio with attractive opportunities
- **Customer leadership in Iberia** with differential **brand** over competitors
- **Tier#1 industrial sites** provide unmatched platforms for emerging de-carb business
- Iberian peninsula with local advantages on project economics (Power-to-X, circularity), provided by a **large renewable resource base**

# Strategy 2021-25: Stepping up the Transition

# 04.



# Delivering financial targets while transforming the company

Ambition 21-25



## 2021 - 2022

## 2023 - 2025

**Ensuring strong performance and financial strength**  
In an uncertain economic and commodities environment

- Efficiency & capital discipline
- Capex reduction
- Prudent financial policy and commitment with current credit rating

**Accelerating transformation and delivering growth**

- Portfolio optimization & new business platforms
- Metrics growth & high Capex intensity
- ROCE and gearing

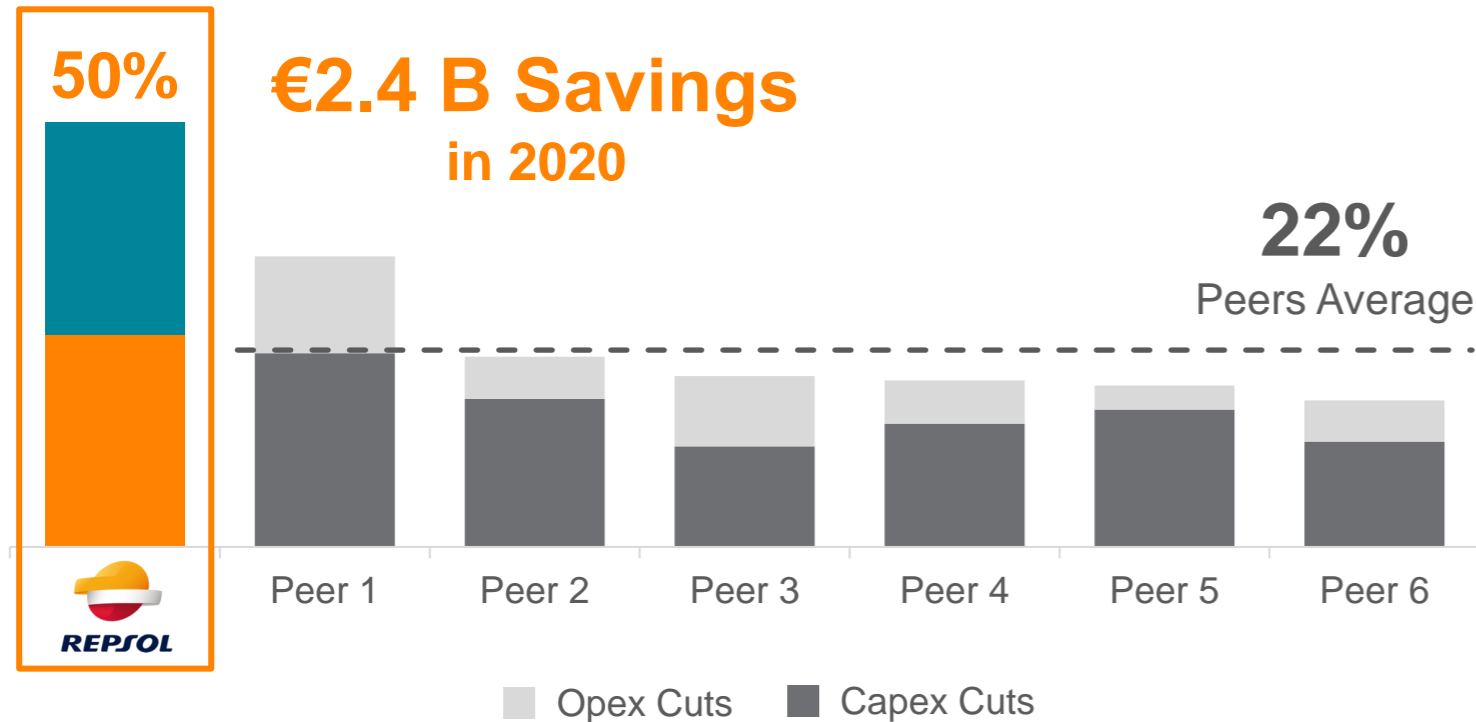
**Self-financed plan @\$50/bbl & \$2.5 HH**

Ensuring shareholder value maximization

# 2020: Repsol is successfully managing COVID situation to deliver resilience, setting up the path for 2021

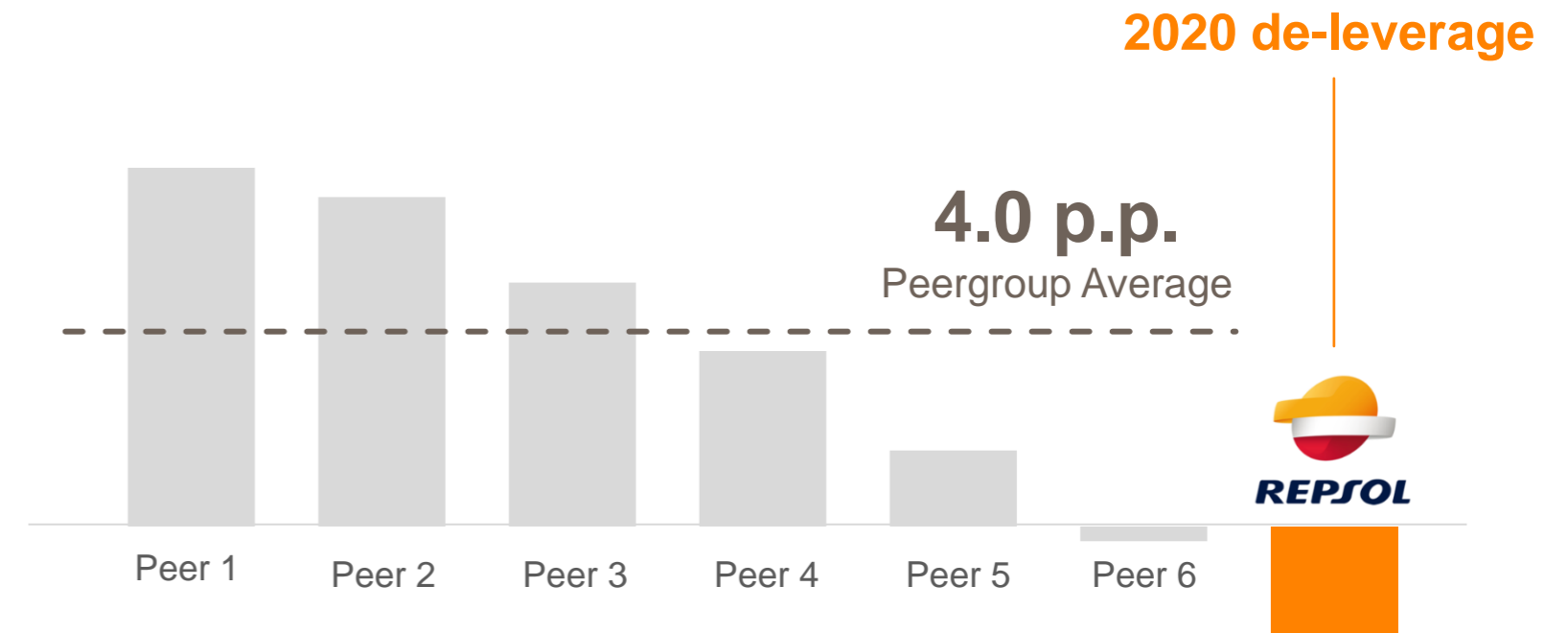


Resilience savings as % of '19 CFFO<sup>1</sup>



**Top Resilience Plan in the sector**

2020e Gearing Increase<sup>2</sup>



**Top 2020e financial strength**

Liquidity position to cover c.3x short term debt maturities and total maturities until 2036

1. Evaluate Energy for 2019 CFFO; 1.13 \$/€ exchange rate used for savings plans in Euro; Public Domain measures including Opex (+WC) & Capex Savings. 2. Thomson Reuters as of November 17th. Gearing ratio calculated as Net Debt / (Net Debt + Shareholders' Equity). 2020e calculated from SmartEstimate® data. EU peers: BP, Eni, Equinor, OMV, Shell and Total.

# 2019 Pre-COVID recovery position expected by 2022 on the same price basis



Extending and strengthening competitiveness programs into 2021 to maximize resilience

## 2021 Impact

### Procurement efficiency program

Renegotiation initiatives, standardization and simplification and new digital tools implementation

**+ €170 M**

### Working capital optimization

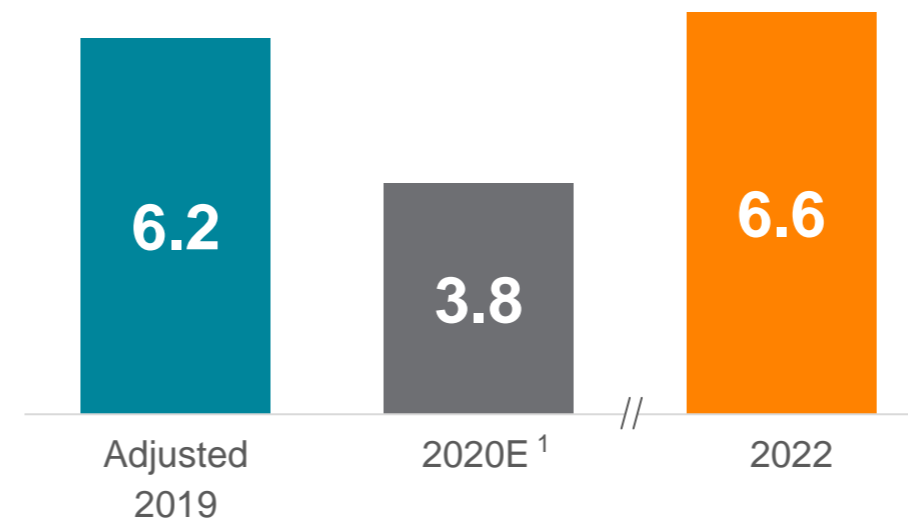
**> €160 M**

### Leaner corporation & org. rightsizing

**+ €90 M**

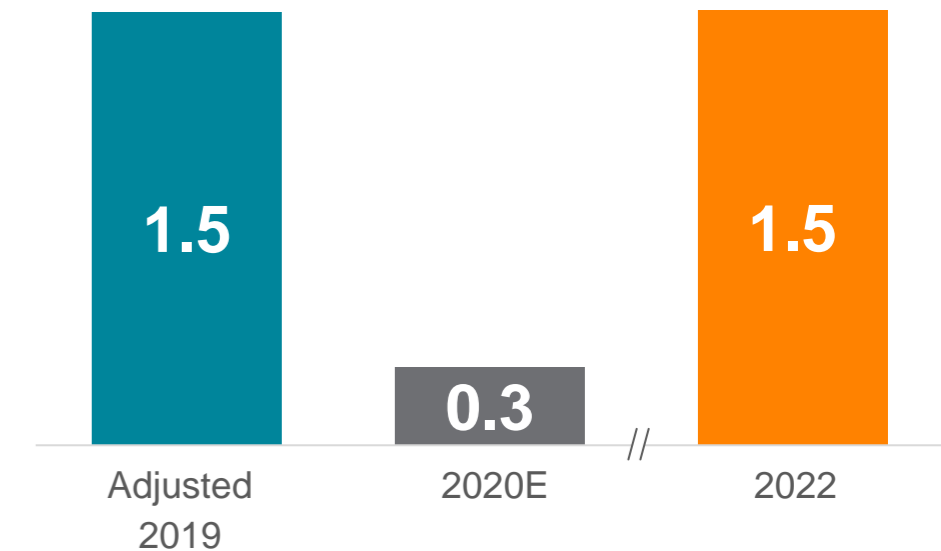
## EBITDA

Billion €



## Adjusted Net income

Billion €



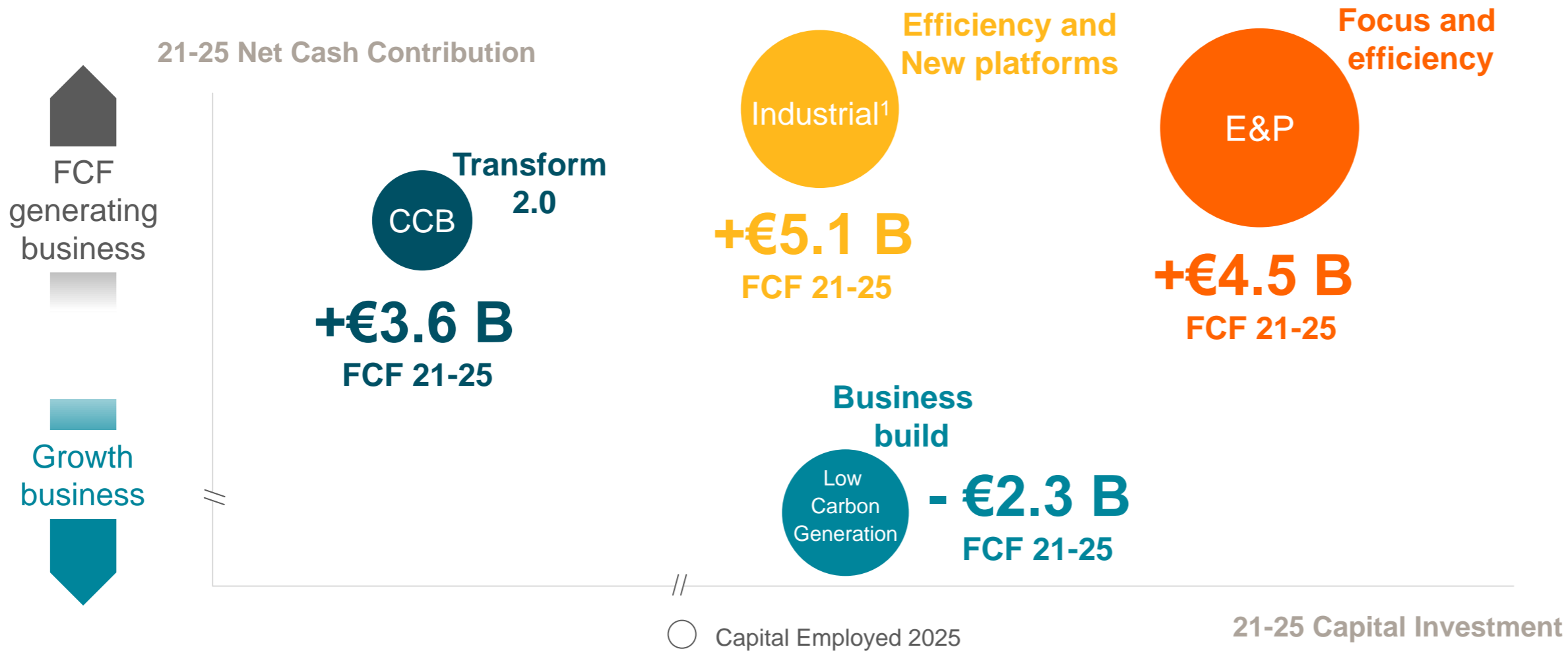
Note: homogenized figures @\$50/bbl & \$2.5 HH <sup>1</sup> EBITDA CCS

**By 2022, Repsol expects to successfully recover from the COVID crisis**

# Legacy and new businesses driving portfolio performance along the Transition



## Contribution to portfolio financial profile 21-25



## Contribution to carbon intensity reduction

Low carbon strategies

- CIRCULAR ECONOMY
- LOW CARBON PRODUCTS
- PORTFOLIO DECARBONIZE
- CUSTOMER CENTRIC
- LOW CARBON GENERATION

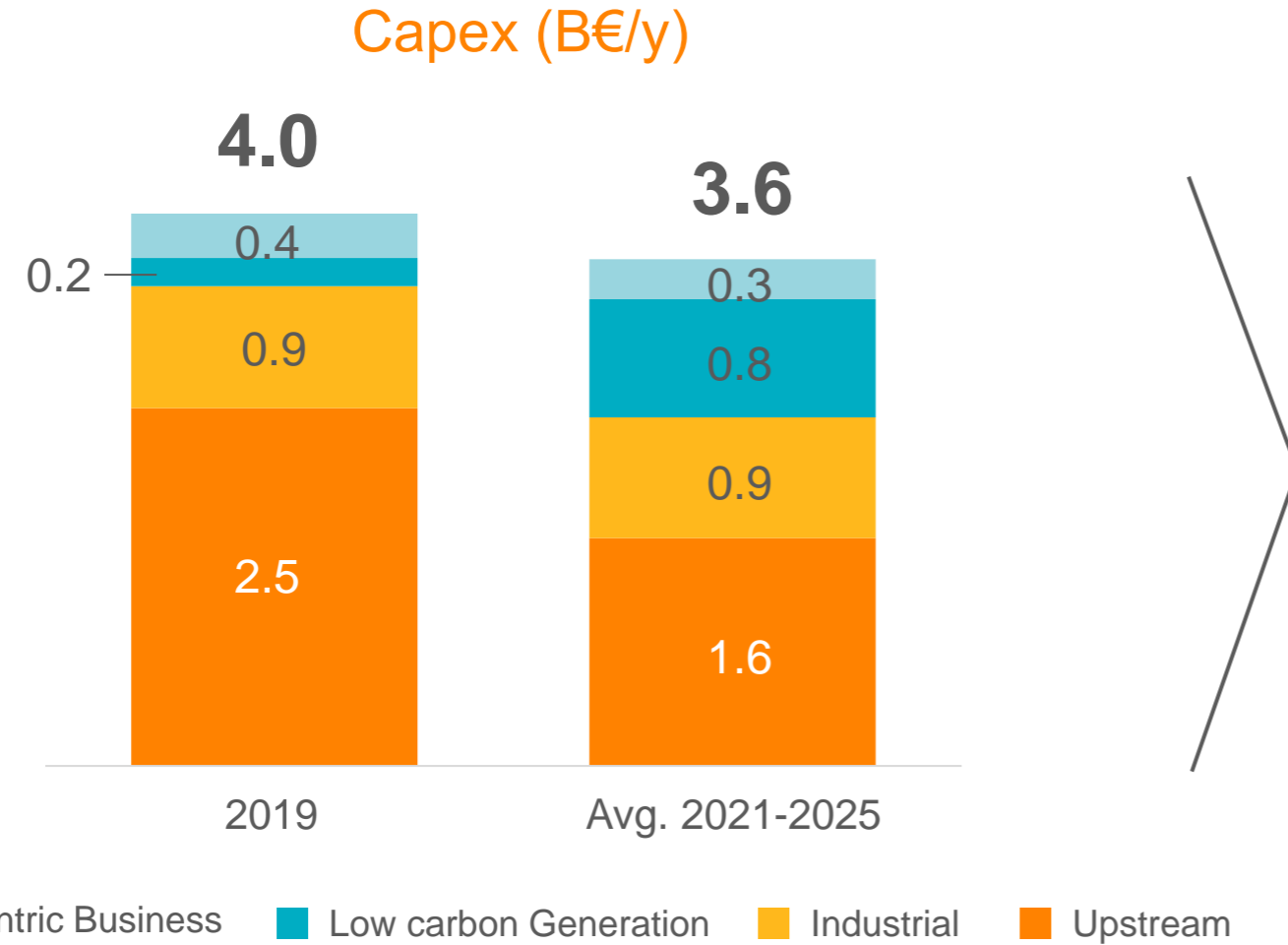
1. Industrial includes Refining Spain and Peru R&M, Chemicals, Trading & Wholesale Gas businesses  
 Note: Corporate values not considered

# Discipline, flexibility and transformation

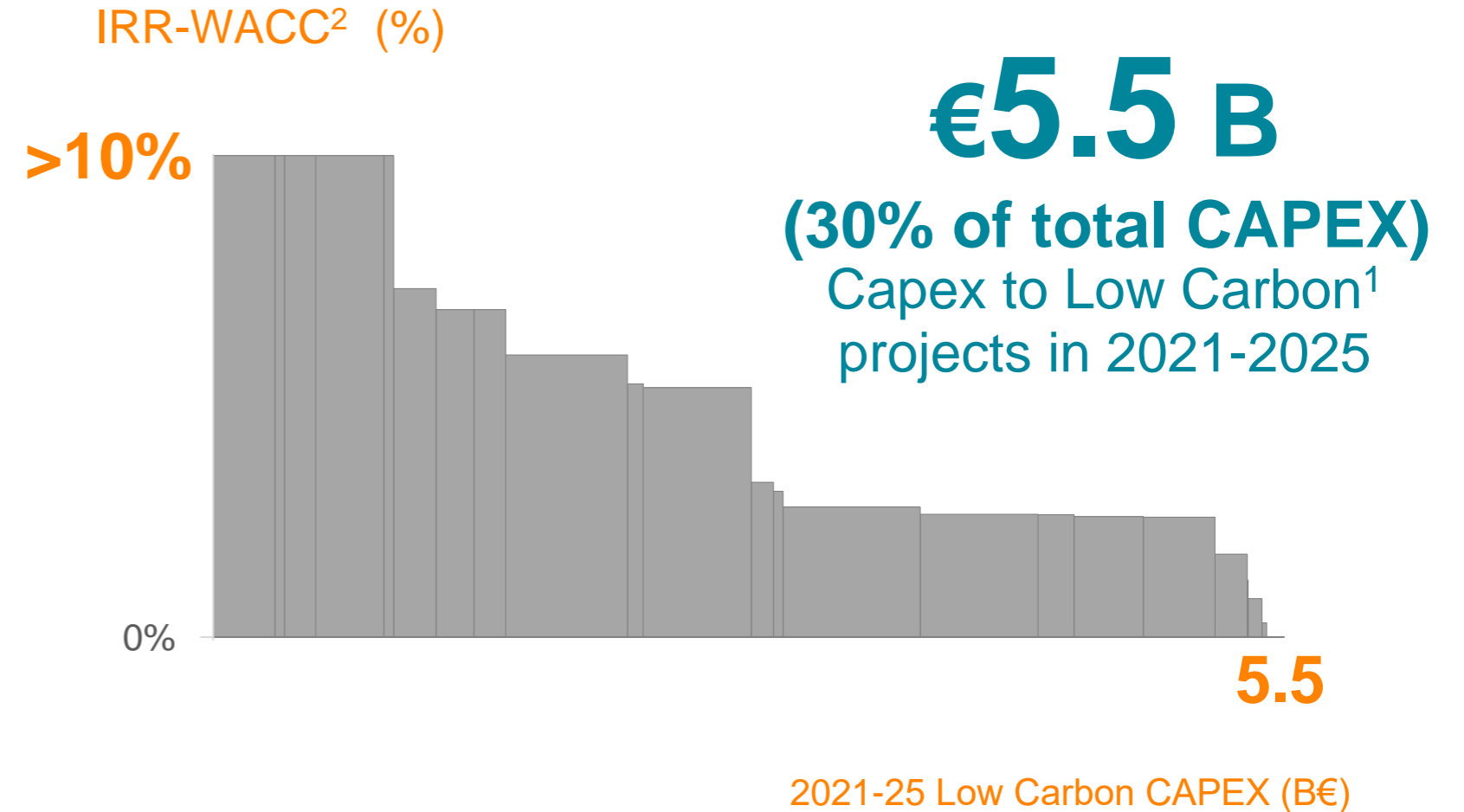
Capex 21-25



## Building up transformation within 2021-2025



## Profitable decarbonization



1. Includes low carbon generation investments, new low carbon platforms, decarbonization efficiency investments, e-mobility, and value-added services. Note: Not including Corporation in capex numbers.

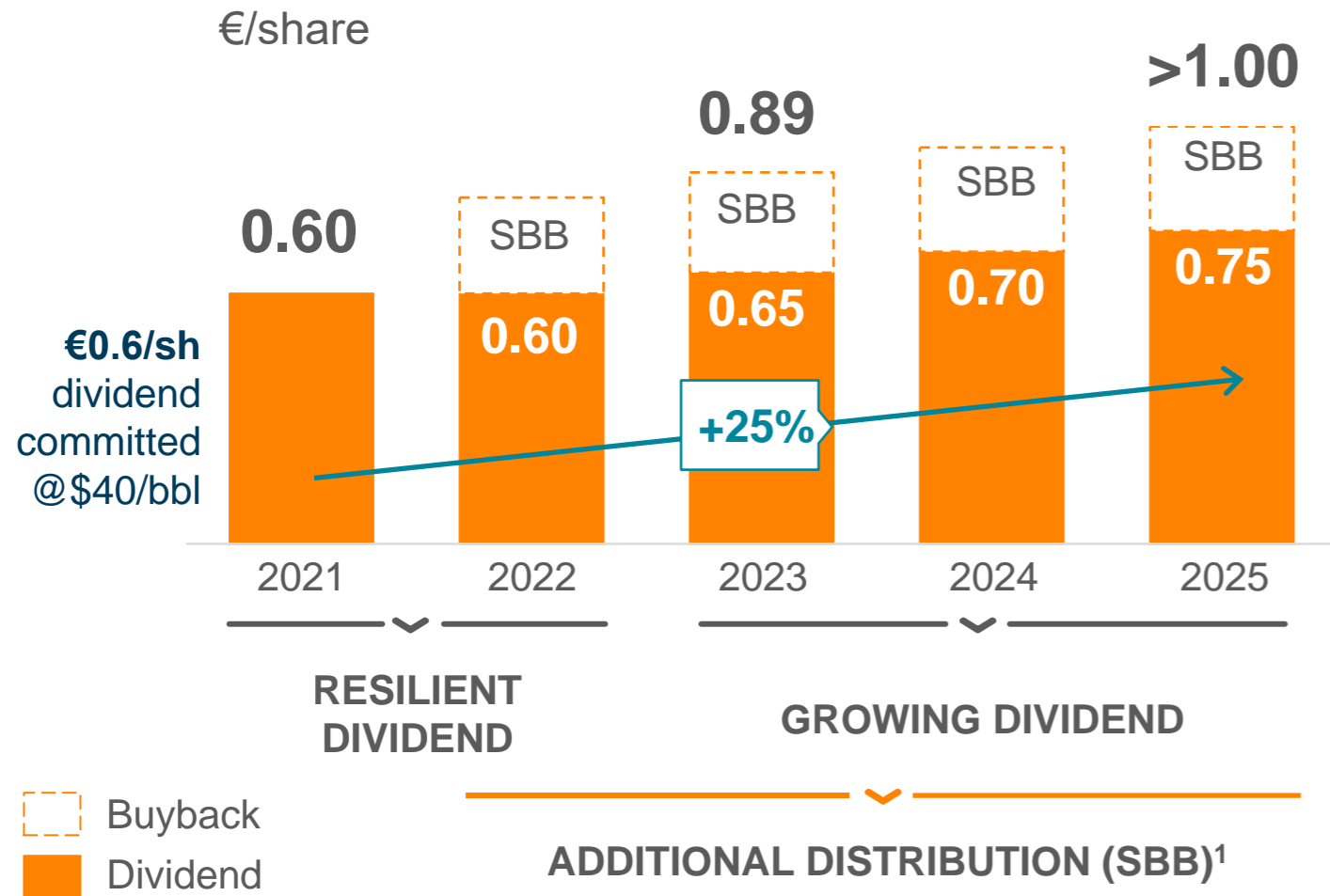
2. Specific WACC per each business

# Leading distribution and clear capital allocation framework

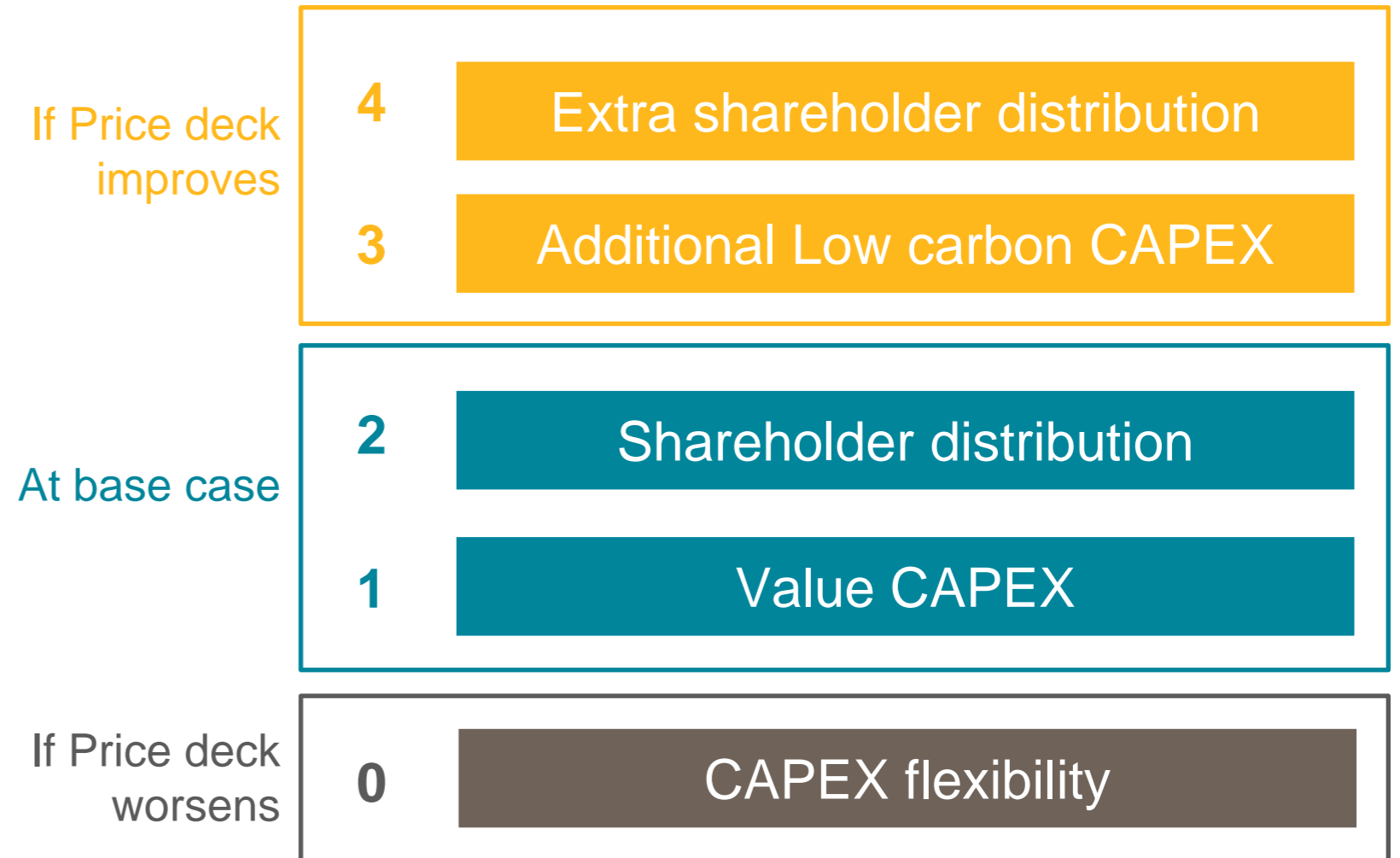
Capital allocation 21-25



## Resilient shareholder distribution



## Capital allocation priorities



FINANCIAL DISCIPLINE

1. 200 M shares in the SP period: 50 M sh/y in 2022-25. €1.4-2.0B cash sources allocated to SBB





# Setting the new business priorities



Upstream



Yield and Focus



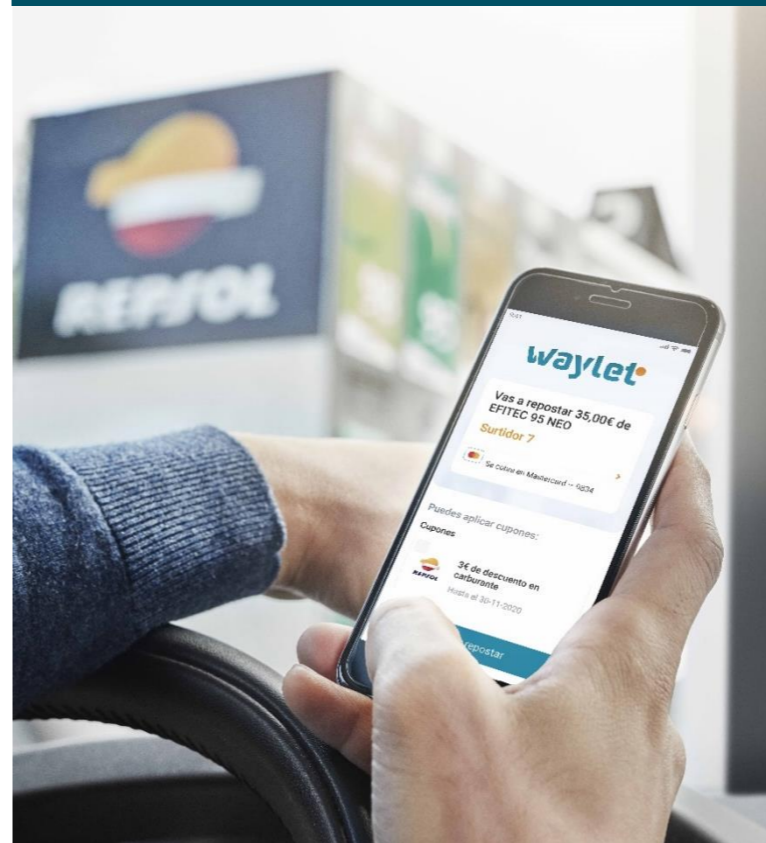
Industrial



Yield and New Platforms



Customer-centric



Yield and Transformation




Low-carbon generation



Business Build

# Setting the new business priorities



 **Upstream**



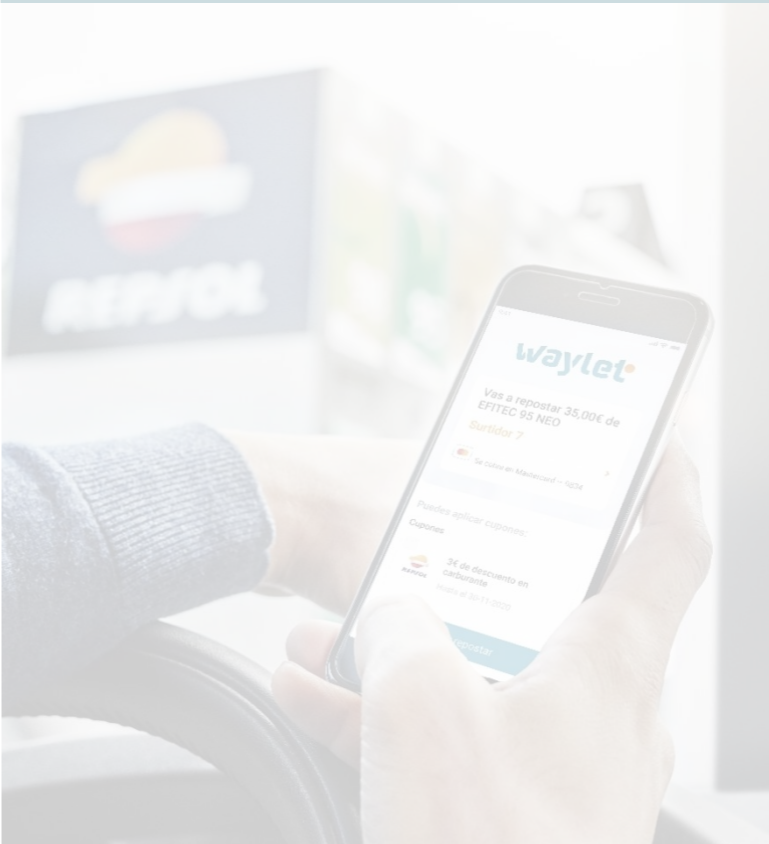
**Yield and Focus**

 **Industrial**



**Yield and New Platforms**

 **Customer-centric**



**Yield and Transformation**

 **Low-carbon generation**



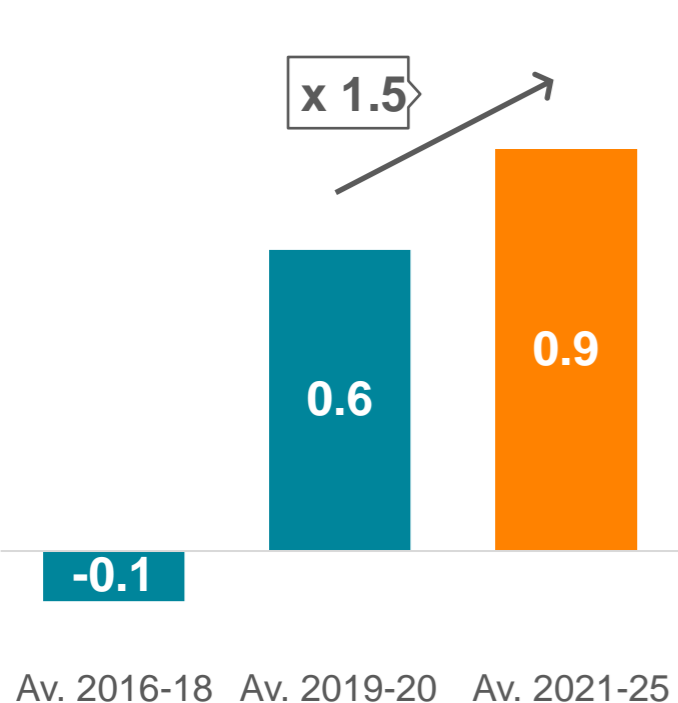
**Business Build**

# Focus on capital efficiency and cash generation

Upstream

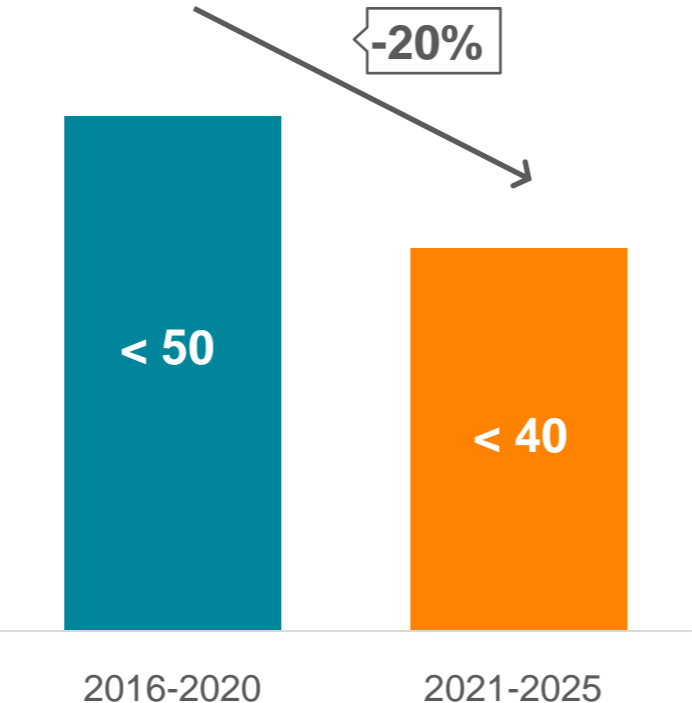


FCF (B€) @50/2.5



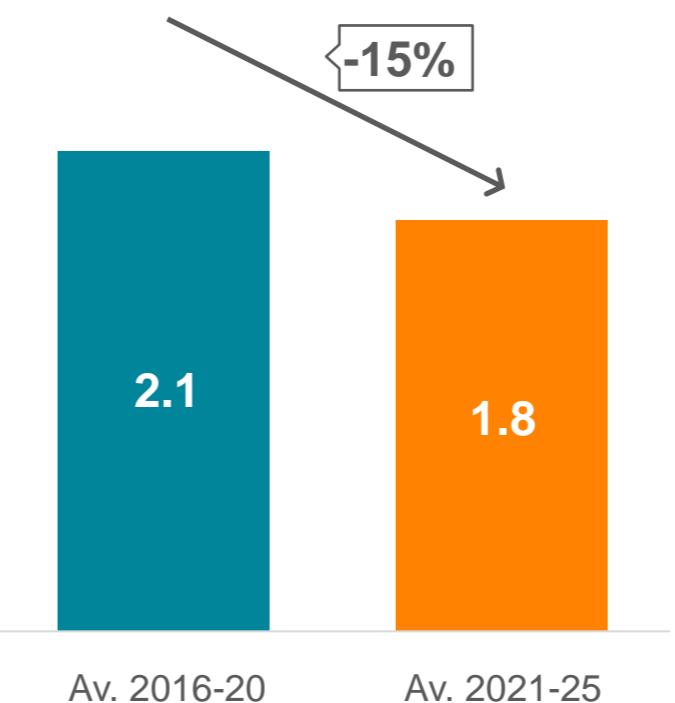
Cash generator role

FCF BE, Brent (\$/bbl)



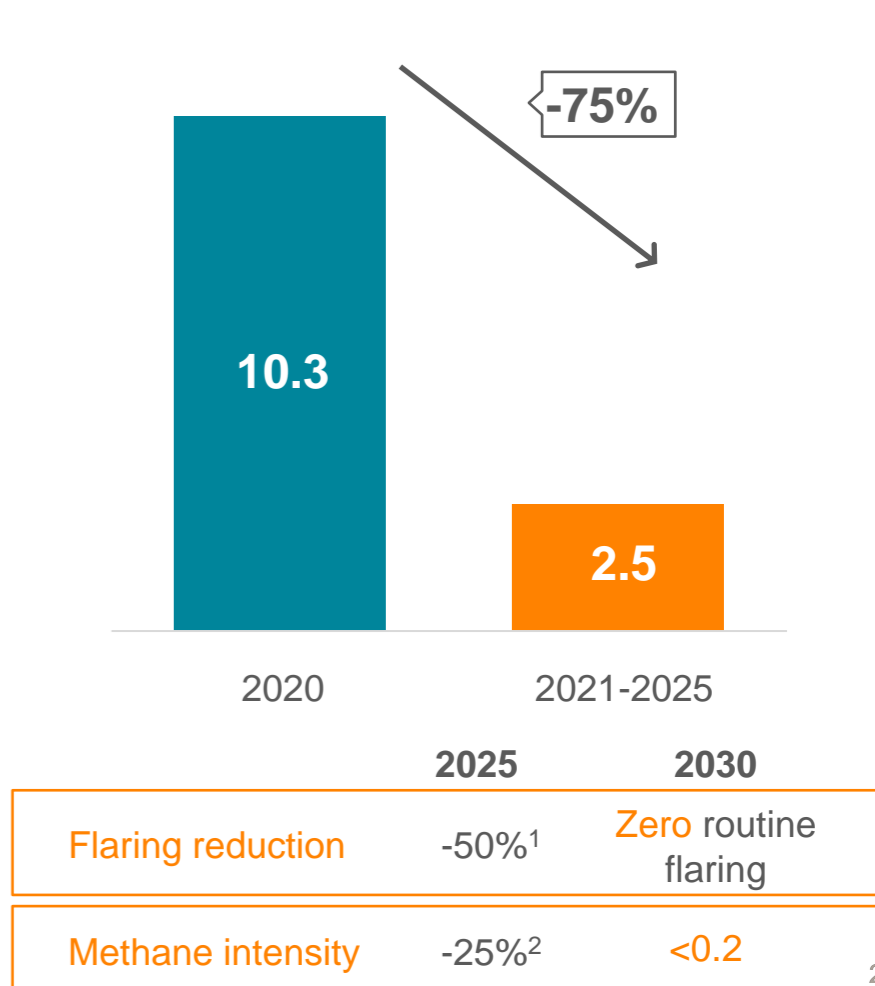
Cash resilience

OPEX reduction (B€)



Operational excellence

Emissions reduction (Mt CO<sub>2</sub>)



1. In our operated assets, vs. 2018 2. In our operated assets, vs. 2017

## 1 FCF as a priority (Leading FCF B-even)

- FCF breakeven <\$40/bbl
- Low capital intensity and flexibility
- Generate €4.5 B FCF @ \$50/bbl & \$2.5 HH
- -15% OPEX reduction

## 2 Resilient Value delivery

- Top leading project profitability
- Short pay-back
- Digital program
- Reduction of -30% G&A

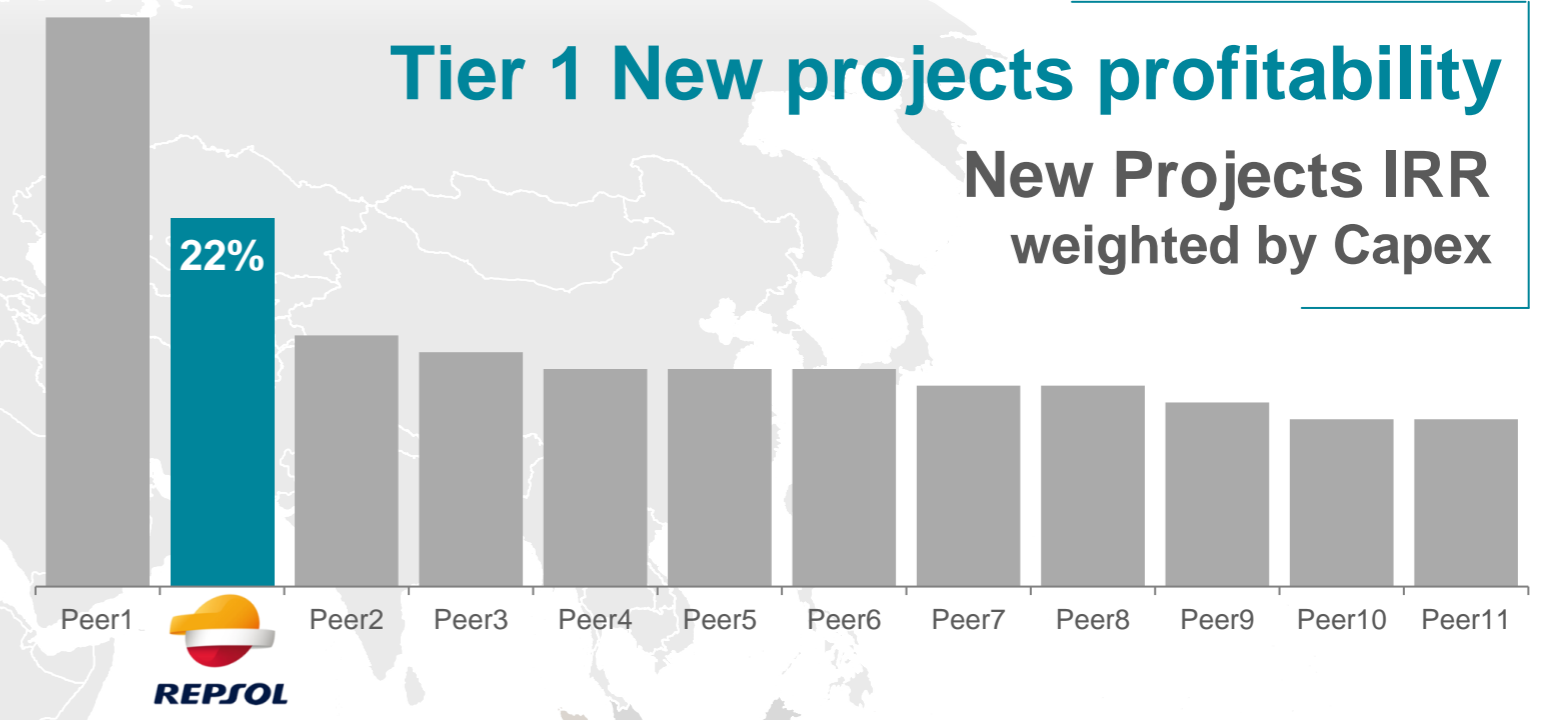
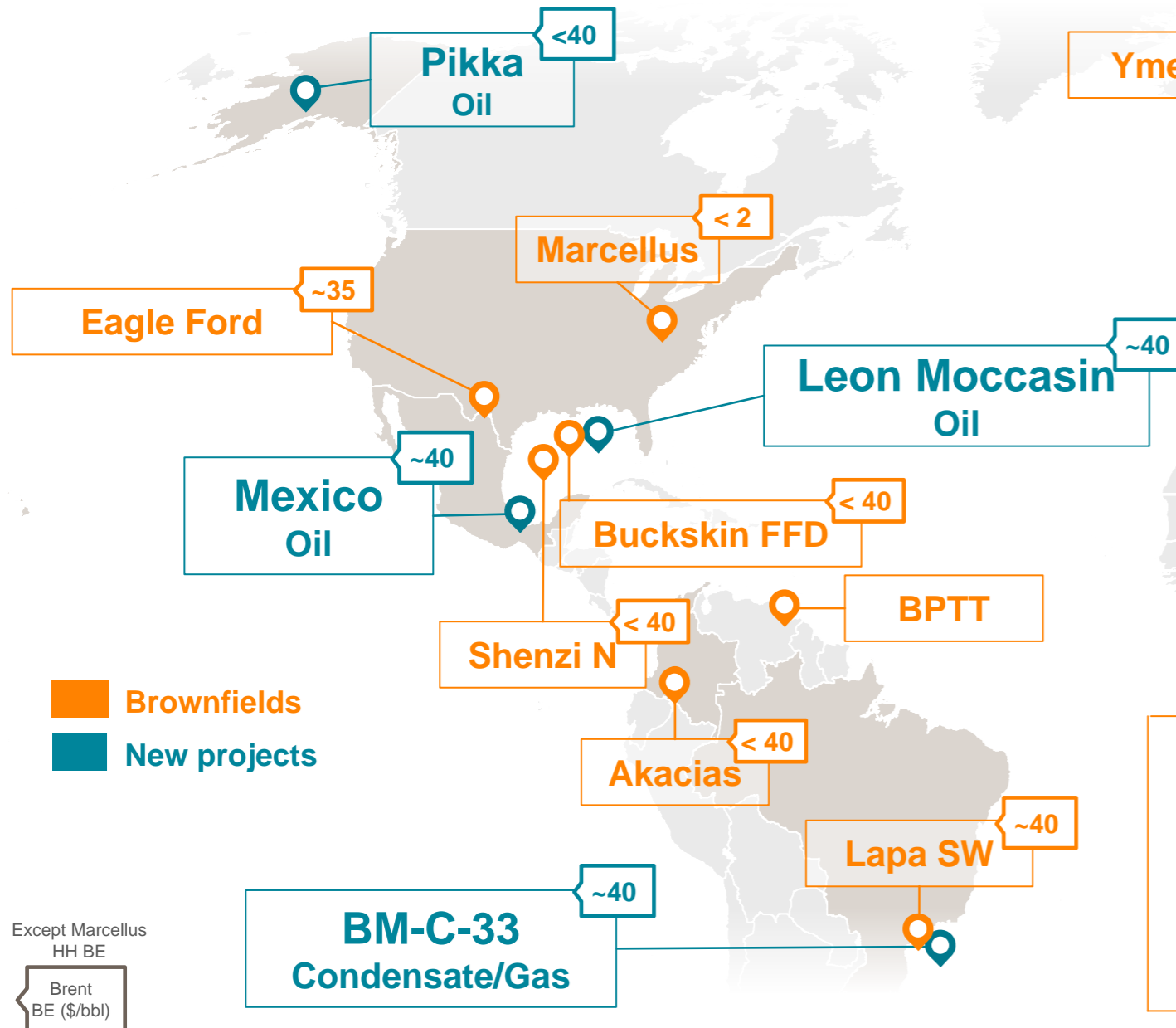
## 3 Focused portfolio

- Value over volume
  - Flexible production level (~650kboed 2021-25)
  - <14 countries
- Leaner and focused exploration

## 4 Tier 1 CO<sub>2</sub> emissions

- Emissions intensity reduction of 75%
- Streamlining to a leaner upstream portfolio
- Decline/exit of carbon intensive and non-core assets

# Strong portfolio of short-cycle projects with attractive economics



**Highly profitable brownfields**  
 Payback in ~3 years  
 Low Capex<sub>/boe</sub> – using existing infrastructure  
 Decommissioning delays

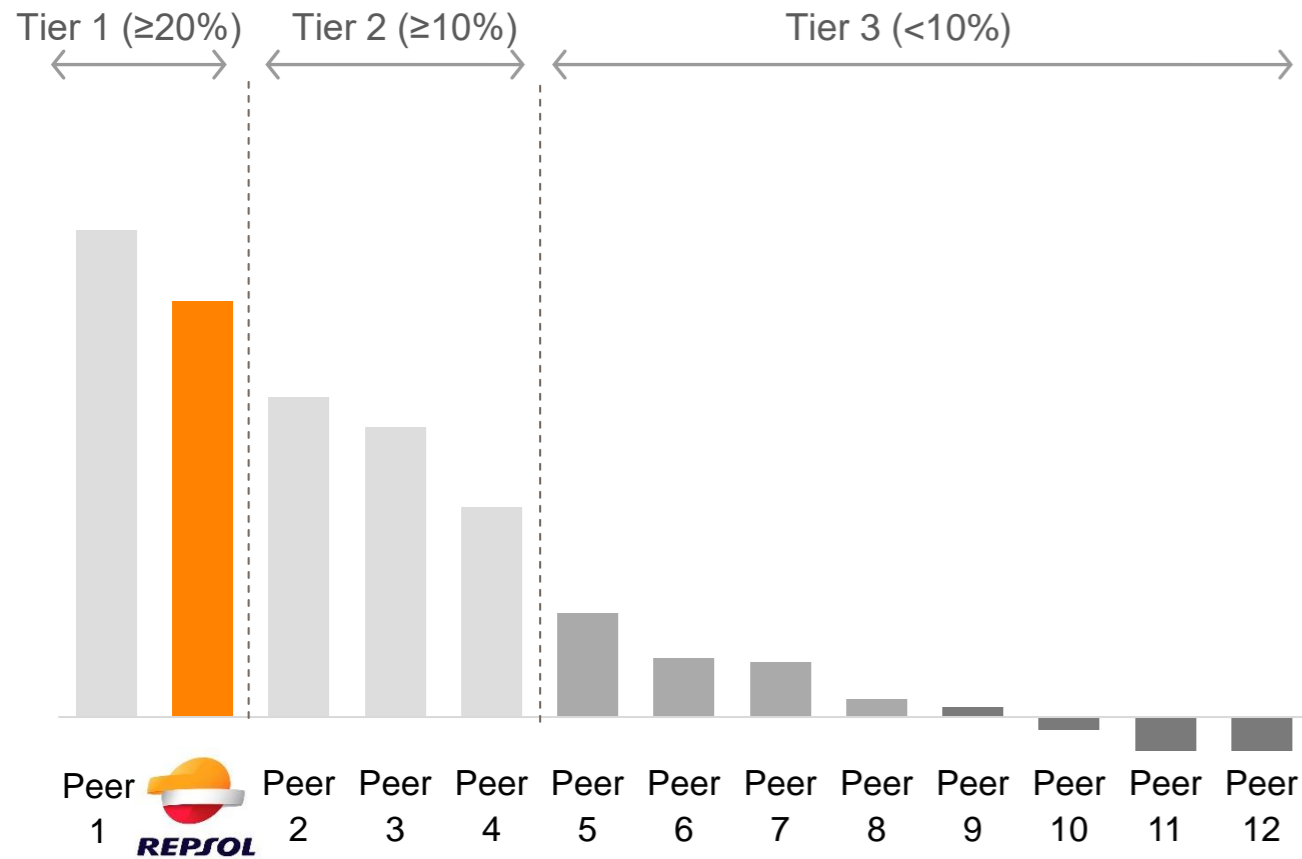
**Sakakemang**  
 Fixed price gas

Except Marcellus  
 HH BE  
 Brent  
 BE (\$/bbl)

# Value maximization maintaining one of the lowest CAPEX intensity < \$8/boe

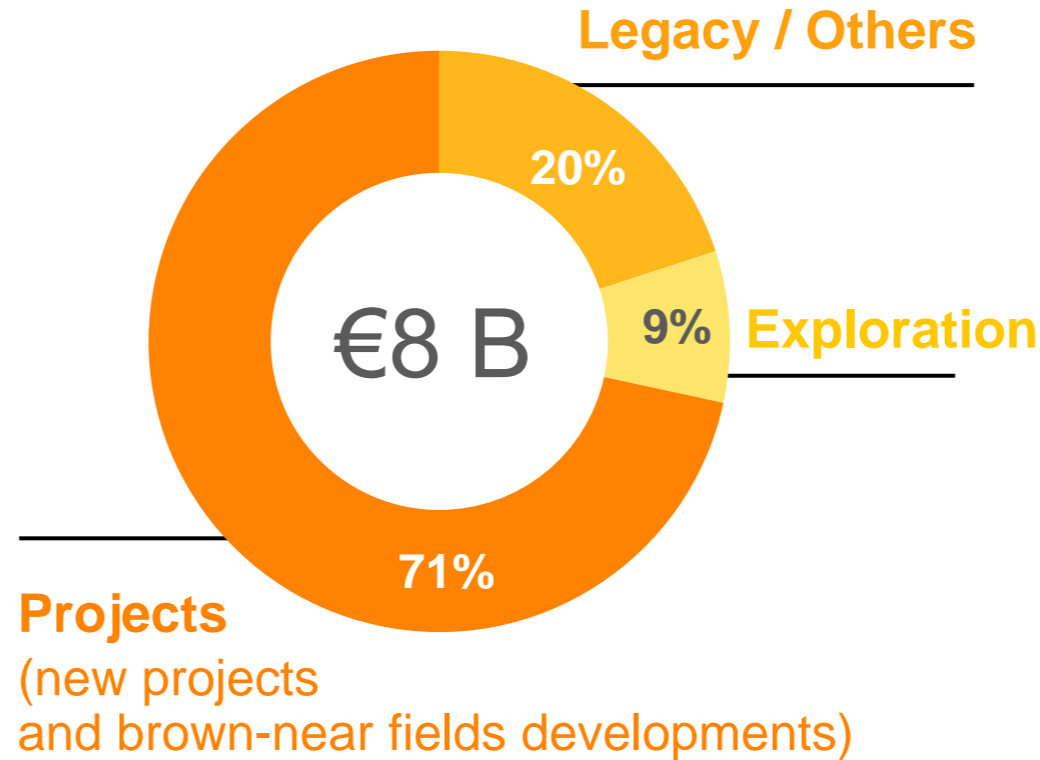


## NPV Growth %, 2025 vs 2020



**Repsol: >20% NPV Growth<sup>1</sup>**

## CAPEX 21-25



## 2025+ Flexibility

### Maximizing value extracted from Capex

- Large CAPEX investment optionality, allowing value maximization or easy entry into Upstream harvest mode by 2025

**Business as usual:** maintaining production level in 2025-2030 with 2 B\$/year

### Portfolio squeeze choices

1. No further exploration investment
2. Contingent resources with post-2025 FID
3. Stop unconventional investment

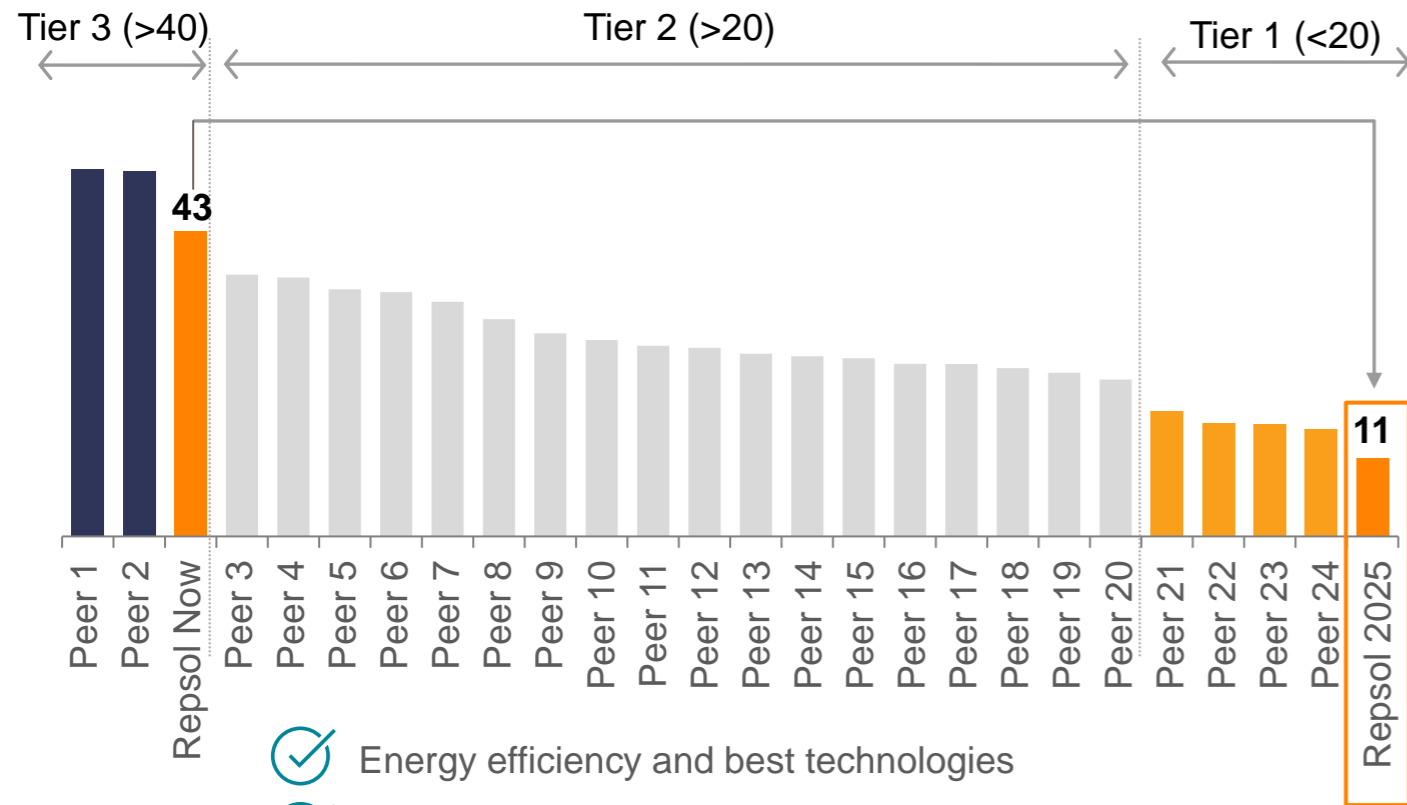
1. Internal value  
 Note: Peers included: Apache, ConocoPhillips, OMV, Total, Shell, ENI, Occidental, Equinor, Exxonmobil, Chevron, BP, Devon  
 Source: Wood Mackenzie Lens Upstream (15 Nov 2020)

# High grading portfolio supporting carbon intensity reduction



## Repsol to become tier 1 lowest carbon intensity with a 75% reduction

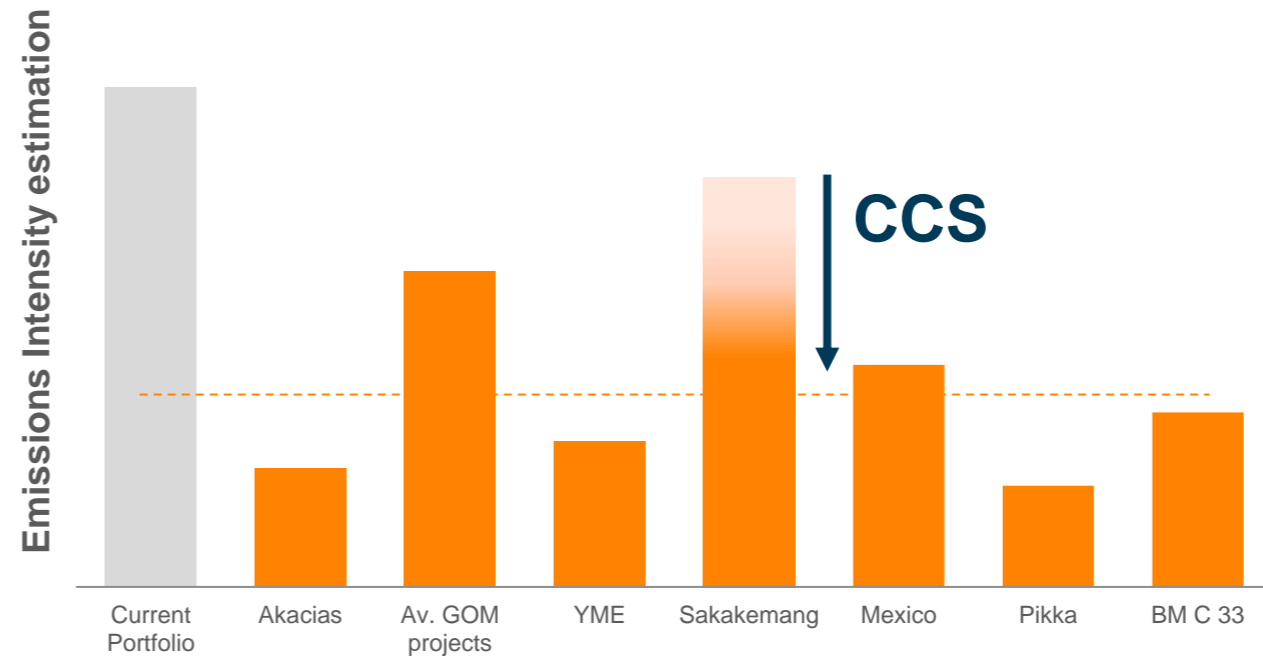
Emissions intensity per barrel produced (kgCO<sub>2</sub>/boe)



- ✓ Energy efficiency and best technologies
- ✓ Decline/exit of carbon intensive and non-core assets

## High growth new barrels with lower emission intensity

New production pushes down emissions intensity



## Emissions reduction projects in most intensive assets

**Sakakemang:**  
 CCS project in FFD phase with 1.5-2 Mt CO<sub>2</sub> per year captured and a total investment of €247 M



# Setting the new business priorities



Upstream



Yield and Focus



Industrial



Yield and New Platforms



Customer-centric



Yield and Transformation



Low-carbon generation



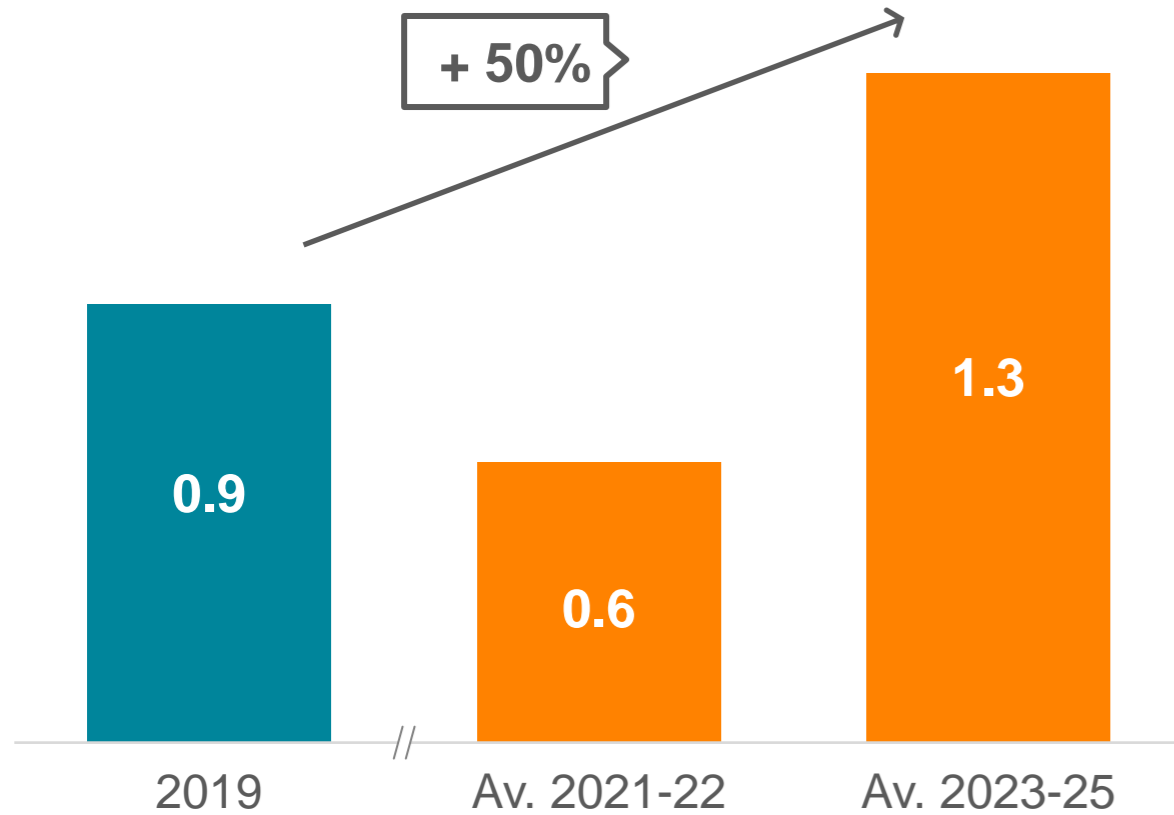
Business Build

# Solid cashflow generation and new businesses build up

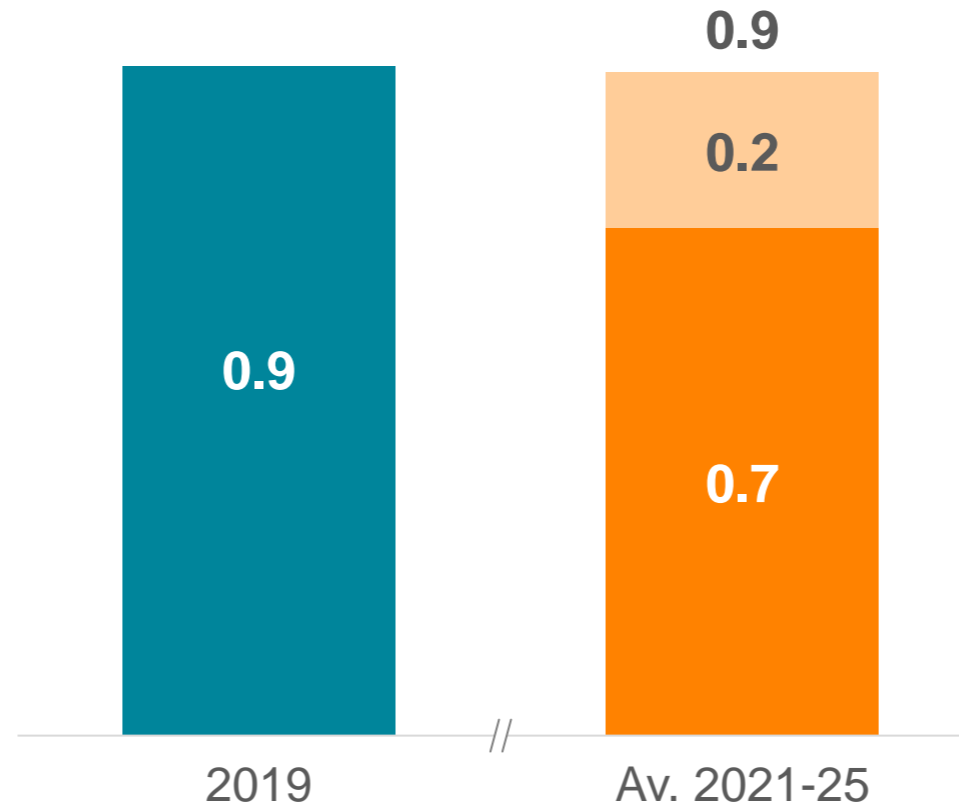
Industrial



### FCF (B€)



### CAPEX (B€)



Low carbon

2025 BE<sup>1</sup> reduction  
**> \$1.5/bbl**

CO<sub>2</sub> reduction<sup>2</sup> by 2025  
**> 2 Mt CO<sub>2</sub>**

# Maximizing yield and developing the next wave of profitable growth



## 1 Yield

Cash generation in a complex environment

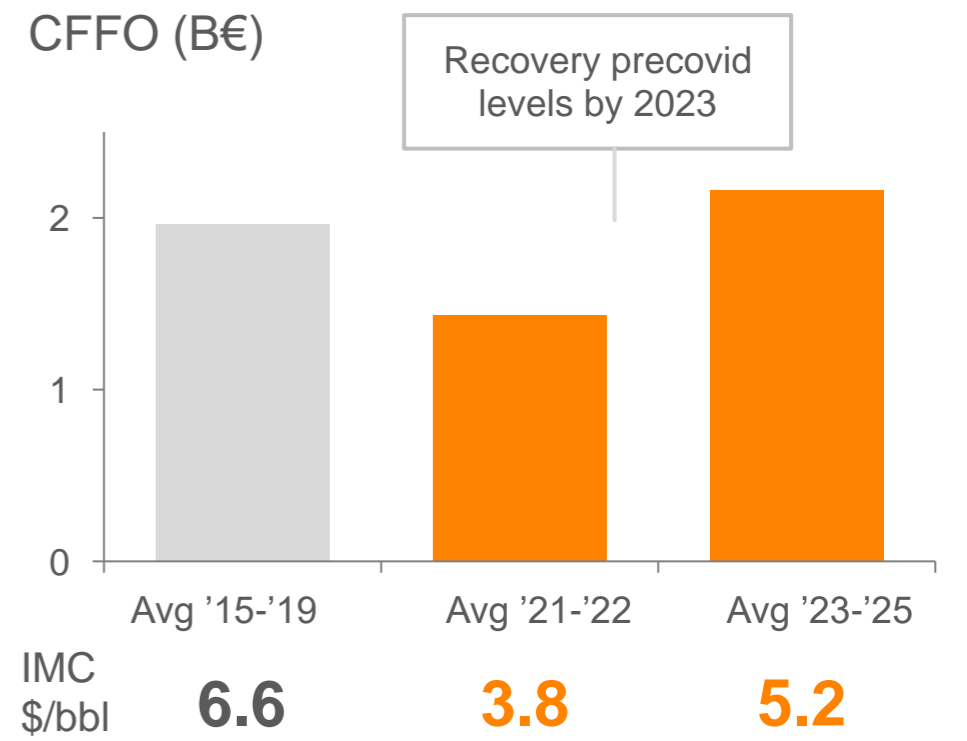
## 2 Digitalization

Industry 4.0 driving integration & improved decision making

## 3 New platforms

| Refining <sup>1</sup>  | Chemicals  | Trading  |
|--|--|--|
| <ul style="list-style-type: none"> <li>– Net Cash Margin 1Q Solomon and Wood Mackenzie</li> <li>– <b>Advantaged position</b></li> <li>– Enhancing competitiveness and <b>operational performance</b></li> </ul>  | <ul style="list-style-type: none"> <li>– <b>Differentiation</b> with high value products</li> <li>– <b>Growth</b> in incoming opportunities</li> <li>– <b>Feedstock flexibility:</b> 60% LPGs to crackers vs 25% EU average</li> </ul> | <ul style="list-style-type: none"> <li>– <b>Maximize the integration</b> and value from assets</li> <li>– Incremental <b>growth in key products and markets</b></li> </ul> |
| <ul style="list-style-type: none"> <li>– <b>Automated</b> and self-learning <b>plant optimization</b> based on real-time data</li> <li>– <b>Enhance asset availability</b> to maximize output and optimize maintenance costs (-5% by 2025)</li> <li>– <b>Integrating value chain management</b> through planning models based on AI and machine learning</li> <li>– <b>Smart energy optimizers</b> to reduce consumption and GHG emissions (-0.1 Mt CO<sub>2</sub>)</li> </ul> |  |  |
| <ul style="list-style-type: none"> <li>– Leadership in <b>new low-carbon businesses</b> (hydrogen, waste to x, etc.)</li> </ul>  | <ul style="list-style-type: none"> <li>– <b>Circular platforms</b> (recycling and chemicals from waste)</li> </ul>   | <ul style="list-style-type: none"> <li>– <b>Grow in low carbon businesses</b> (biogas/biofuels, CO<sub>2</sub>, etc.)</li> </ul>   |

### Maximizing margin across businesses through a highly integrated position



Resilient and cash generator also in a complex environment

1. Includes Spain and Peru R&M

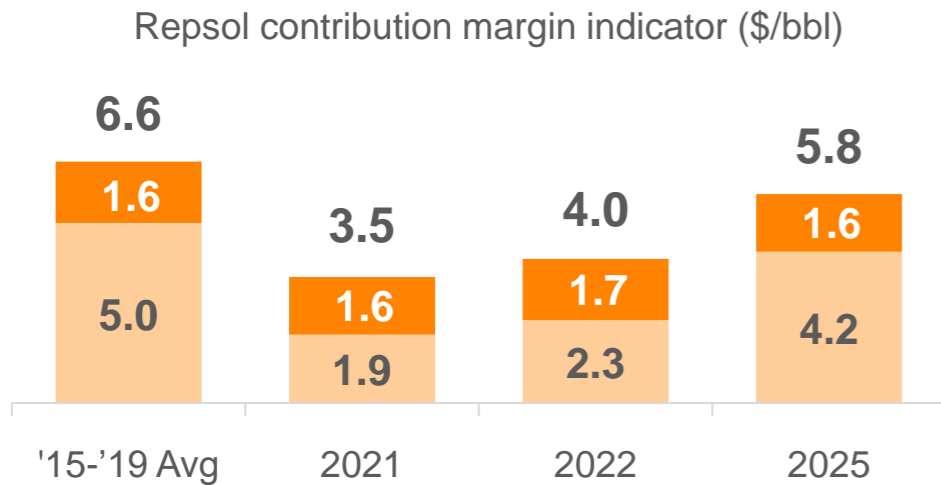
# Maintaining competitiveness in a complex environment

Refining



## Maximizing margins

Refining Margin Indicator projections progressively recovering<sup>1</sup>



Reference<sup>2</sup>  
 Repsol contribution margin indicator differential vs. reference

## Strong focus on competitiveness increase

### Maximizing margins

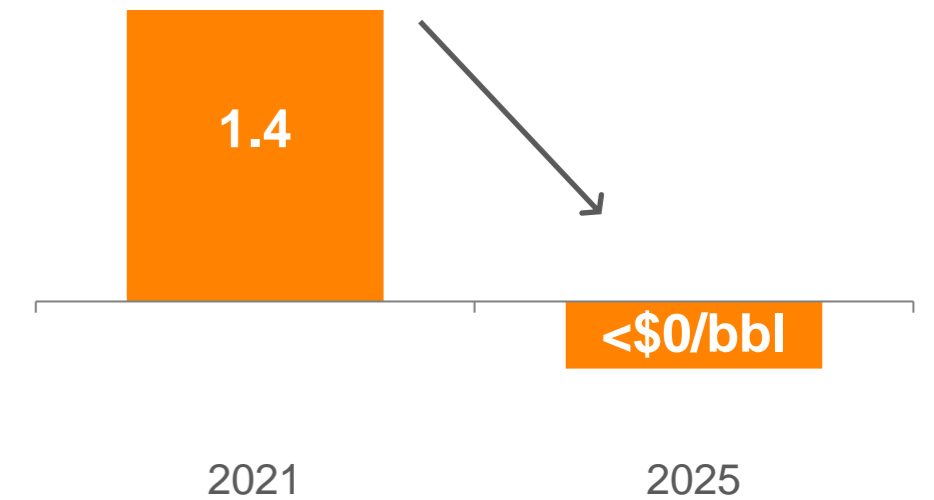
- Supply chain: Greater integration with Trading / Petrochemicals
- Further digitalization of planning and operation
- Operational excellence: Energy Intensity Index (25-25 Plan), up to 97% operational availability, yields optimization

### Opex Optimization

### New decarbonization platforms returns

## Reducing breakeven to support cashflow generation

EBITDA refining margin breakeven @Repsol contribution margin indicator (\$/bbl)



1. Repsol consistently above market reference (+\$1.6/bbl '15-'19) 2. IHS NWE Sweet Cracking Refining Margin adjusted on homogeneous crude price basis @\$50/bbl; projections from November 2020.

# 25/25 decarbonization program with strong contribution to margin improvement and CO<sub>2</sub> reduction



## Maximizing energy efficiency with attractive returns

Adopting **best-in-class technologies**

Exploration of **energy use opportunities** and **utilities optimization**

**Digitalization** of operations and integration with AI

### Industrial energy efficiency 2021-2025

**>20%** estimated IRR      **-0.8 Mt** CO<sub>2</sub> reduction<sup>1</sup>

**€0.4 B** Total Capex

**>200** Initiatives identified

## New low carbon business selected projects

### C43: Waste & UCOs treatment plant

Advanced HVO plant - Reducing 900 kt/y CO<sub>2</sub> emissions

Investment

**€188 M**

Capacity

**250 kta** Sustainable biofuels  
**300 kta** From waste per year  
**Cartagena**

### Chemicals circularity

- Zero project: chemical recycling of used plastics
- Reciclex project: mechanical recycling of polyolefins

Investment

**€70 M**

Capacity

**74 kta** Circular polyolefins<sup>2</sup>  
**Puertollano**

### Biogas generation plant from urban waste

Biogas to substitute traditional fuel consumption

Investment

**€20 M**

Capacity

**10 kta** Urban waste  
**Petronor**

### Net zero emissions fuel plant

E-fuel production from renewable hydrogen (electrolysis) and CO<sub>2</sub>

Investment

**€60 M**

Capacity

**10 MW** Electrolyzer  
**Petronor**

1. Scope 1+2 emissions 2. Recycle 20% equivalent of our polyolefins production by 2030, target to which other technologies will also contribute (e.g. gasification)

# Setting the new business priorities



Upstream



Yield and Focus



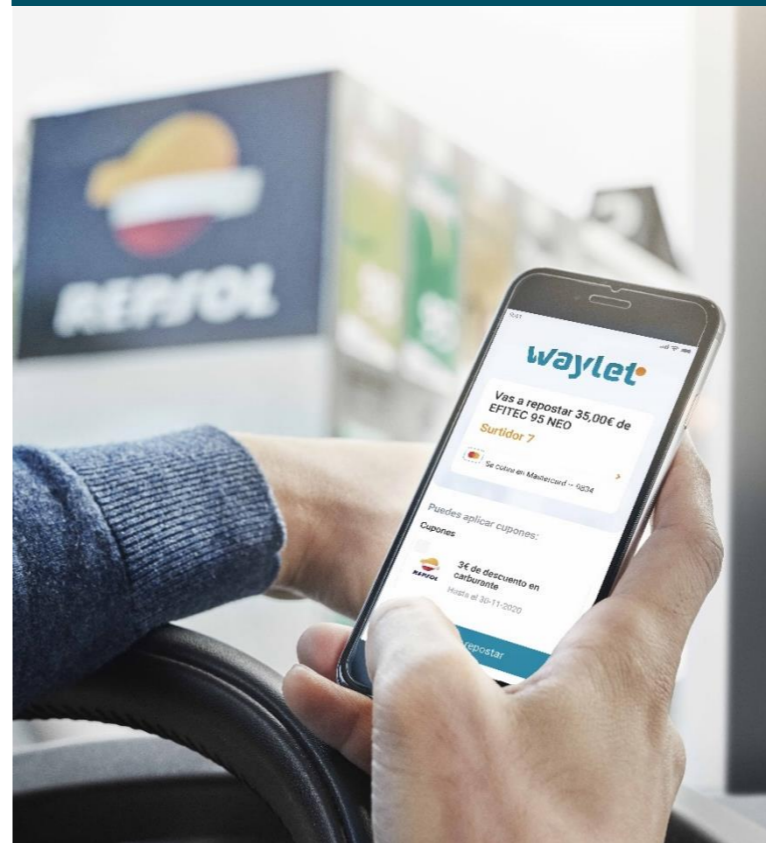
Industrial



Yield and New Platforms



Customer-centric



Yield and Transformation



Low-carbon generation



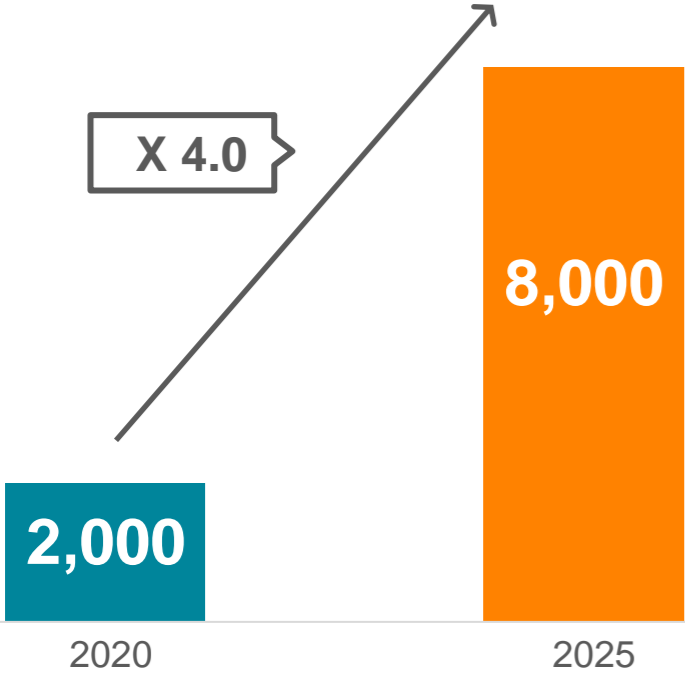
Business Build

# Growth ambition with strong FCF generation

Customer Centric Business



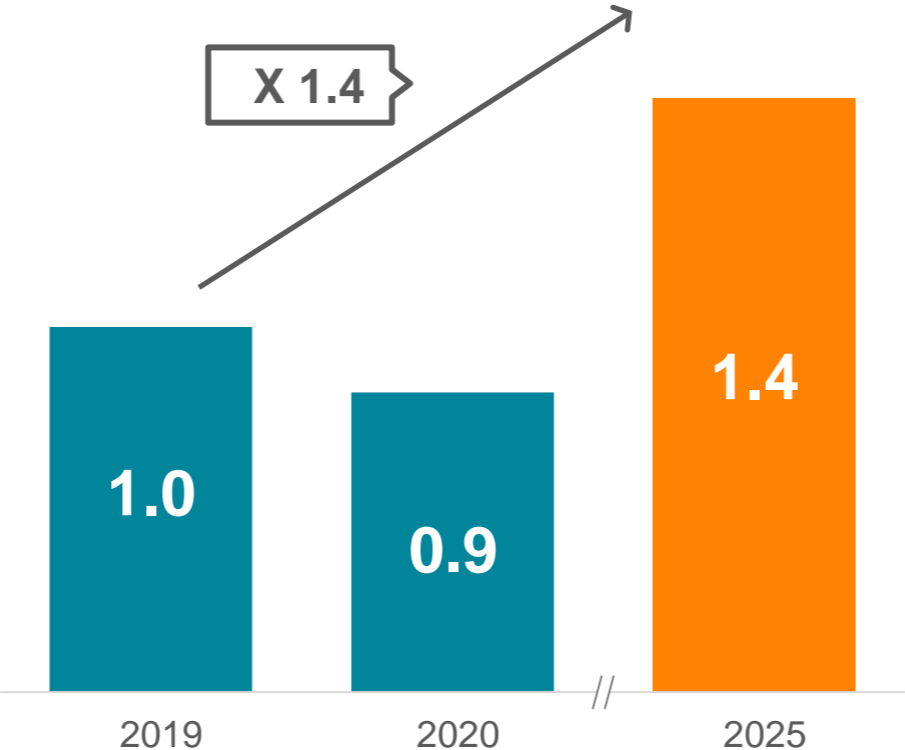
Digital customers ('000)



1,100 k → 2,000 k

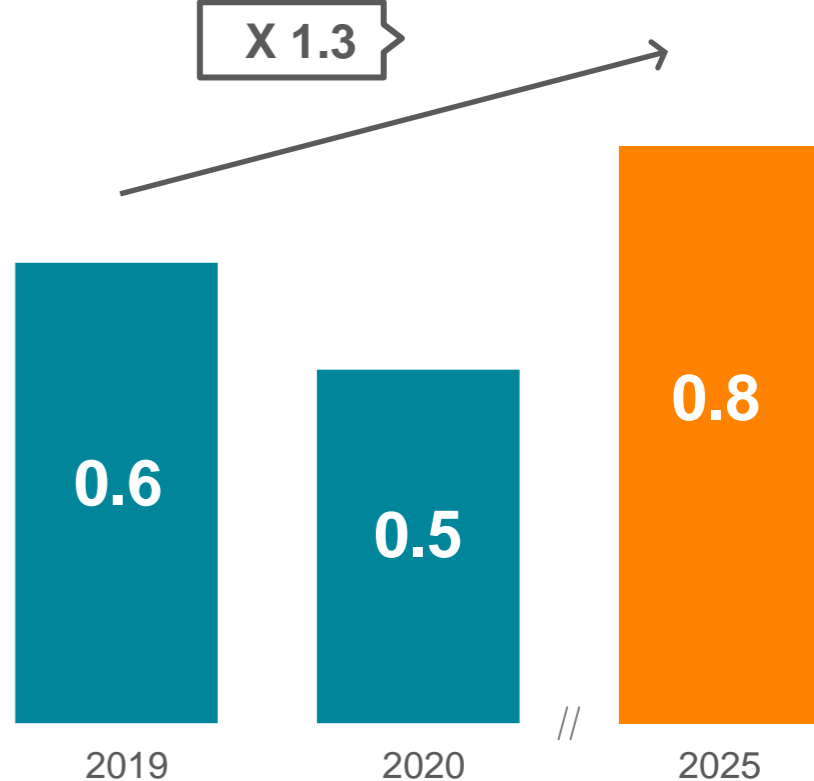
P&G +  
E-Mobility  
customers

EBITDA (B€)



Mobility contribution margin (M€) **x 1.15**  
 Non-oil contribution margin (M€) **x 1.25**

FCF (B€)



# Building on a position of leadership with a successful transformation track-record

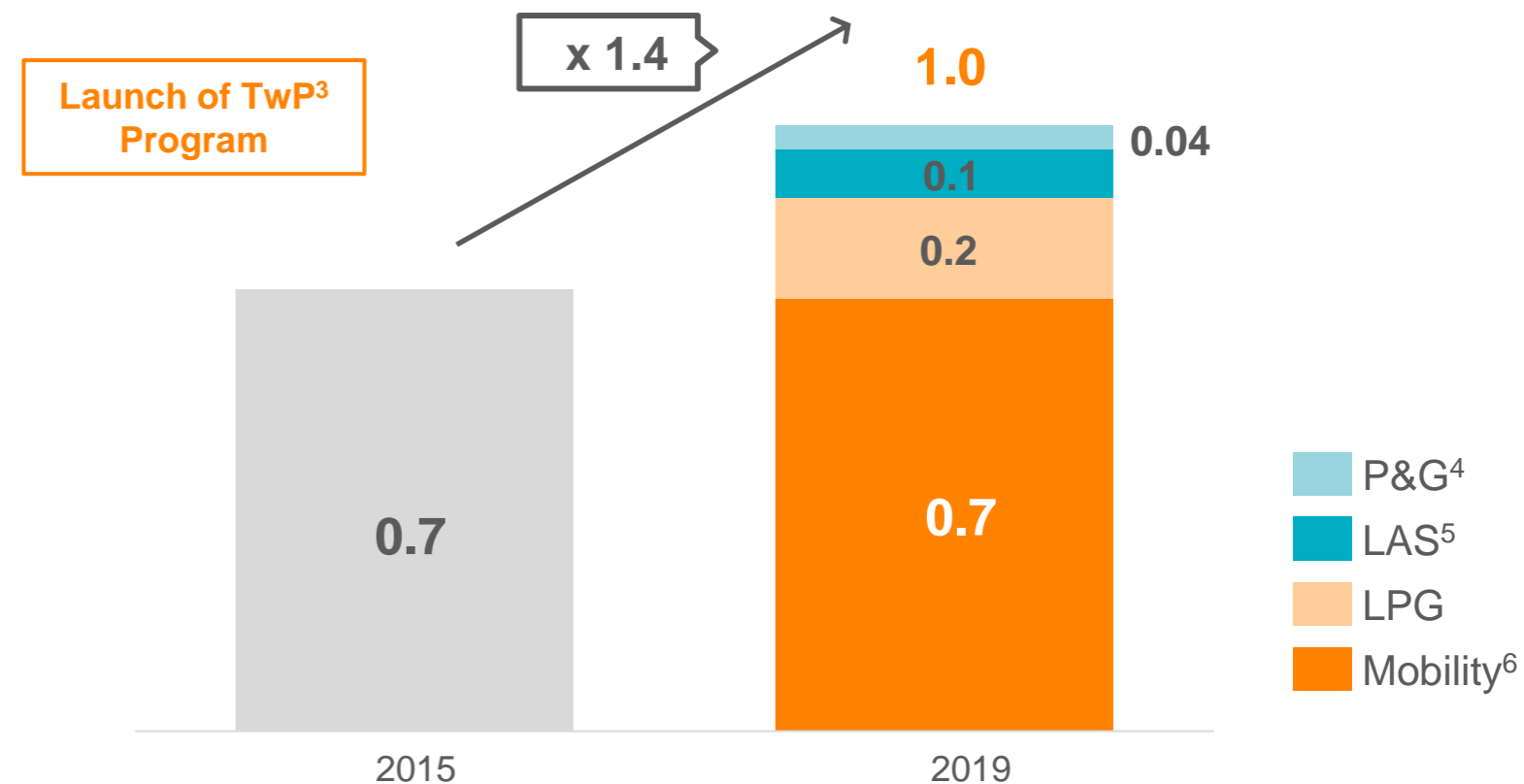


Customer Centric Business

## Leading market shares<sup>1</sup>

|       | Spain    | Portugal |
|-------|----------|----------|
| Fuels | 34% (#1) | 23% (#2) |
| LPG   | 74% (#1) | 20% (#3) |
| Lubes | 26% (#1) | 19% (#3) |
| P&G   | 3% (#5)  |          |

## CCB EBITDA evolution (M€)



**>24 M**  
customers  
~10 M registered  
customers

**>4,300**  
Service  
Stations  
>1,000  
Operated sites

**#1** Most  
acknowledged  
energy brand  
in Spain<sup>2</sup>

1. Market shares in volume except for P&G Spain, in customers. Values provided correspond to 2019; 2. Repsol Brand Image and Positioning Study based on the question (January 2019): On a scale 0 – 10: How good do you believe is the image of the following companies? 3. Transforming while Performing 4. Includes Retail P&G and P&G Central Costs 5. Lubricants, Asphalts and Specialties 6. Includes service stations Spain, wholesale Spain & International aviation, Mobility Portugal, Mobility Mexico, Mobility Italy and Central Mobility cost 40  
Note: Operating and financial leases are included as expenses within Financials. Growth presented as net growth from 2015 to 2019.



# Ambition to become the leading multi-energy retailer in Iberia



Accompanying our >24 M customers through the energy transition with the ambition and the competitive edge to become their end-to-end multi-energy supplier



**Traditional commercial business (Mobility, LPG,..)**

6 M loyalty cards +  
2 M **waylet** users

>24 M current clients



**New energy transition businesses (eMobility, Energy Services...)**

200 k **wible** carsharing users



**P&G retail**

>250 k clients leveraging joint offers (with mobility)

>1 M current clients

**Multi-energy customer-centric approach**

*Unique value proposition and a set of competitive advantages that cannot be replicated by competitors and brings superior growth and better economics*

# Strong and growing profits and cash generation

Customer-Centric Businesses Strategy 2021-25



**Key foundations**

Longstanding Iberian Energy Leader

Mobility leader in continuous transformation

High-growth power customer business



**Strategic drivers in Energy Transition**

 **Multi-energy**

Cross-sell to current customers and channels, adding new services (E-Mobility, Energy Services & Advanced mobility services)

 **Customer centricity**

Roll out the new transversal loyalty program, developing engagement with end customers

 **World-class digital**

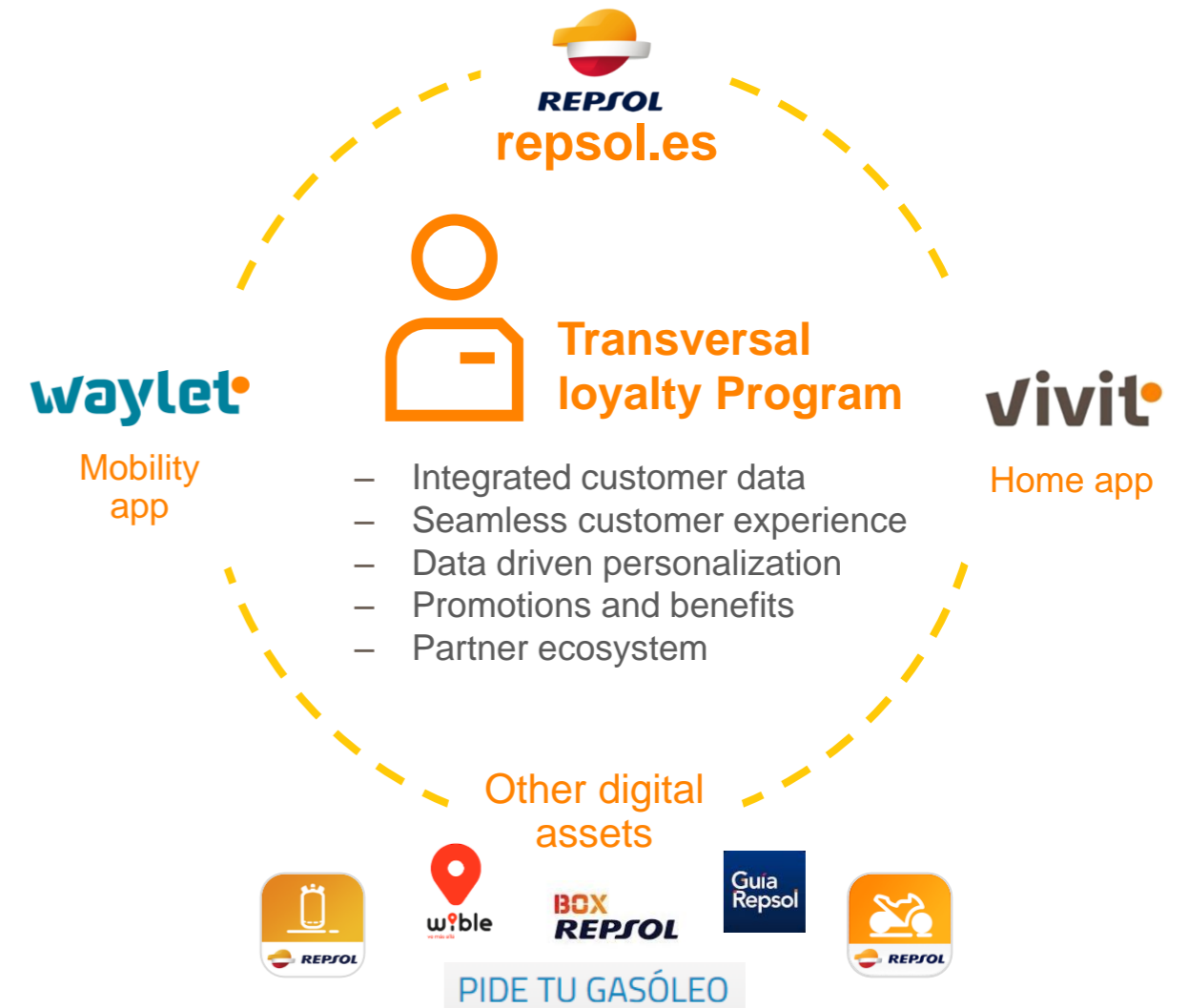
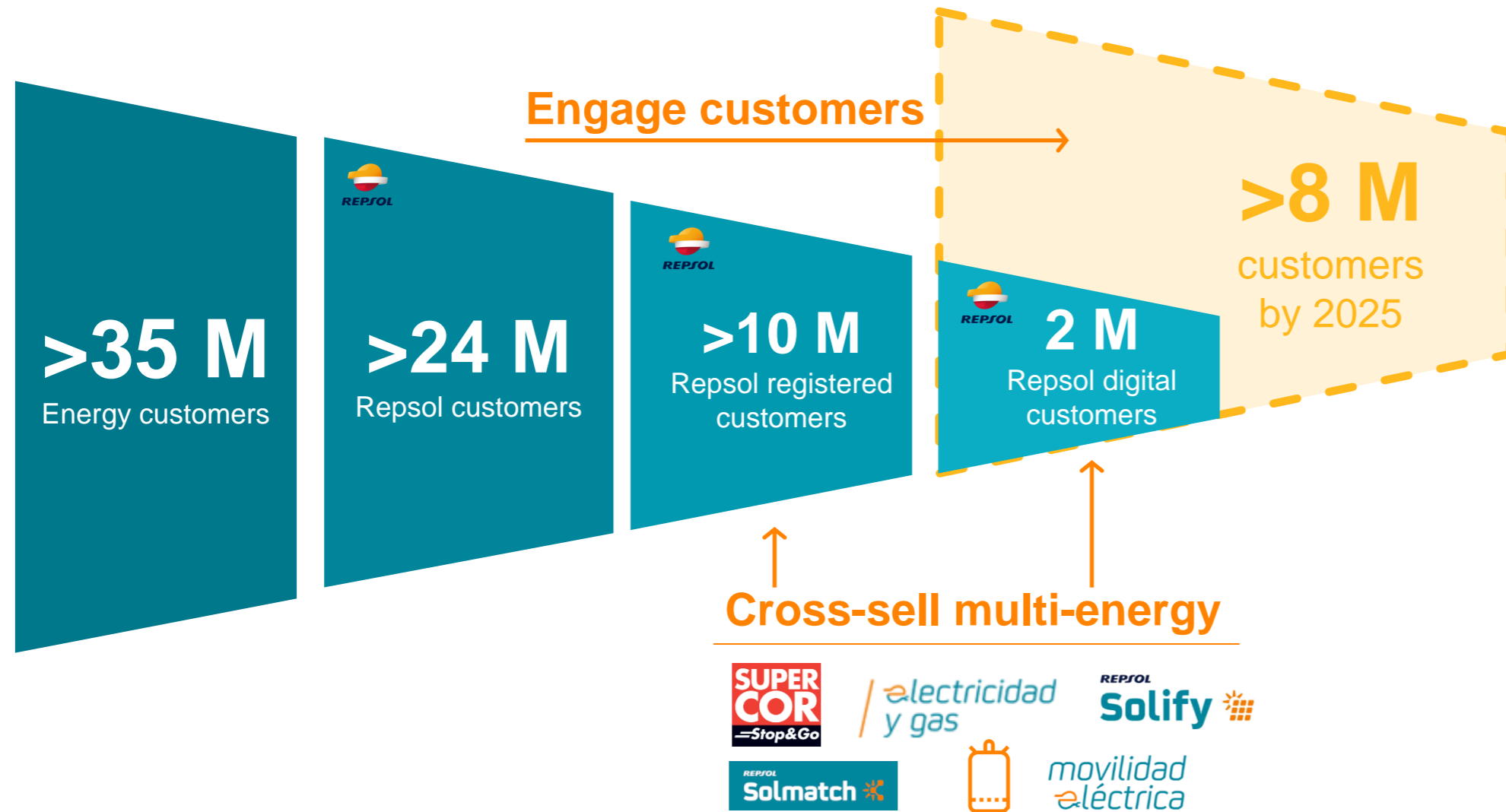
Expand digit platforms for customer engagement (Waylet & Vivit apps), with AI based personalization and advanced pricing



**Ways of working**

More autonomous management, strengthening entrepreneurship culture

# Launching Repsol's Transversal Loyalty Program to orchestrate customer-centric multienergy approach across customer base



New transversal loyalty program to reach 8 M customers (100% digital) and generate incremental margin by 2025

# Unique position to serve the multi-energy needs of our customers



## Mobility

- Biofuels & synthetic fuels
- Traditional fuels
- Mobility Services
- Autogas & NGV
- Convenience stores
- E-mobility

CO<sub>2</sub> offset

## Home

- Power & Gas
- P&G value-added services
- New Energy Services – Distributed generation
- LPG services

More than double growth in enhancing contribution margin per customer

Margin (€/customer)



+ Customers

+ Customers

Cross Customers

# Setting the new business priorities



Upstream



Yield and Focus



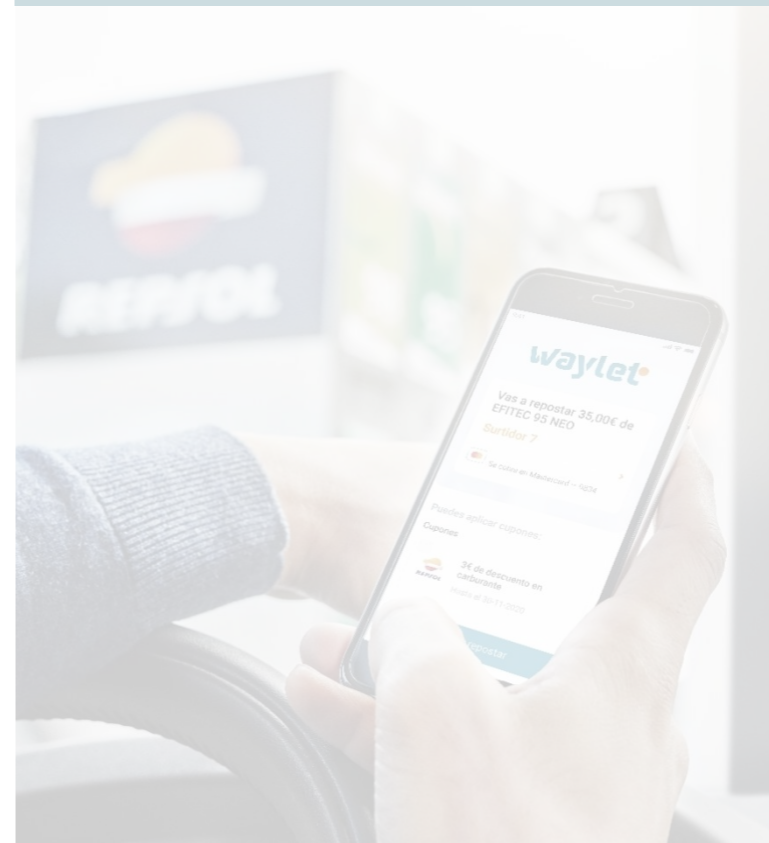
Industrial



Yield and New Platforms



Customer-centric



Yield and Transformation



Low-carbon generation



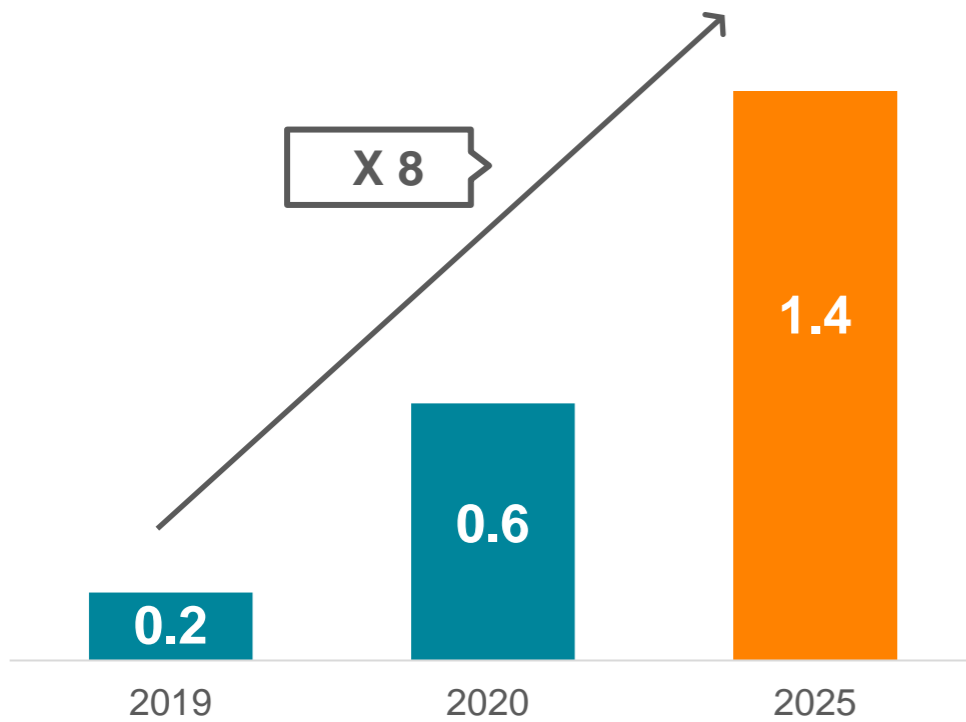
Business Build

# Building a new business with ambitious targets

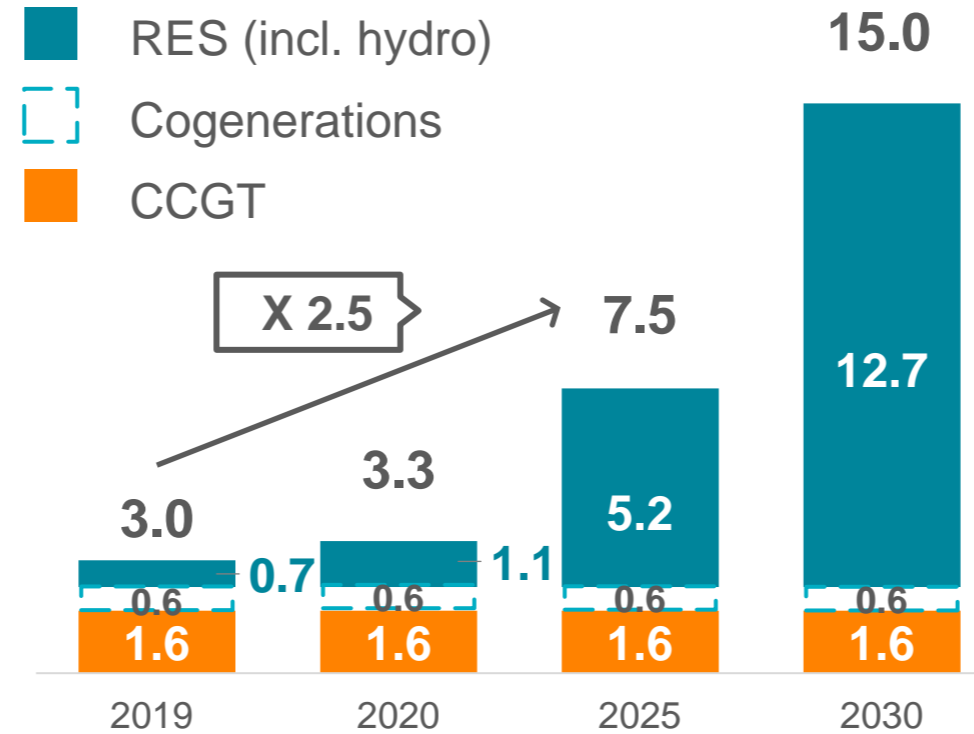
Low carbon generation



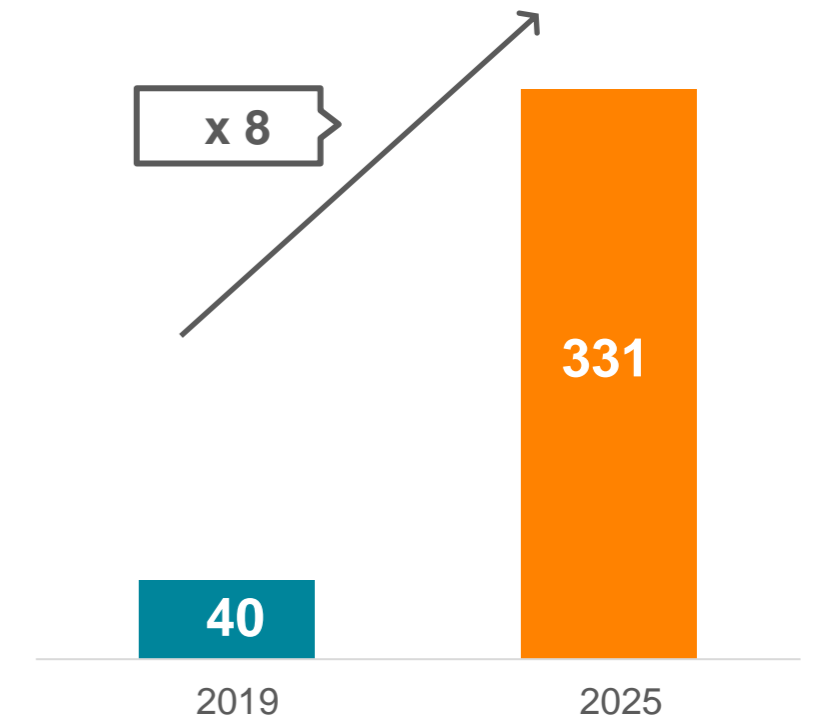
### Capex (B€)



### Low carbon consolidated<sup>1</sup> capacity (GW)



### Gross EBITDA<sup>2</sup> (M€)



Equity IRR with PPA **>10%**

Spanish average power price  
42,5 €/MWh

Note: Spanish average power price 42,5 €/MWh 1. Consolidated capacity refers to capacity available at year end 2. Excludes structure costs. 2025 EBITDA estimated assuming 2025 consolidated capacity is operating during the whole year for comparative reasons. Figure considering only estimated operating capacity of 7.4 GW is €321 M Note: Gross Capex, capacity, and gross EBITDA considers 50% WI in Chile and 100% WI in Spain and rest of the world. EBITDA and Capex figures do not include cogenerations

# Developing a competitive RES player with international platforms



Estimated low carbon operating capacity (GW)<sup>1</sup>

**Phase I**  
2019 **3.0 Gw**

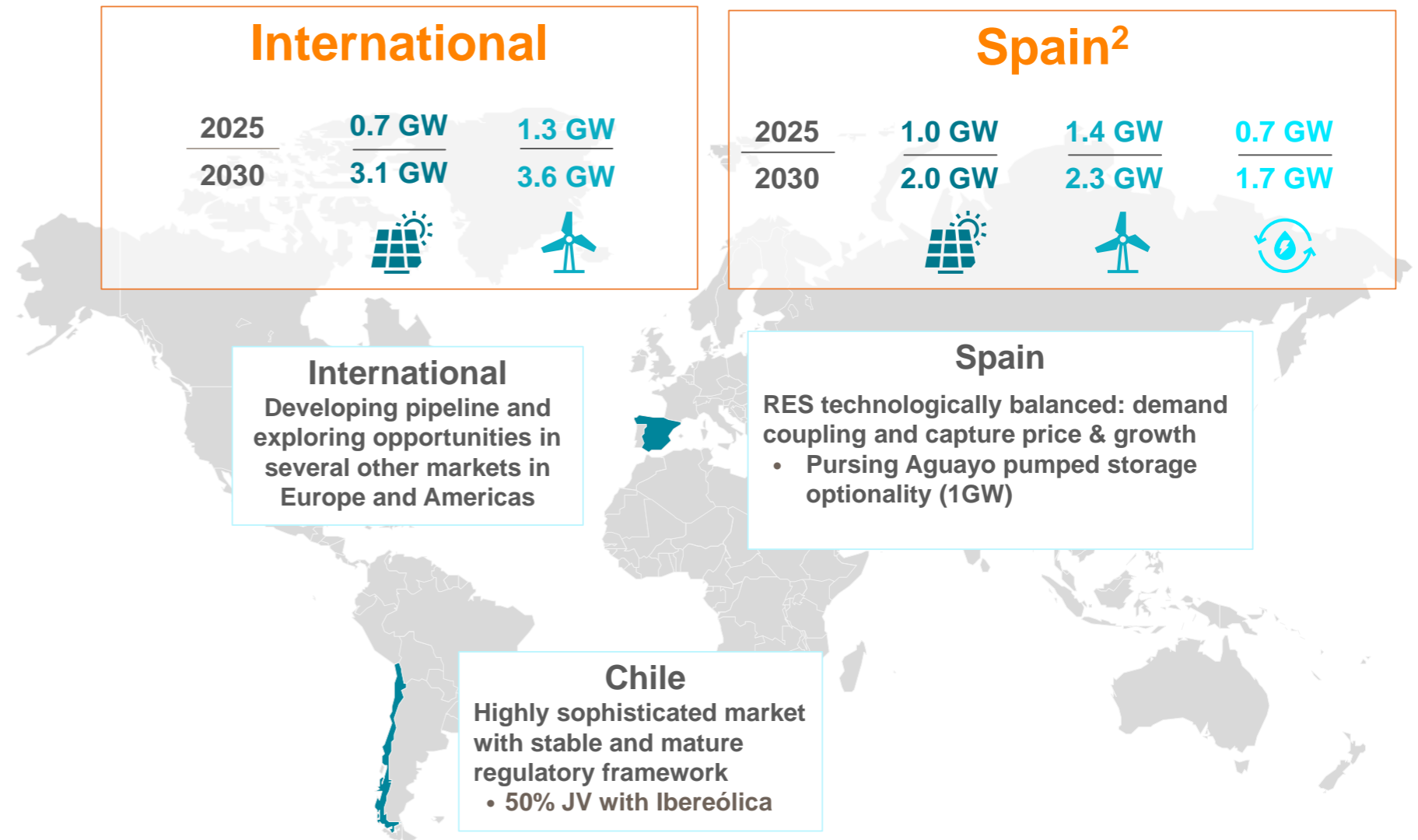
- Launch **organic growth** – development of Ready to Build and earlier stage assets
- Develop RES **capabilities and project pipeline**

**Phase II**  
2020-2025 **7.5 Gw**

- Build and put in operation pipeline, with **more than 500 MW per year** in early-stage assets
- Create international platforms

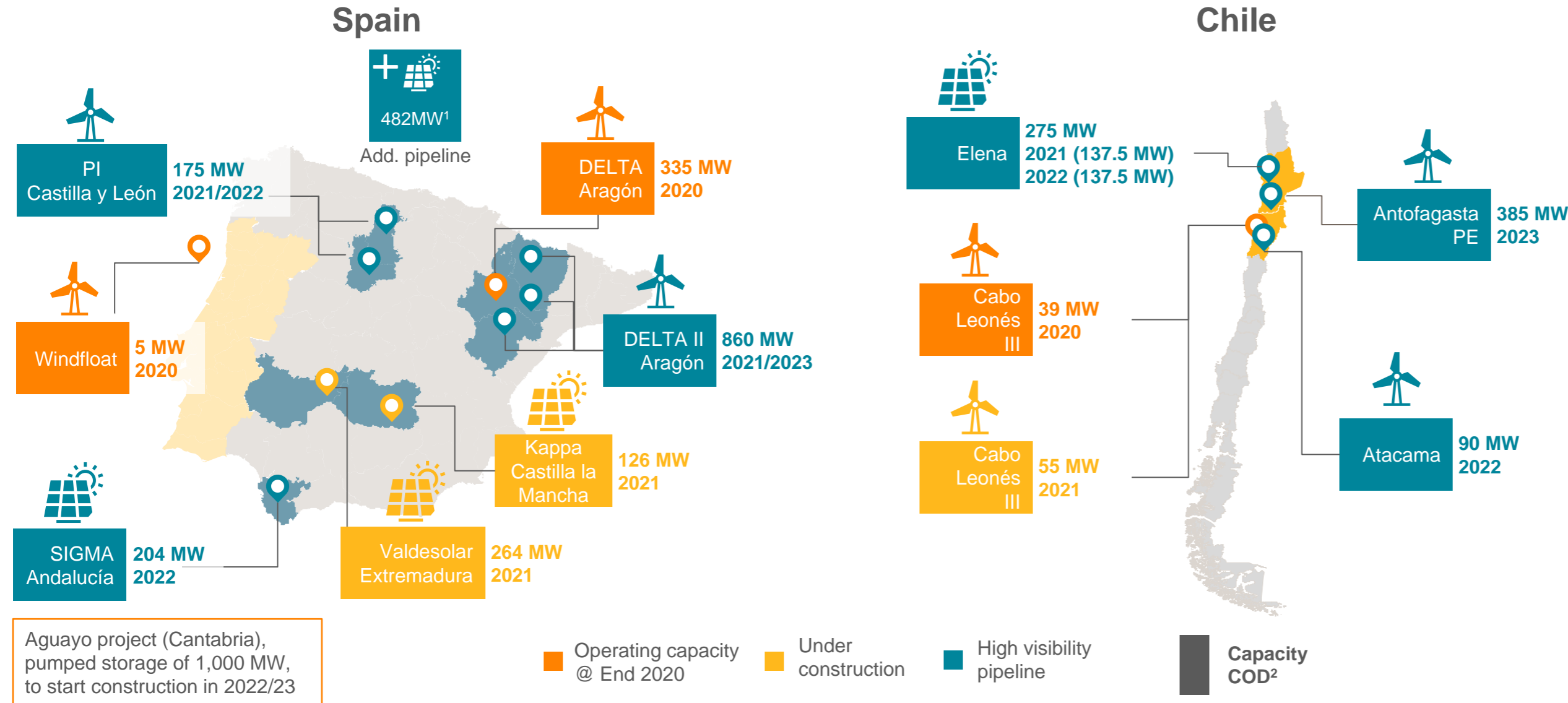
**Phase III**  
2026-2030 **15 Gw**

- Accelerate organic development to **more than 1 GW per year**
- Optimize portfolio with an opportunistic approach



1. RES: Considering 100% in Spain and International (excl. Chile) and 50% JV stake in Chile 2. Not including other conventional generation as Cogeneration (622 MW) and CCGTs (1,648 MW)

# Strong portfolio of advanced stage projects with short term material growth and robust profitability



**Boosting project returns through management excellence and scale**

**+3-4% IRR<sup>3</sup>**

- Reduced development costs
- Best-in-class construction and operations
- Energy management
- Optimized financing structure

1. Greenfield projects with interconnection rights, including solar hybridization projects in wind portfolio  
 2. COD: Commercial Operation Date 3. Estimated figures average for wind and solar projects without selling down equity stakes Note: Considering 50% JV stake in Chile



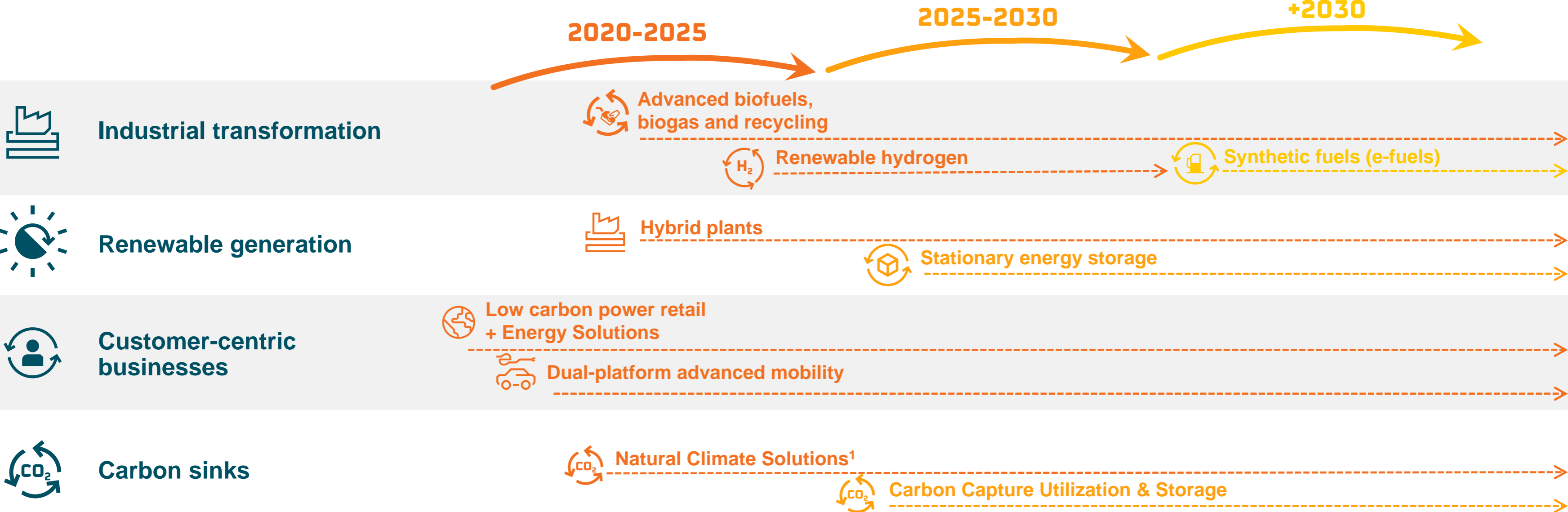
# Strategy 2021-25: Stepping up the Transition

2025+ advantaged  
zero-carbon business  
platforms

# 04.



# Decarbonization is an opportunity to build business platforms as technology evolves



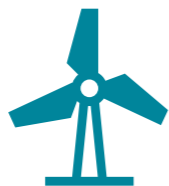
# Ambition to become a leader in the Iberian Peninsula

Renewable Hydrogen



## Multi-technology approach

providing flexibility, and optimizing production



**Electrolysis**



**Biomethane**  
in existing SMRs<sup>1</sup>



**Photoelectrocatalysis**  
proprietary technology

## Largest H<sub>2</sub> consumer (72%) and producer in Spain

Privileged integrated position allowing **arbitrage between self-consumption and other final uses**

**Transportation and e-fuel**  
leveraging SSs

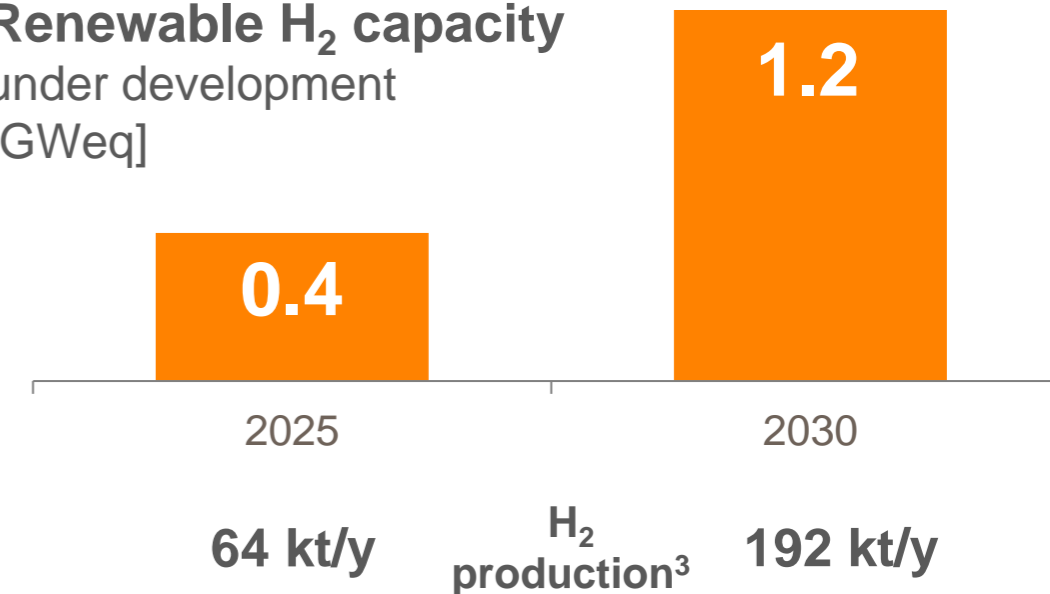
**Gas network injection**  
blended with gas for residential and industrial use

**Industrial feedstock**  
to other players

**Electricity storage**  
for flexible power generation

## Clear ambition<sup>2</sup> to become Iberian leader

Renewable H<sub>2</sub> capacity under development [GWeq]



64 kt/y

H<sub>2</sub> production<sup>3</sup>

192 kt/y

## Repsol to become an active H<sub>2</sub> player

across uses, and a strategic partner to develop the Government ambition

1. Steam reformer 2. Repsol's hydrogen ambition conditioned to access to regulatory changes and availability of EU recovery funds Plan 3. Considering a ratio of 0.02 t/h per MW and 8,000 hours of operation per year based on Repsol's past projects

# Repsol with clear advantages in renewable hydrogen production



Renewable Hydrogen

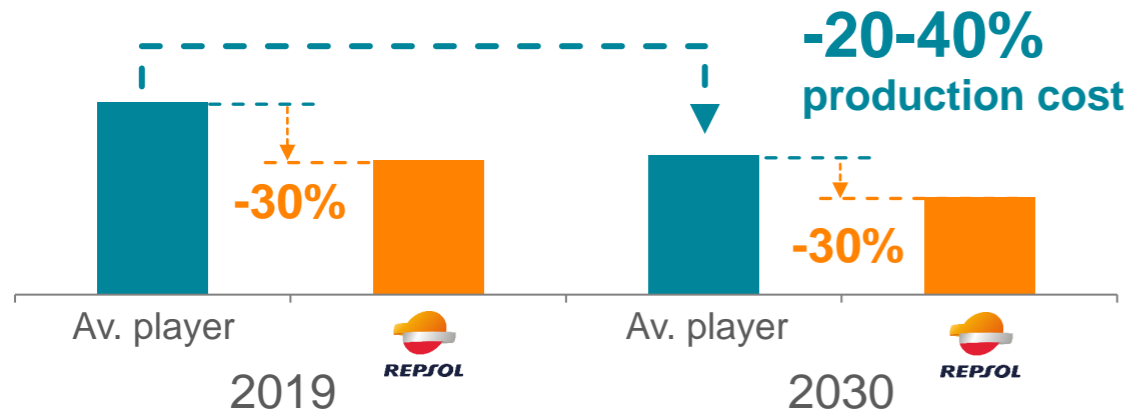
Repsol's with an **advantageous position** resulting in **tier#1 LCOH<sup>1</sup> ~30%** lower vs. a local renewable H<sub>2</sub> producer

- Renewable H<sub>2</sub> production from biomethane to become competitive in the short term
- Integration in current sites and with own renewable power generation

**Spain, the best EU location** to produce hydrogen with electrolyzers

- Lower production costs due to better renewable resource
- Spain reaching renewable H<sub>2</sub> (with electrolyzers) competitiveness five years before Germany

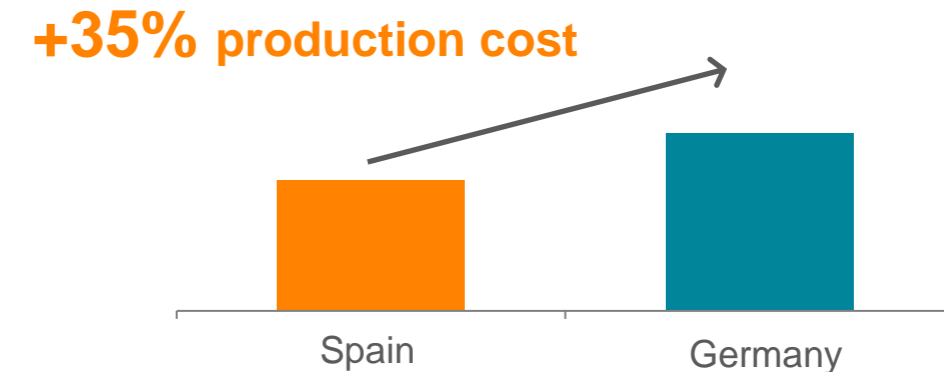
Renewable H<sub>2</sub> production cost for an av. player in Spain (€/kg)



Competitiveness of electrolytic vs. fossil fuel H<sub>2</sub>, expected by 2030, could be brought forward by

- Technology cost reduction (massive adoption)
- Higher carbon price
- Regulatory mechanisms, as/if needed

Production cost via electrolysis in 2030<sup>2</sup> (€/kg)



1. Levelized Cost of Hydrogen assuming 50% of the renewable H<sub>2</sub> production made with biomethane and the remaining 50% with electrolyzers. 2. Spain with an average LCOE of €33.2/MWh and Germany with an av. LCOE of €48.3/MWh in 2030

**Repsol best positioned to lead H<sub>2</sub> development and cost competitiveness as the main consumer in Spain (vs. non-consuming players interested in high prices to drive production)**

# Repsol becoming an advantaged producer

Sustainable biofuels



## Repsol best positioned for sustainable biofuels production



Already a leading biofuels producer, and **first biofuels marketer in Spain** (66% share)



Leveraging our **tier one industrial sites** to produce biofuels in own facilities through modifications of current units

- **Lower Capex:** <€500/t in existing plants (vs. >€1000/t of peer's new plants)



Average projects **IRR >15%**

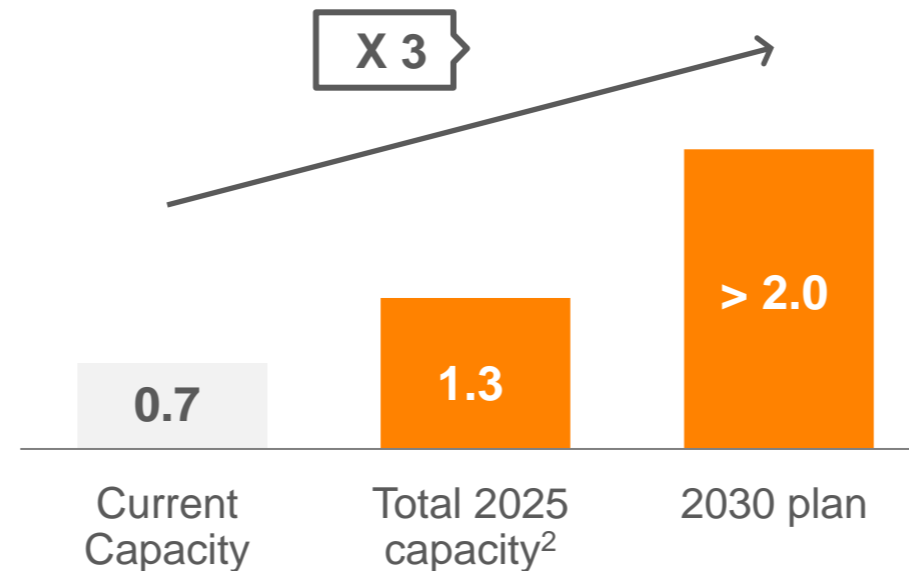


**Positioning, scale and relevance** of our industrial hubs key to secure feedstock

## Reaching > 2 Mta of sustainable biofuels in 2030<sup>1</sup>

### Sustainable biofuels gross production (Mta)

**Updated ambition: from 600kt of HVO to >2 Mt of sustainable biofuels**



Repsol with a **leading sustainable biofuels ambition**

## With a multi-technology and raw material approach

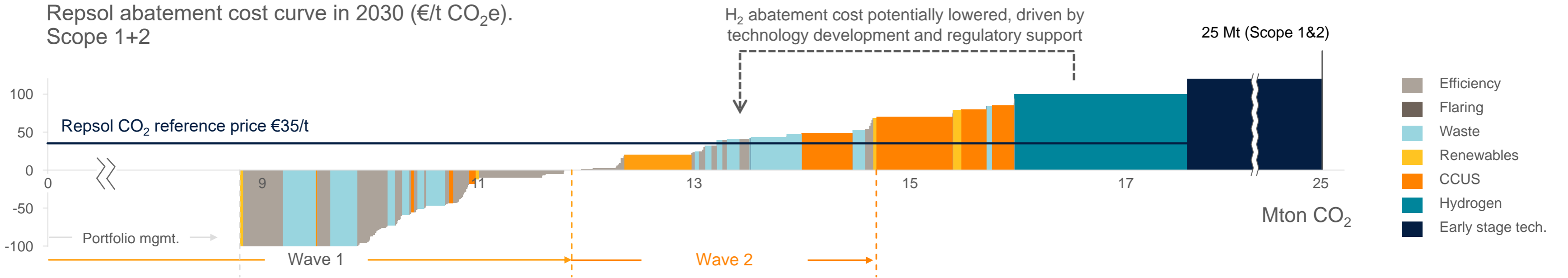
### Use of wastes as feedstock



- **> 65% of biofuels produced from waste** by 2030 (up to 100% potentially to satisfy market or regulation demands)
- Large **availability of required feedstock with flexibility** between alternatives
- **~4 Mt of waste<sup>3</sup>** to be used as raw materials by 2030

1. Gross volumes 2. Expected capacity of sustainable biofuels by 2025 includes: 700 kt/y from current existing capacity, 250 kt/y capacity from the advanced biofuels plant in Cartagena, 130 kt/y capacity from a gasification plant to produce methanol and ~300 kt/y capacity through modifications in existing units. 3. Gross volume. It includes Repsol's whole circular strategy: biofuels, circular chemical products and plastics and biogas production

# Pipeline of initiatives prioritized through the abatement curve



## Wave 1 (2020-2025)

Profitable initiatives:

- Energy Efficiency
- Methane & flaring initiatives
- Renewable power for Scope 2 emissions
- Waste-to-Energy with cheaper waste

Portfolio management / Reduction of high-emitting barrels

## Wave 2 (2025-2030)

Medium-term technologies:

- Additional Waste-to-Energy
- High/Medium concentration CCS projects
- First renewable hydrogen projects
- CCU projects
- Renewables + Storage
- Remaining efficiency initiatives

## Long term

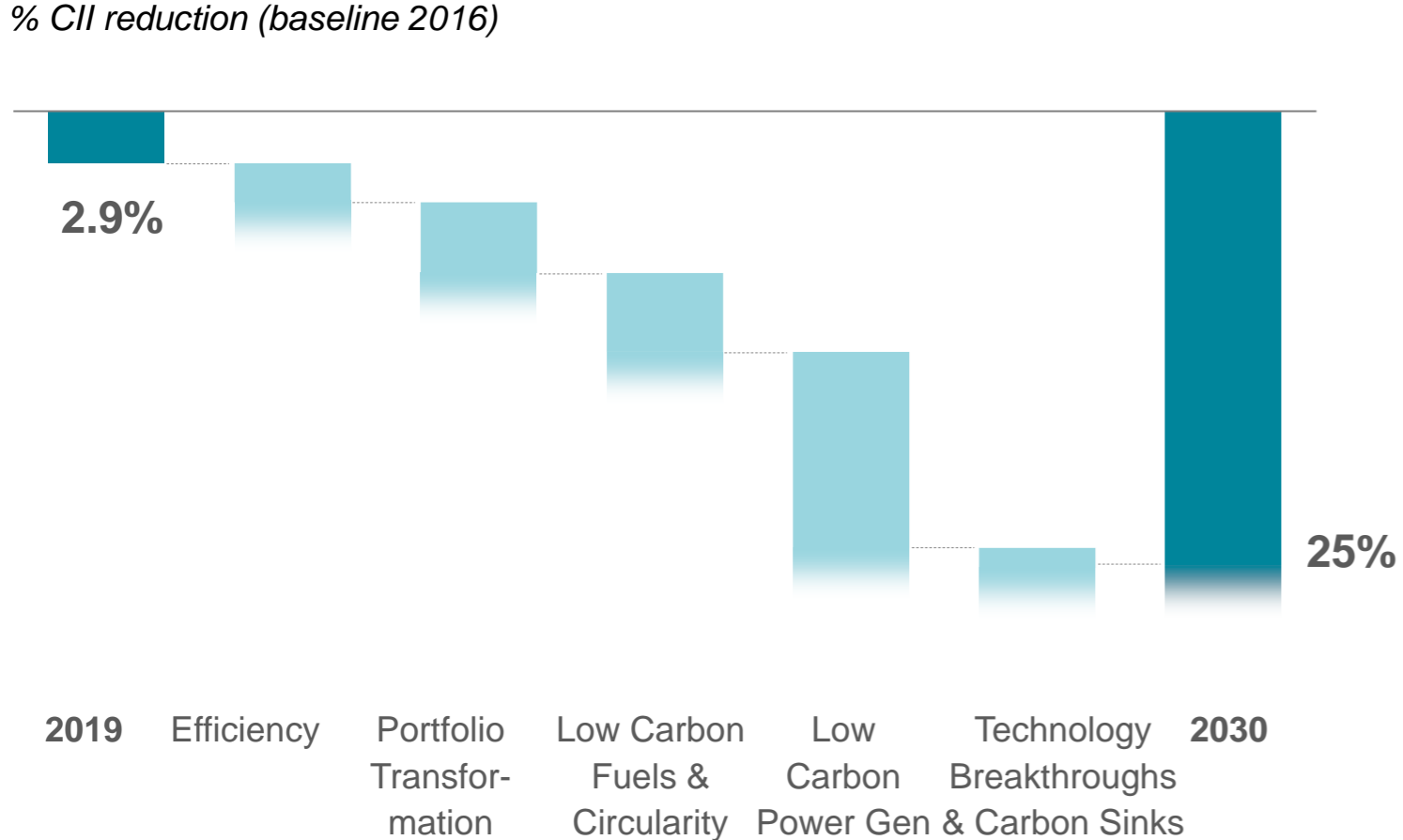
Early-stage technologies, with uncertain costs:

- CCS (depends on access to storage projects)
- CCU technologies (e.g. efuels)
- Renewable hydrogen at scale
- Further electrification (Power-to-Heat, etc.)

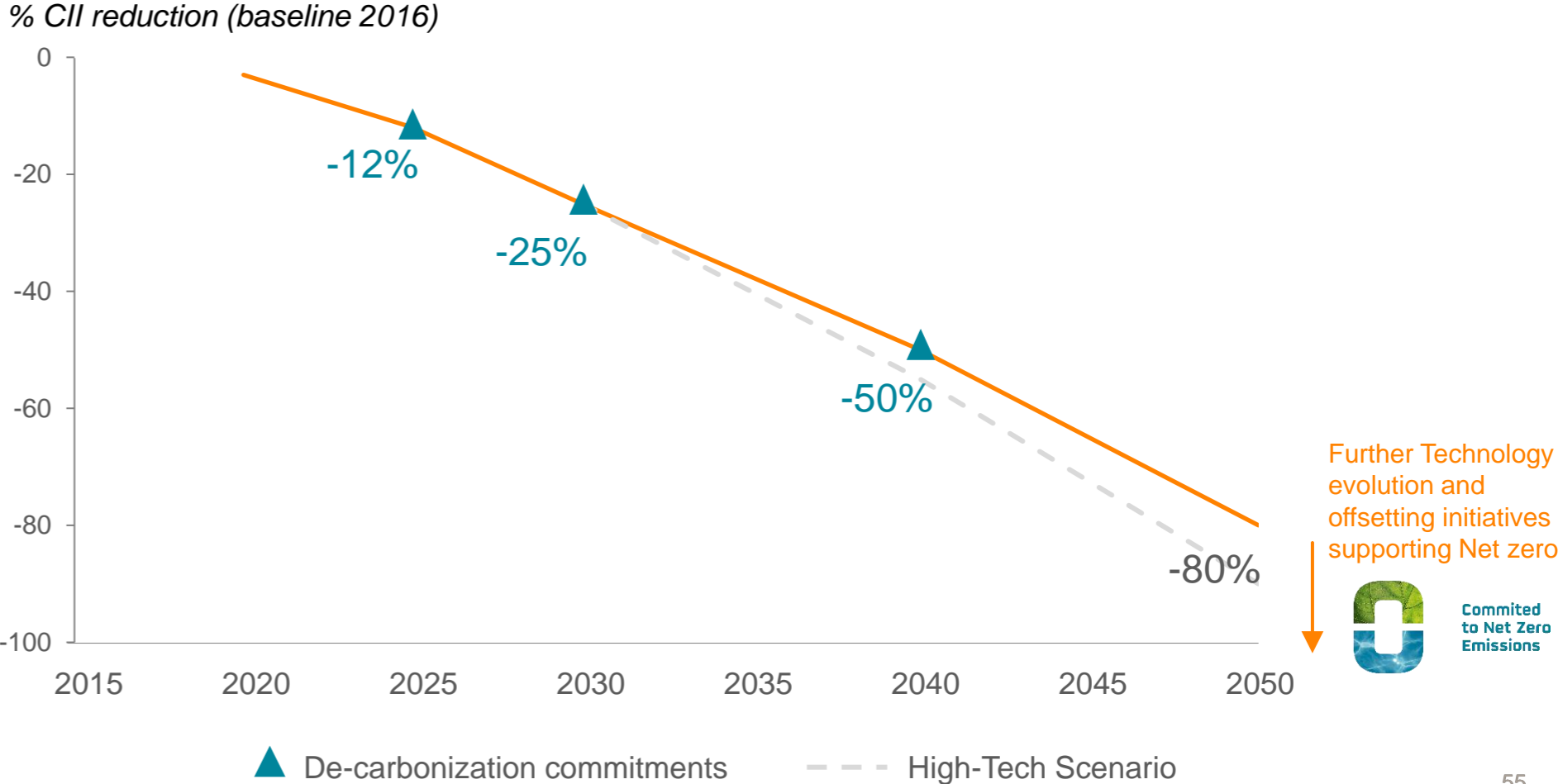
# CII evolution: Repsol speeds up the transformation by increasing its carbon reduction targets from 20% to 25% by 2030



## CII reduction breakdown by decarbonization lever



## A clear decarbonization pathway towards net zero in 2050



# Strategy 2021-25: Stepping up the Transition

**New operating model**

04.





# A new operating model driven by a lean and vanguard mindset

More efficient and agile



## Strategic talent management

Enhance workforce planning, **reskilling** and **upskilling** to face digitalization, new businesses and decarb.

Boost **Data driven culture**

New and adapted **professional development framework**

**Diversity and inclusion**

## Organizational agility

**Agile & Lean**  
New Ways of Working all across the value chain

**Simplify the Corporate Center** and accelerate the **Global Services model**

Promote **flexibility, productivity and work-life balance**

More inspiring and **entrepreneurial leadership**

## 2025 targets

**-20%**  
directors

**>35%**  
female leadership

**-20%**  
corporate costs

**1<sup>st</sup>** quartile  
Repsol leadership index<sup>2</sup>

**-20%**  
management layer<sup>1</sup>

**>70%**  
score in Repsol Culture Index<sup>2</sup>

# World-Class Digital

Already transforming how we operate our businesses



## E&P

**0.5%** Gross production increase in our assets

**-7%** Reduction of drilling operation time

## Industrial & Trading

**+\$0.4/bbl** Refining margin increase due to digital initiatives

**2,000+** Mobile app users in our refineries

## Commercial Businesses

**2 M** Digital customers registered in Waylet app

**150 k** Daily clients managed with new Salesforce platform

## Corporation

**100 k+** Executed operations through intelligent software robots

**2,500+** Servers running in cloud infrastructure

Incremental economic impact (CFFO + Capex savings, M€)

82

2018

308

2020e

Digital program investments (CapEx+OpEx, M€)

90

136

# **Digital** initiatives

**120+**

**250+**

External recognition

“ Repsol ... launched an ambitious digital transformation effort ... (that is generating) essential contributions to its business model

**MIT Sloan**  
Management Review

“ Repsol, a leader in the energy transition ... a great example of digital performance, real business transformation and value contribution

Microsoft

# Taking digitalization to the next level, delivering €800 M impact to 2022

World-Class Digital



## Artificial Intelligence

“Artificial intelligence first” approach as a key lever to build a data driven company, embedded at every business process



## Automated operations

Improve operational efficiency of our industrial assets including digital twin, operations centers, robotics and IoT



## Customer Centricity

Enable best-in-class digital customer-centric multi-energy company with a global customer 360° view

ARiA

## Repsol Data Platform

Enhance our data & analytics platform, speed up AI – based cases through our accelerator program and re / up - skill our employees in our data school



## Cloud Technology

Complete journey to a hybrid multicloud extracting all the benefits in terms of cost savings, agility and flexibility

**€800 M**

Incremental CFFO + CapEx savings in 2022 vs 2018

**€160 M/year**

Average Digital CapEx + Opex in 21–22 period

# Great Repsol tech platform to support business de-carbonization and transformation



Technology Driven

Our goal to transform the energy sector through technology innovation

## Repsol Technology Lab

 **26**  
patents in  
2018-19

 **+190**  
alliances to transform  
energy sector

## Repsol Ventures Fund



**80% of its investment in energy transition initiatives**

Focused on **advanced mobility and renewables**, **low carbon and circular economy**, and **digital technology for assets optimization**, with a current portfolio of **18 start-ups** and taking part in OGCI CI Fund

finboot tech

BeGas

wattio

NANOGAP  
SUBMIT PARTICLES

ample

Relevant technological achievements (Examples)



### Industrial processes disruption

Characterization of crudes combining spectrometry and deep learning

- 90% reduction in response time, 50% reduction in testing costs, and €10 M/y captured

Testing more than 40 wastes and technologies for advanced biofuels and circular plastics



### Product design processes shortened

Product design with computational chemistry and machine learning

- Predictive model, reducing response time 70% and costs 50%



### Tech contribution to NetZero

Renewable H<sub>2</sub> production from solar energy (photoelectrocatalysis)

- Existing pilot plant, currently escalating in industrial demonstration project with a partner

Bilbao hub to produce e-fuels and gas from waste

# Leading Investment Case

05.



# Leading shareholder distribution

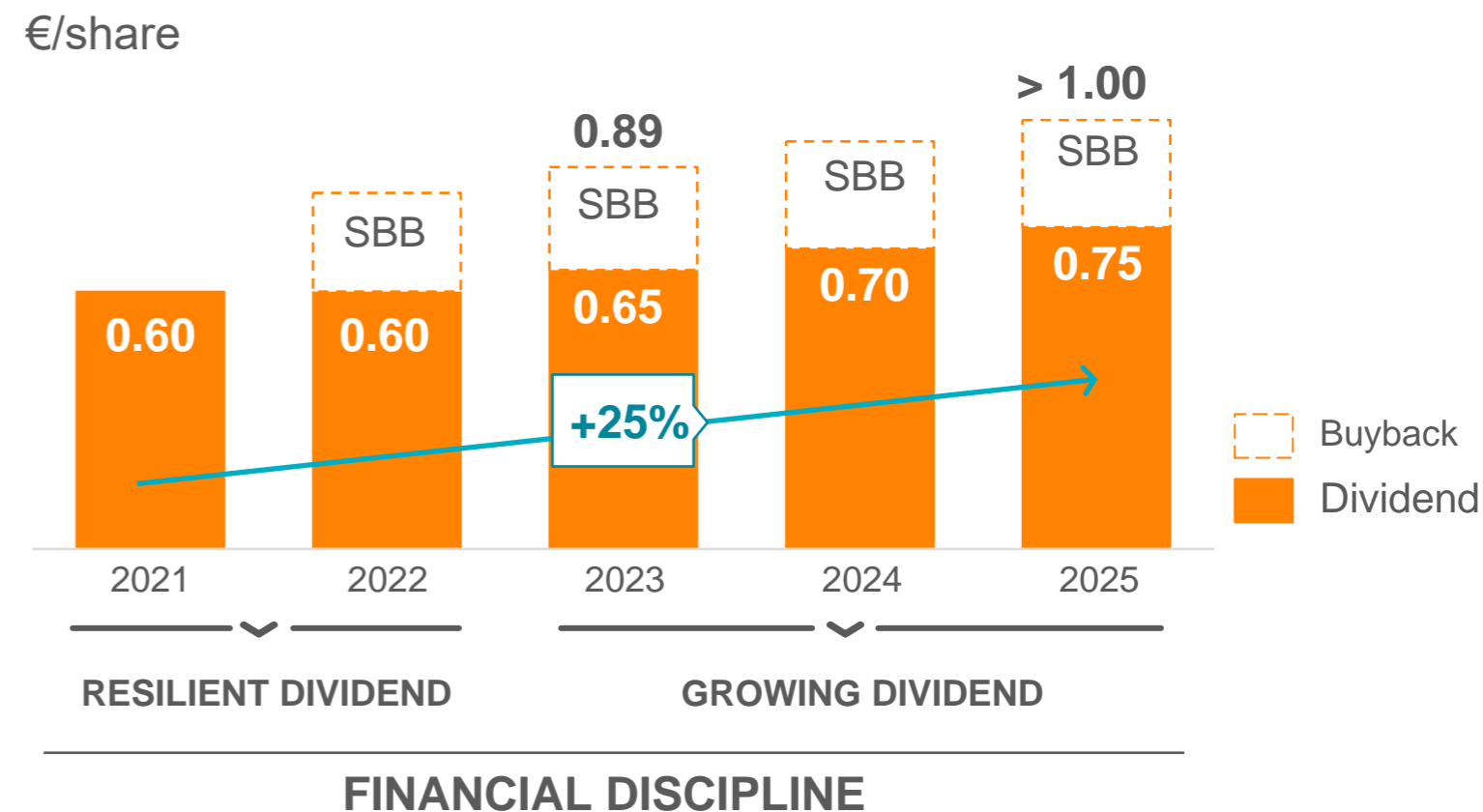
2021-2025 Highlights



## Resilient shareholder distribution...

- 2021 ● **€0.6/sh dividend paid in cash (except Jan 2021)**
  - Committed @\$40/bbl Brent
- 2022-2025 ● **Increase dividend in cash:**
  - Yearly from 2023, to €0.75/sh by 2025
- Additional share-buyback (50 M sh/y)<sup>1</sup>, achieving > €1/sh in 2025**
  - €1.4-2.0B allocated to SBB in 2022-25

## ... growing with organic excess cash at SP price deck

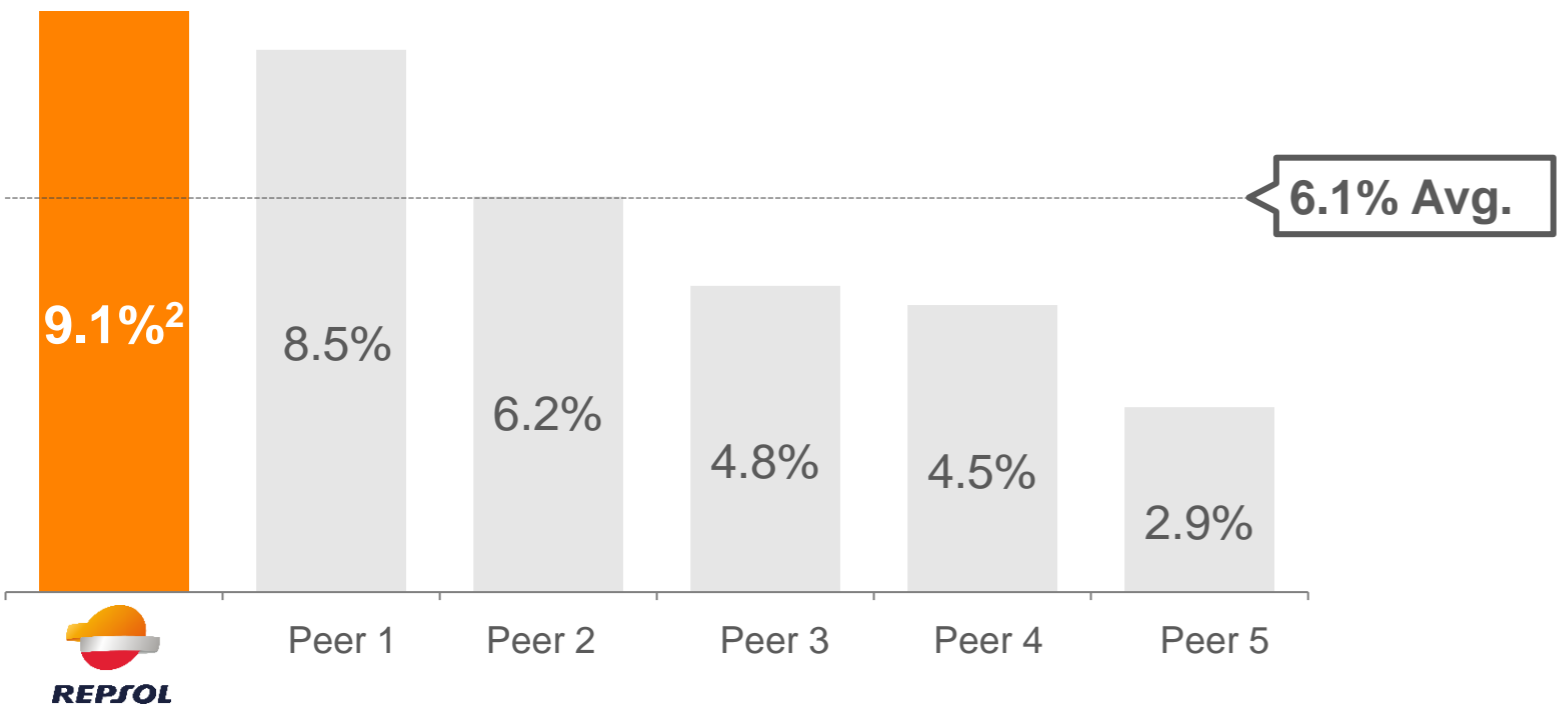


Av. 2021-25 distribution reduction < 15% vs. previous proposition

# Repsol with a leading dividend yield and dividend coverage among peers

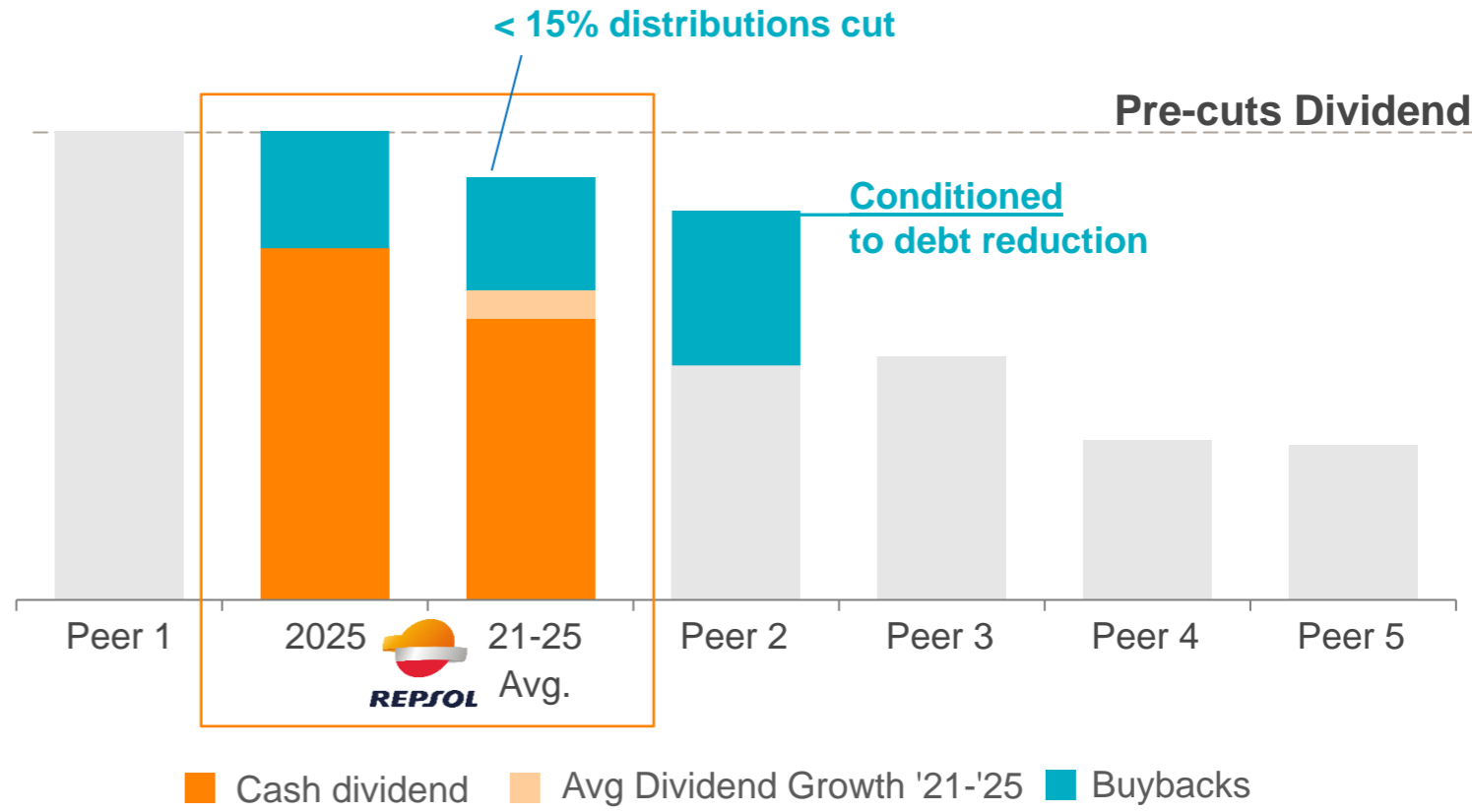


Dividend Yield<sup>1</sup> 2020 (%)



| Dividend/ CFFO '19 | Peer 1 | Peer 2 | Peer 3 | Peer 4 | Peer 5 |
|--------------------|--------|--------|--------|--------|--------|
| <b>16%</b>         | 33%    | 16%    | 11%    | 12%    | 11%    |

New announced distribution schemes @\$50/bbl Brent, compared to pre-cuts proposition (%)



**At SP price deck, Repsol offers the largest resilient dividend and a fast-growing shareholder distribution capacity compared with peers**

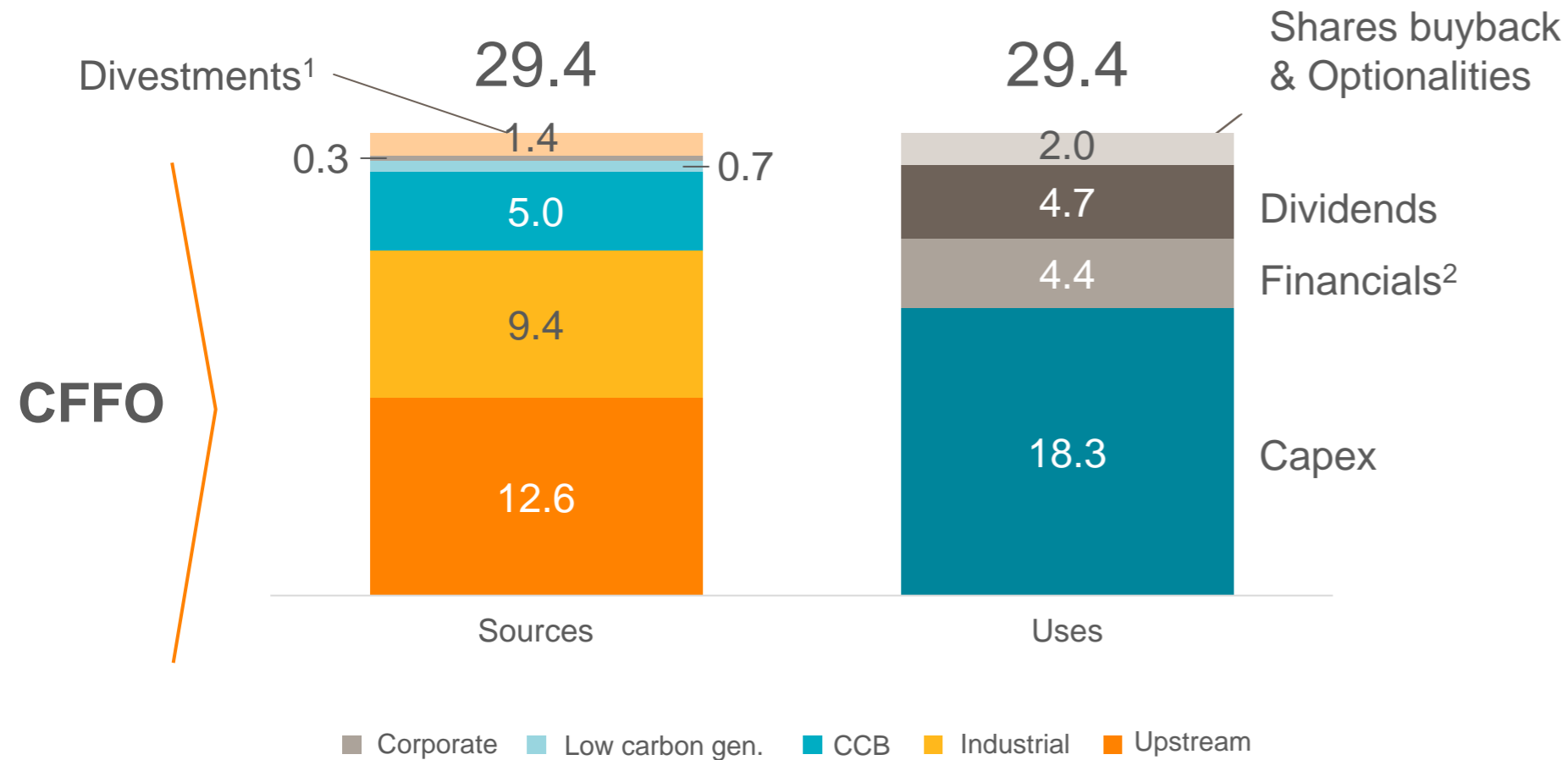
Source: Company announcements; Capital IQ  
 1. Post-cuts dividends considered for all peers and assuming a constant value across the year (average share price between July 1<sup>st</sup> and November 11<sup>th</sup> 2020). 2. Considering 2021 announced dividend per share of €0.6.  
 Note: Peer companies considered are BP, Eni, Equinor, Shell and Total

# Self-financed plan

Cash generation



## Cumulative sources and uses of cash, 2021-2025 (B€)



## 2021-2025 B-even post-dividends (\$/bbl)

**\$50/bbl**  
FCF BE  
(inc. SBB)

**< \$45/bbl**  
FCF BE  
pre-SBB

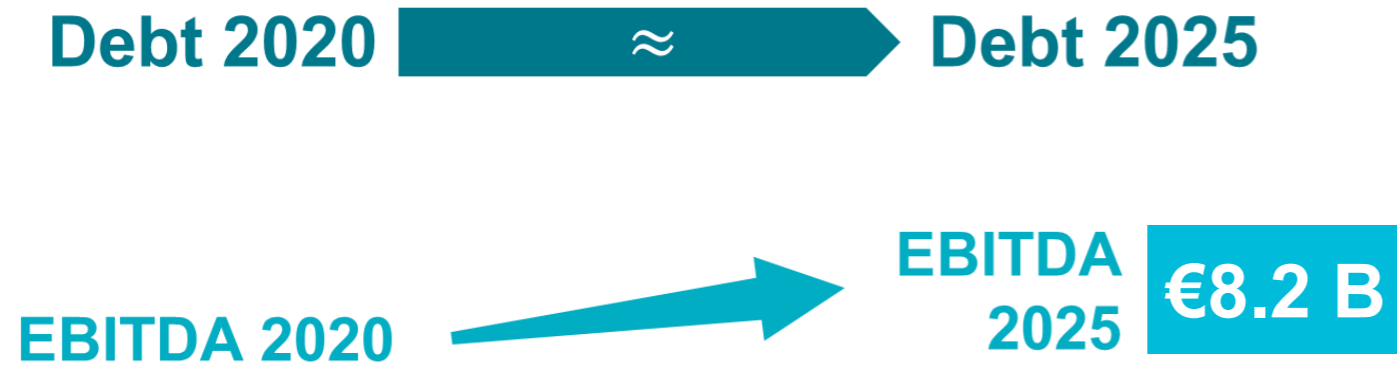
1. Includes RES portfolio divestments. Other potential inorganic transactions driven by new corporate model, are not included in this Sources and Uses of cash. 2. Includes interests and others as dividend to minority shareholders and hybrid bond interests



# Specific gearing target range, preserving a strong financial structure



2021-2025 gearing<sup>1</sup> 25% average



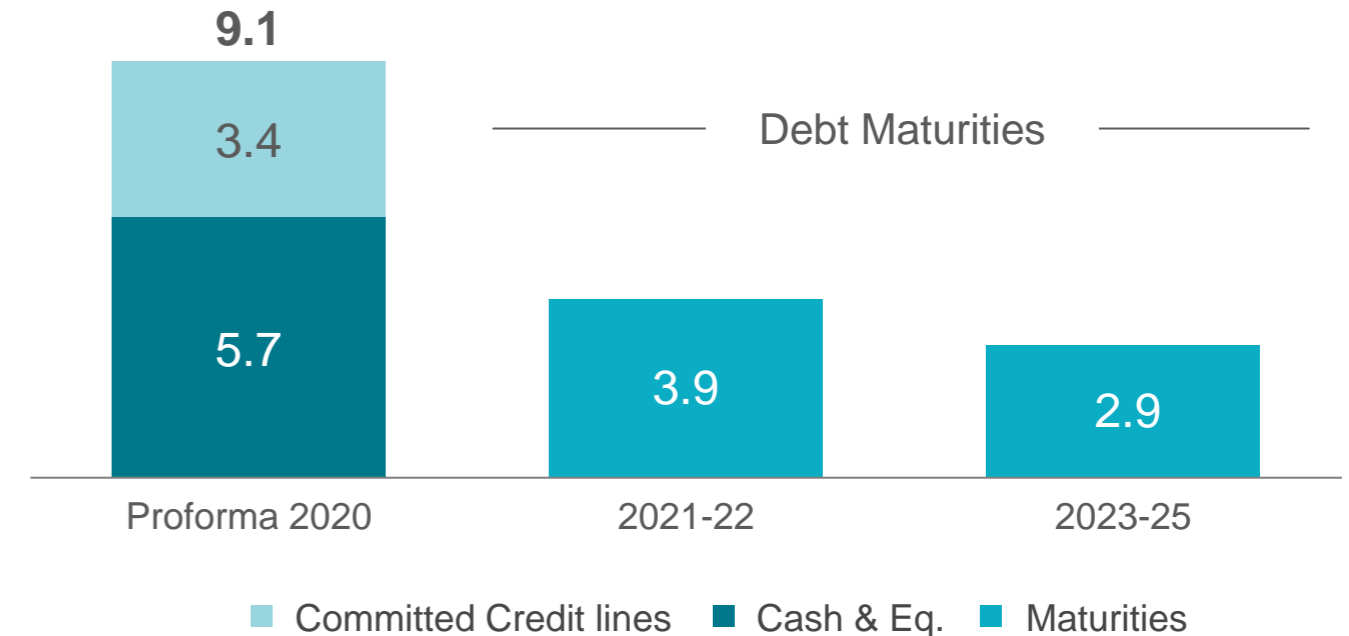
Same Debt with strong EBITDA growth



– Gearing<sup>1</sup> threshold clearly below 30%

## Strong Liquidity Position

Proforma 2020 (Billion €)



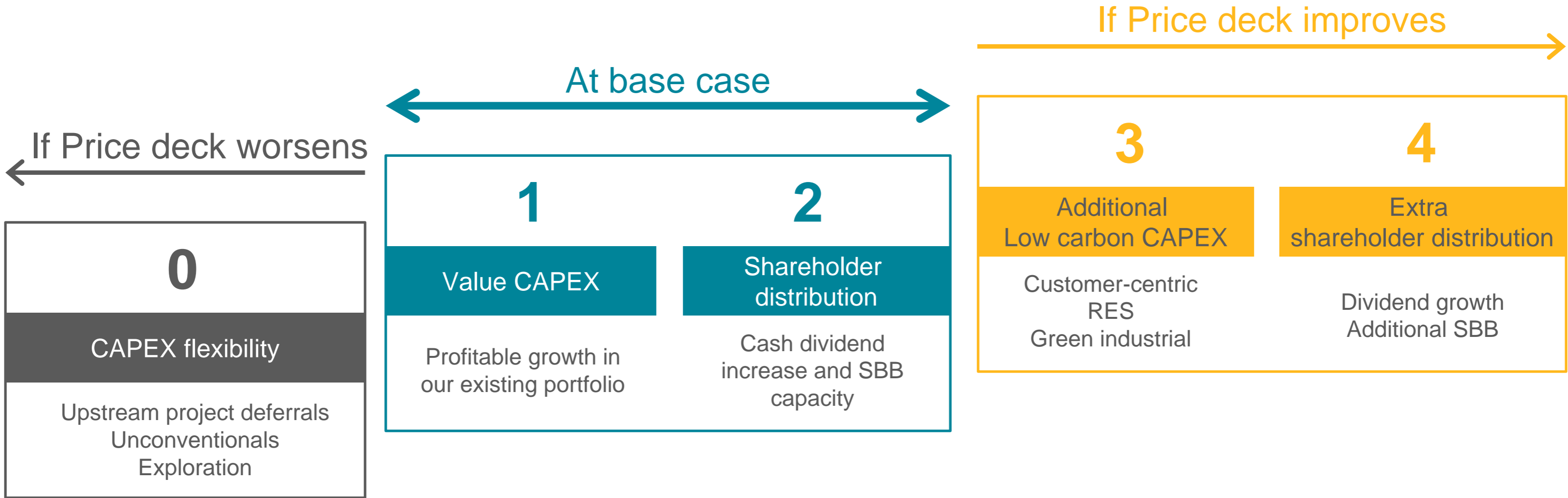
- Current liquidity covering > 1.3 times total maturities in the whole period
- Affordable and well-distributed maturities through the SP horizon
- Diversified financing sources including hybrids

1. Gearing ratio defined as reported net debt / (net debt + equity)

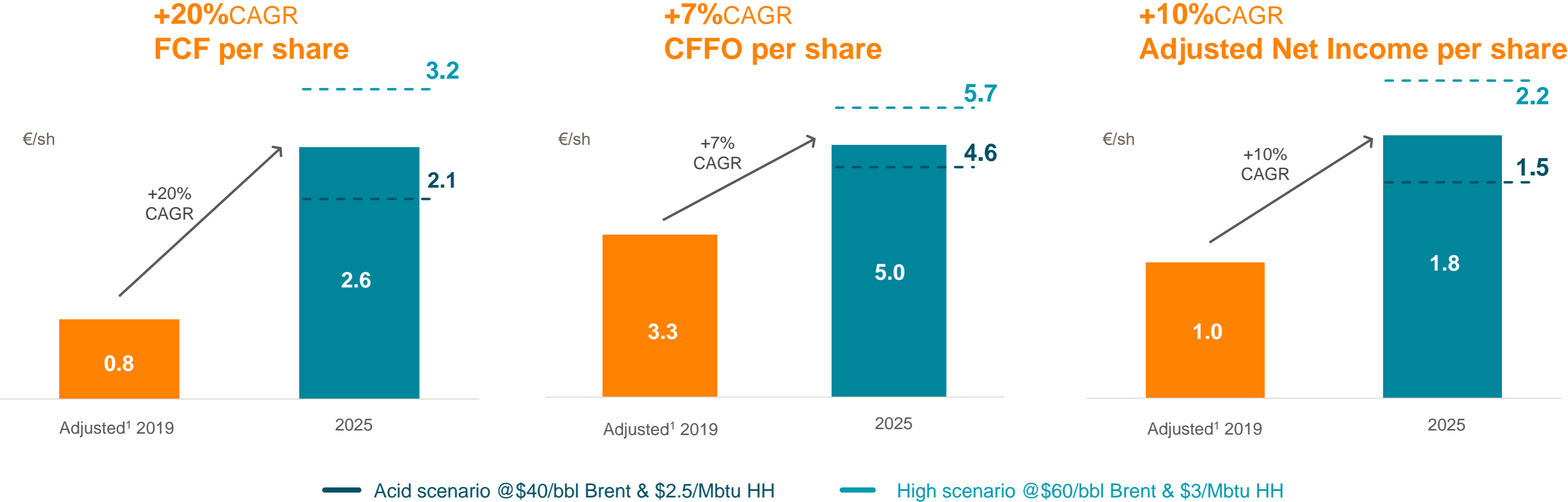
# Clear cash allocation framework, preserving our prudent financial policy



Gearing discipline and commitment with our current credit rating



# Strong growth in per share metrics driving valuation upsides



1. 2019 @\$50/bbl & \$2.5 HH  
 Note: Base scenario @\$50/bbl & \$2.5 HH; N° of shares in 2019 (1,527) vs 2025 (1,327, subject to Base Case price deck)

# Conclusions

06.



# Delivering a compelling investment case into the Transition

Strategic Plan 2021-2025. Driving growth and value with capital discipline



Leading the  
**journey**

to an ambitious  
**destination**

|  |   |
|--|---|
| <b>FCF generation</b>  | FCF 21-25: €2.2 B/y   |
| <b>Profitable business platforms</b> <ul style="list-style-type: none"><li>– 2021-22: Resilience and Strength</li><li>– 2023-25: Accelerate transformation</li></ul> | EPS 25: €1.8/share<br>CFFO/share +7% CAGR 19-25   |
| <b>New Operating model</b>   | RES partner or IPO  |
| <b>Top quartile distribution</b>   | DPS: €0.6/sh 2021 ; €0.75/sh 2025 <ul style="list-style-type: none"><li>• SBB: 50 M share/y from 2022</li></ul> |
| <b>Prudent financial policy</b>  | Gearing 21-25: ~25%   |
| <b>Profitable and achievable Net Zero</b>  | 12% CII reduction by 2025<br>ROACE 25 +2 p.p.   |
| <b>Distinctive ambition for transformation</b>   | 30% low carbon CAPEX 21-25  |

Strategic  
Plan  
2021-2025

# Stepping up the Transition

Driving growth and value



The Repsol Commitment  
Net Zero Emissions  
by 2050

# Appendix



# Scenario assumptions

## Projections (2021-2025)



|   | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|------|------|------|------|------|
| Brent price (\$/bbl)                      | 50   | 50   | 50   | 50   | 50   |
| Henry Hub Price (\$/Mbtu)                 | 2.5  | 2.5  | 2.5  | 2.5  | 2.5  |
| Repsol Refining Margin indicator (\$/bbl) | 3.5  | 4.0  | 4.5  | 5.2  | 5.8  |
| Spanish average power price (€/MWh)       | 42.5 | 42.5 | 42.5 | 42.5 | 42.5 |

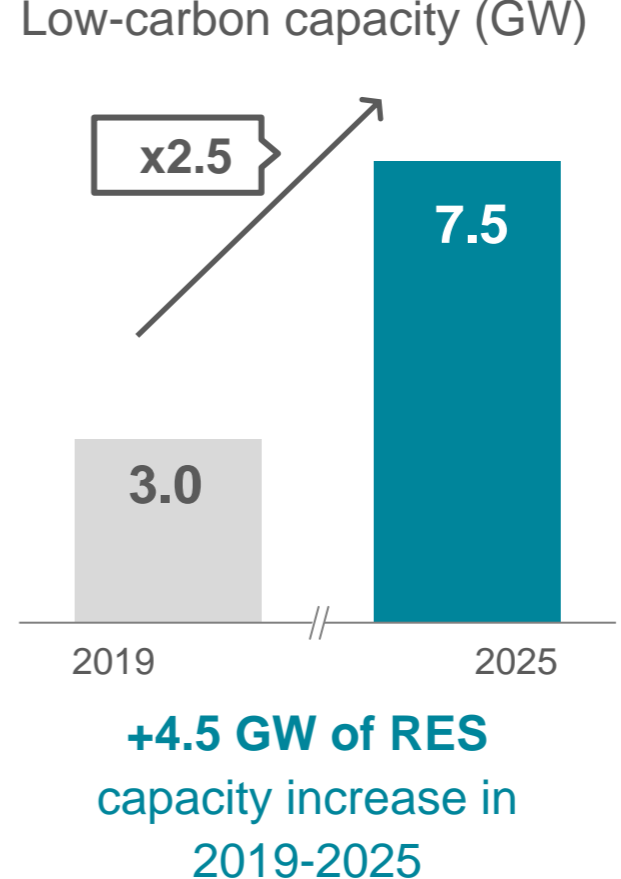
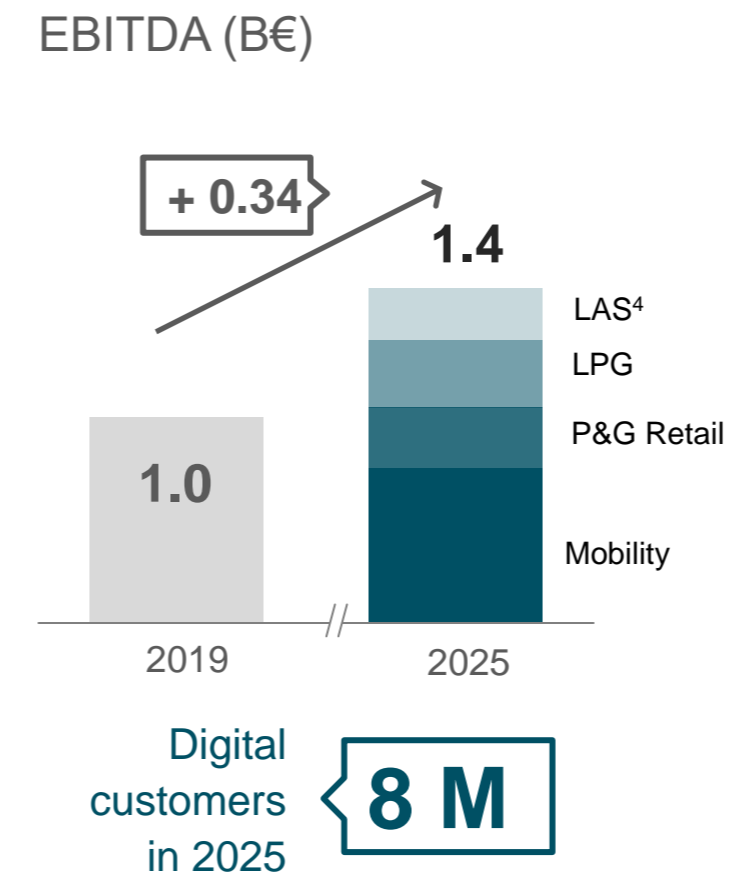
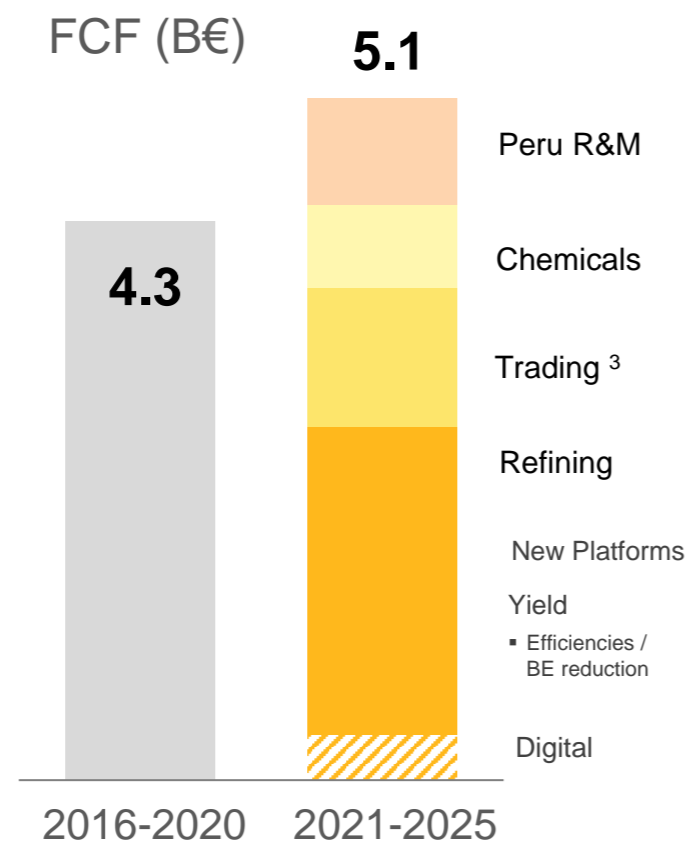
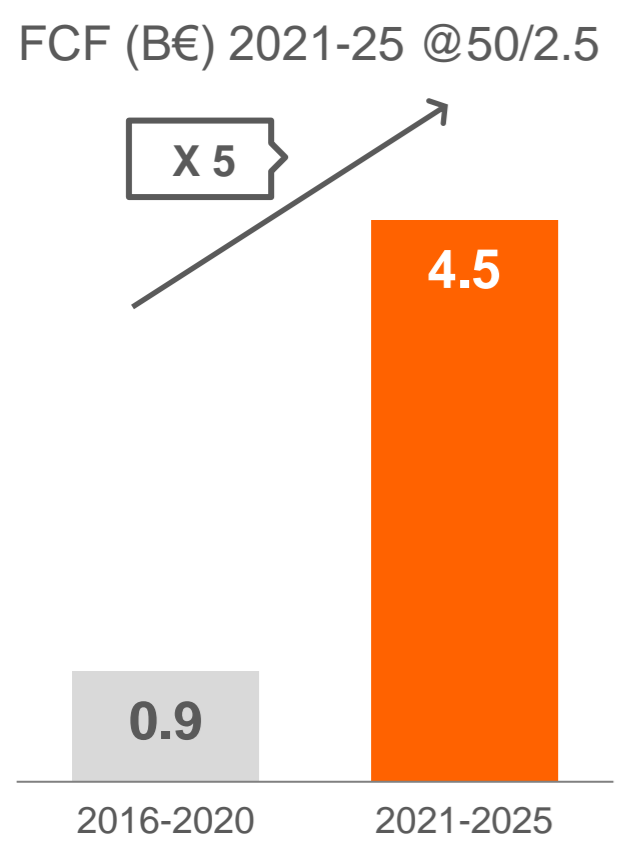
### CFFO<sup>1</sup> Sensitivities

|   |   |  |
|---|---|--|
| $\pm \$10/\text{bbl BRENTE}$<br>$\pm \text{€}540 \text{ M/y}$ | $\pm \$0.5/\text{Mbtu HH}$<br>$\pm \text{€}164 \text{ M/y}$ | $\pm \$0.5/\text{bbl Refining margin}$<br>$\pm \text{€}92 \text{ M/y}$ |
|---|---|--|

1. Average value for the 2021-2025 period. Note: Average exchange rate assumed for the period 2021-2025: 1.13\$/€



# Main business value growth and ESG KPIs and commitments



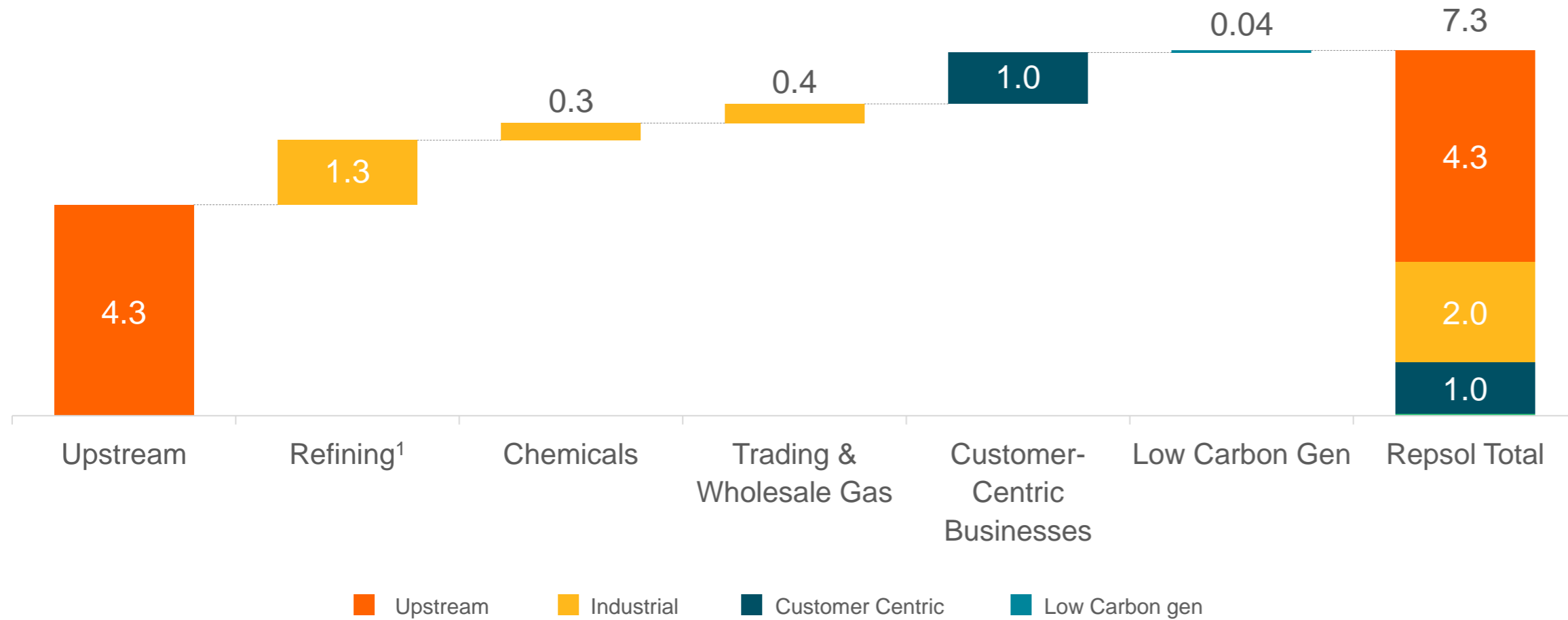
- 2025
- 12% IIC reduction<sup>1</sup>
  - 1<sup>st</sup> quartile in CHRB<sup>2</sup>
  - At least 40% of LTI for CEO and senior management linked to sustainability goals

1. 2016 baseline 2. Corporate Human Rights benchmark. 3. WHT&G included 4. Lubricants, Asphalts and Specialties Note: 2019 @\$50/bbl & \$2.5 HH

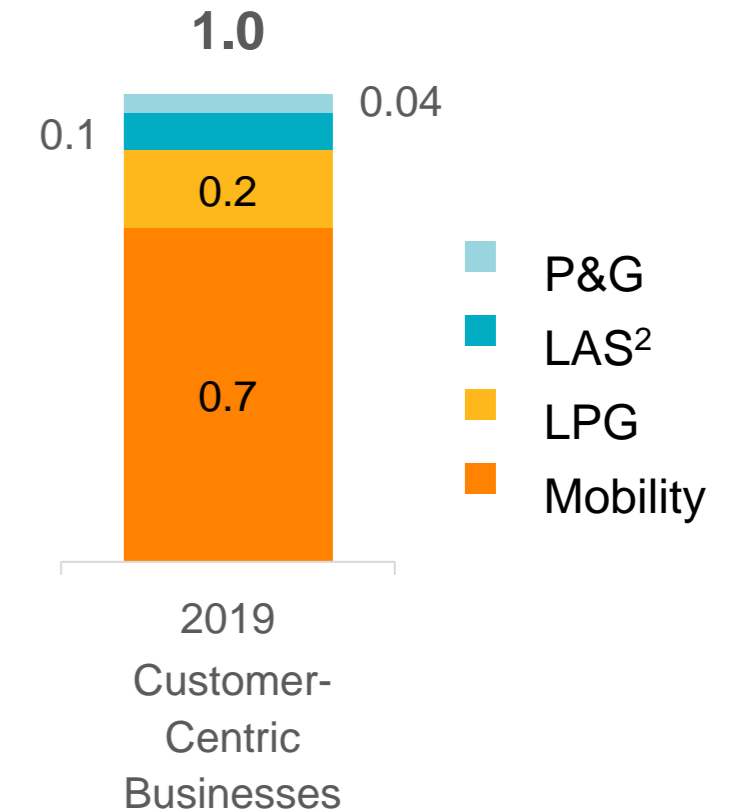
# EBITDA 2019 breakdown by business



## Repsol Group EBITDA 2019 (B€)



## CCB EBITDA 2019 (B€)



Note: Excludes Central, Corporation & Adjustments  
 1. Includes Refining Spain and Peru 2. Lubricants; Asphalts and Specialties