



Cepsa

Q1 2023 Results

May 5th, 2023

CEPSA

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Today's presenters



Carmen de Pablo

CFO



Gonzalo Sáenz

Head of Capital Markets and IR

Agenda

1. Q1 '23 Highlights
2. Market and Operational Performance
3. Q1 '23 Financial Performance
4. Closing Remarks





1. Q1 '23 Highlights



CEPSA

Key highlights

Solid results despite continued volatility in commodity prices



FINANCIALS

€556m
EBITDA

€77m
Organic Free
Cash Flow¹

0.8x
Leverage

€4.3bn
Liquidity
Position²

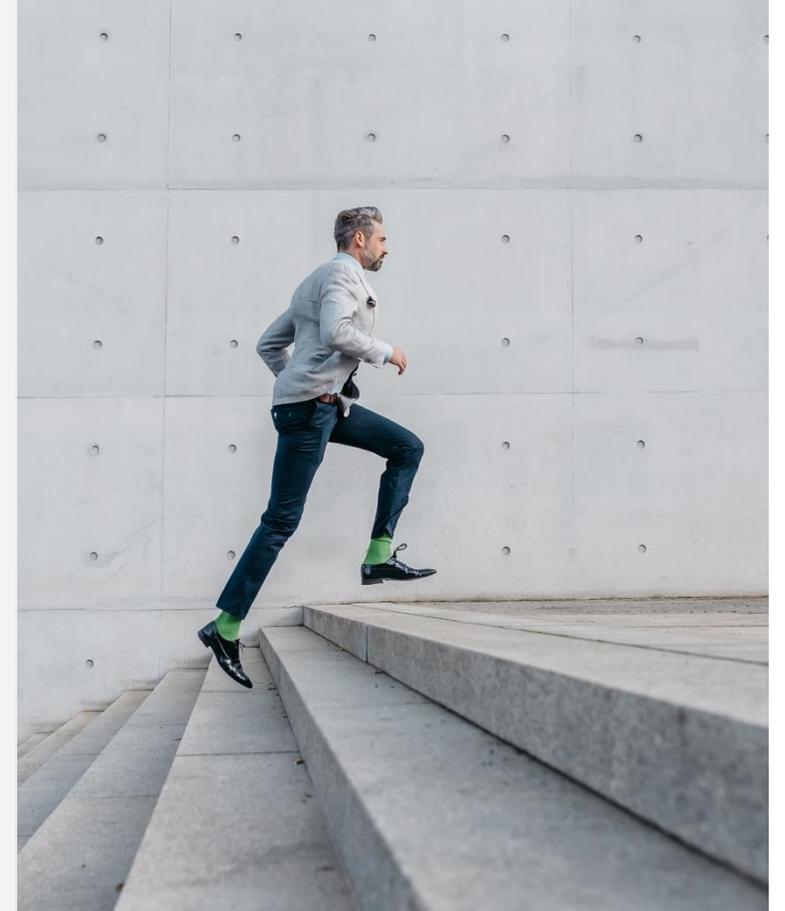
OPERATIONAL

11.1\$/bbl
Refining
Margin

84%
Refining
Utilization³

4.1mton
Commercial
Sales

71.8kb/d
WI Production



Figures on CCS basis unless otherwise stated; Figures include Abu Dhabi until March 15th. 1. Before financing activities, M&A activities and dividends. 2. Cash and undrawn committed and uncommitted facilities. 3. Utilization rates include distillation and intermediates products: calculated over throughput



Delivering on Positive Motion strategy

Focusing the portfolio towards sustainable activities

COMMITTED TO ENERGY TRANSITION



01.03.23

Exploration and Production

Energy Transition

Global

Cepsa accelerates its Positive Motion strategy implementation with the sale of its upstream assets in Abu Dhabi to TotalEnergies

LEADING ECO-RESPONSIBLE PROJECTS



16.03.23

Global

Energy Transition

Clean Energies

Cepsa exceeds 2GW of solar projects under development

BUILDING NEW ALLIANCES



10.04.23

Global

Clean Energies

Cepsa and Wizz Air join forces to accelerate the decarbonisation of air transport with sustainable aviation fuel

REFORCING ESG COMMITMENTS



08.02.23

2030 Agenda

Clean Energies

Energy Transition

Global

Cepsa to increase the circularity of its waste streams by 50% in 2030

HELPING DECARBONIZING SOCIETY



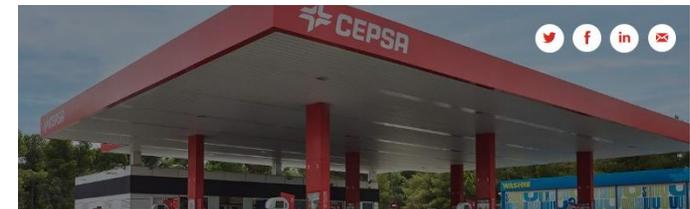
05.04.23

ESG

Global

Cepsa and Saint-Gobain Weber team up to recycle 1,000 tons of waste per year

SUPPORTING CLIENTS



29.03.23

Mobility

Global

Cepsa to continue offering fuel discounts to loyalty customers during the Easter holidays

Cepsa launches its new loyalty program CEPASA GOW

Customers will be able to save more than €300 per year



- ✓ **Ecosystem of alliances** to get **up to 10% back on purchases** at more than **40 brands** to redeem at Cepsa

Europcar

Sprinter

amazon

eDreams

MediaMarkt

- ✓ Earning credit on **fuel, electric charges, car washes** and **product purchases at Cepsa stores** (up to 6 cents back per liter of fuel)

- ✓ **New app** to simplify and improve the **customer experience**

- ✓ Members of the '**Porque TU vuelves**' program will enjoy all **Cepsa GOW** benefits

- ✓ **Cepsa GOW** is a new step forward in the '**Positive Motion**' strategy



Cepsa creates a JV with Bio-Oils to build the largest 2G biofuels plant in southern Europe

Up to €1bn investment in Cepsa's Energy Park in Huelva



BioOils Apical

The new plant will secure **the majority of its feedstock supply** from **organic waste**

Plant capacity will feature **flexible annual production** of **500,000 tons** of **SAF** and **renewable diesel**

Decarbonize aviation, maritime and land transportation, enabling the **reduction of CO2 emissions** by **up to 90%**

The company expects to have an **annual production capacity** of **2.5 million tons** of **biofuels** by **2030**

The plant is scheduled to **start operations** in the **first half of 2026**





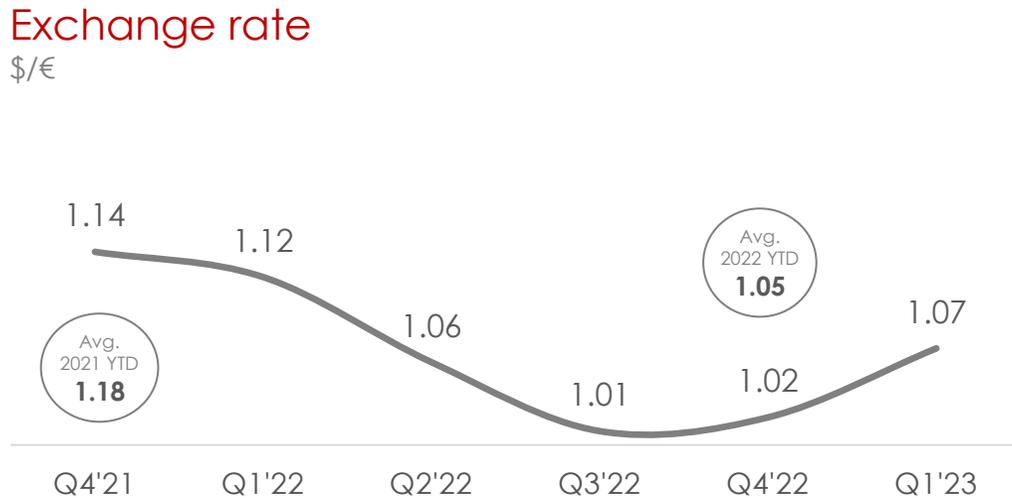
2. Market and Operational Performance





Market environment

Lower crude prices underpinned refining margins while rising inflation had an impact on demand



Source: Cepsa, Exolum. Average figures for each quarter. 1. Corresponds to a variable cost margin after crude differentials, freight and corporate group allocations, including natural gas costs at TTF; 2. Relates to gasoline, automotive diesel, agricultural and heating gasoil

Energy

Improved refining margins during the quarter, counterbalanced by lower utilization due to scheduled maintenance turnarounds; commercial sales in line with Q1 '22

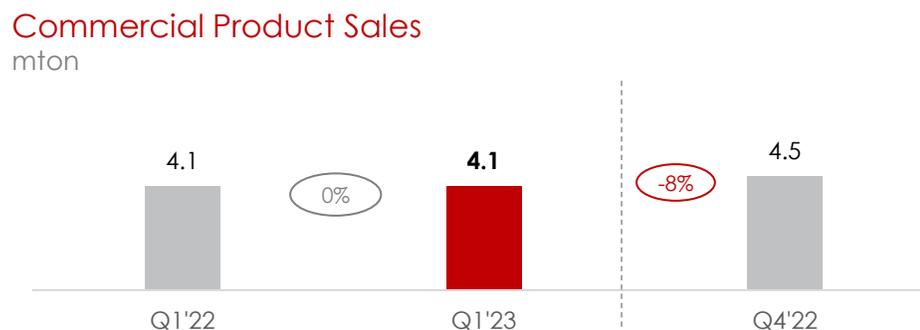
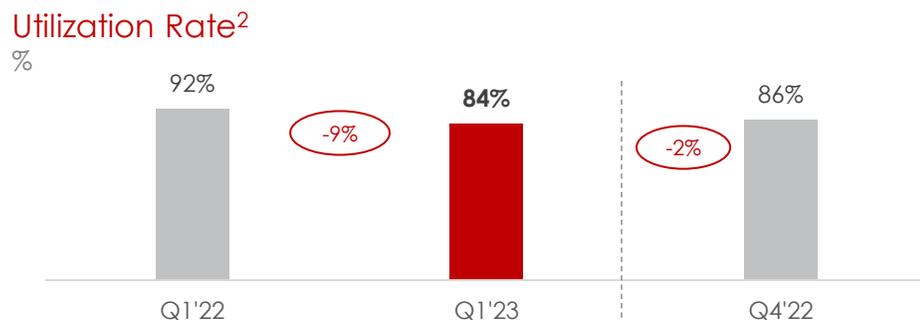


Q1 '23 figures

EBITDA
211 €m

Refining Margin
11.1 \$/bbl

Commercial Product Sales
4.1 mton



Quarter highlights

Strong EBITDA driven by robust results in the **Energy Parks** segment

Refining margins increased to an average of **11.1 \$/bbl** versus 2.2 \$/bbl in Q1'22, thanks to lower energy costs

Utilization rates slightly declined to 84% mainly due to La Rábida refinery turnaround in March

Figures on CCS basis unless otherwise stated 1. Corresponds to a variable cost margin after crude differentials, freight and corporate group allocations, including natural gas costs at TTF
2. Utilization rates include distillation and intermediates products: calculated over throughput



Chemicals

Challenging market conditions due to lower demand



Q1'23 figures

EBITDA

64€m

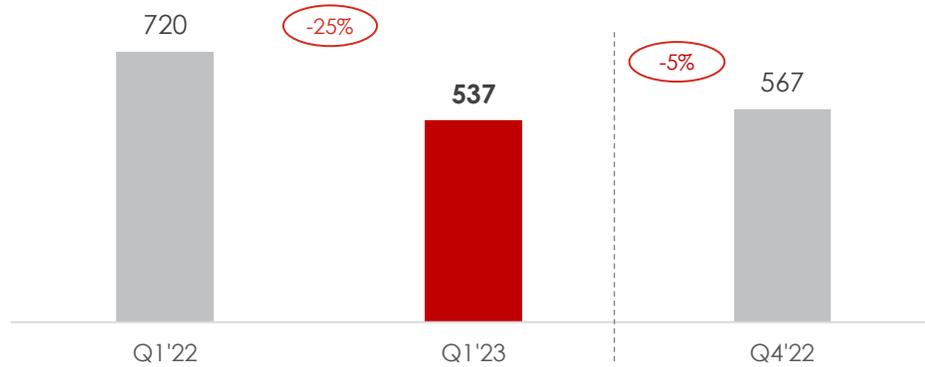
Total Sales

537kton

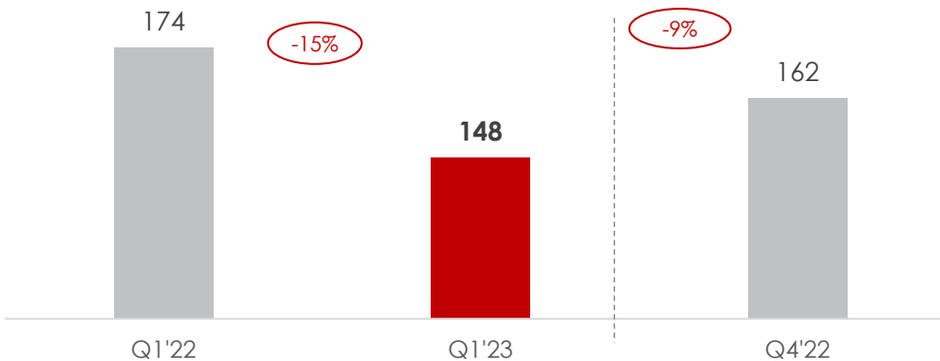
LAB Sales

148kton

Petrochemical Product Sales
Kton



LAB Sales
Kton



Quarter highlights

Decrease in sales in both Surfactant's (LAB) and Intermediates segments mainly due to lower demand

Robust EBITDA of €64m beside the lower volumes

Chemical's sustainable investments were mainly allocated to **several green projects and diversification of the product portfolio**



Upstream

Portfolio rebalancing following AD assets disposals

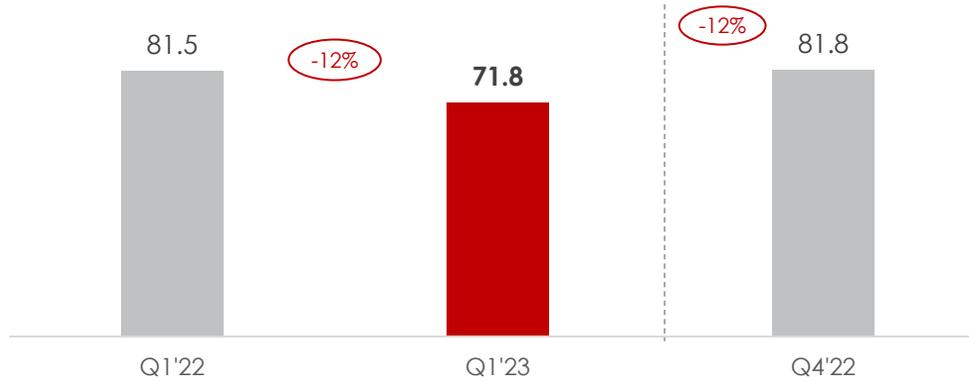
Q1'23 figures

EBITDA
310€m

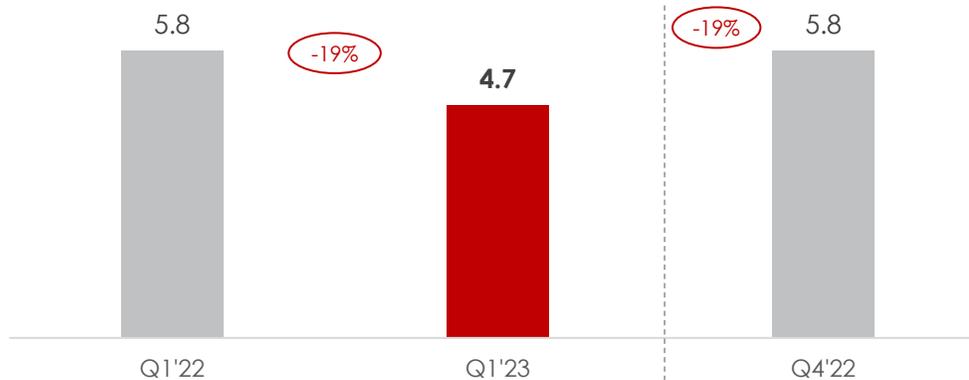
WI Production
71.8Kbopd

Reserves/ Prod
≈ 12 years

Working Interest Production kbopd



Crude Oil Sales million bbl



Quarter highlights

The previously announced **divestment of the AD upstream assets** was **completed on March 15th**

WI production decreased due to the deconsolidation of AD assets as of 15th March

Crude oil sales remained solid although slightly impacted by lower production



3. Q1 '23 Financial Performance





Key financial metrics

Strong Q1 results despite market volatility

| Key Financial Metrics (€m) | Q1'23 | Q1'22 | Δ '23/'22 |
|--------------------------------|-------|-------|-----------|
| EBITDA | 556 | 605 | (8%) |
| Net Income | 176 | 58 | 203% |
| Organic Capex ¹ | (114) | (89) | 28% |
| Organic FCF ex-WK ² | 88 | 60 | 47% |
| | Q1'23 | Q1'22 | Δ '23/'22 |
| Net Debt ³ | 2,270 | 2,918 | (648) |
| Total Liquidity ⁴ | 4,283 | 3,647 | 636 |
| Leverage ⁵ | 0.8x | 1.5x | (0.7x) |

Figures on CCS basis unless otherwise stated. Figures include Abu Dhabi until March 15th. From Q2'23 onward, the figures will be reported without Abu Dhabi.

1. Accounting Capex excluding M&A activities 2. Before working capital, M&A activities, financing activities and dividends. 3. Excluding IFRS16

4. Cash and undrawn committed and uncommitted facilities. 5. Total Net Debt over LTM EBITDA (excluding IFRS16)





Cash flow generation

Neutral FCF generation after a strong delivery of the Positive Motion strategy

| | Cash Flow generation (€m) | Q1'23 | Q1'22 | Δ '23/'22 |
|------------|---|------------|--------------|-------------|
| + | EBITDA | 556 | 605 | (8%) |
| - | Taxes paid | (220) | (200) | 10% |
| +/- | Dividends from associates and other adjustments to EBITDA | (51) | (200) | (75%) |
| = | Cash flow from operations before WK | 285 | 206 | 38% |
| +/- | Working Capital Variation | (11) | (149) | (93%) |
| = | Cash flow from operations | 274 | 56 | 392% |
| - | Organic Capex Payments ¹ | (197) | (145) | 36% |
| = | Organic Free Cash Flow | 77 | (89) | 187% |
| - | Financing Activities ² | (77) | (62) | 24% |
| = | Organic FCF before dividends | 1 | (151) | 100% |



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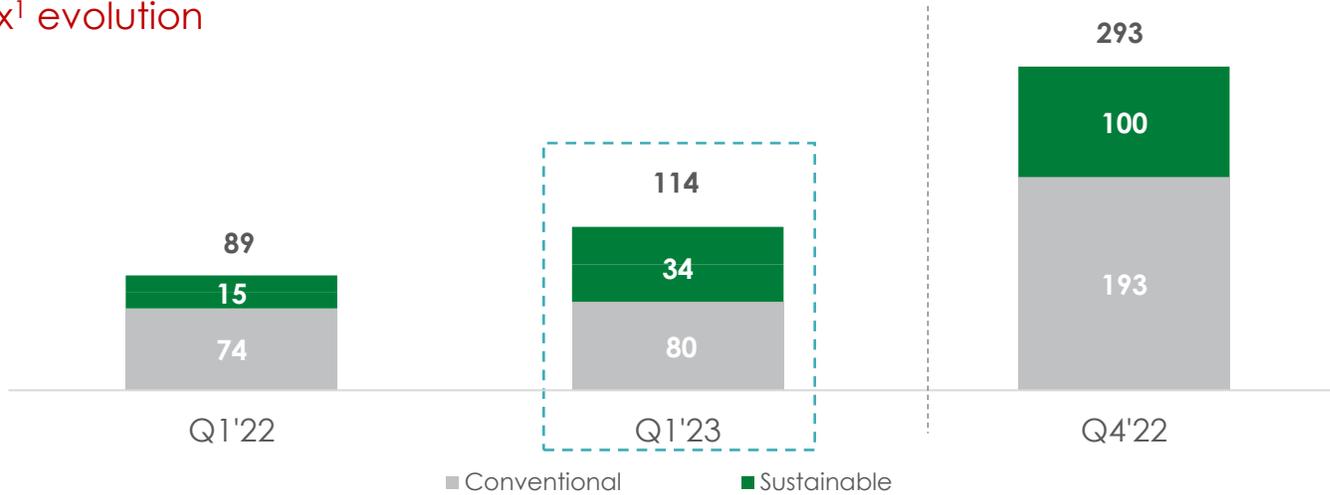
1. Excluding M&A activities 2. Include cost of debt and operating leases 17



Capex evolution and breakdown

Significant growth in sustainable investments as we ramp up strategy implementation

Capex¹ evolution
€m



Capex¹ breakdown Q1'23
€m





Ratings summary

Ratings reaffirmed post UAE assets disposal

| Agency | LT Rating | Last review |
|-----------------------|-----------|-------------|
| S&P Global | BBB- | March 2023 |
| MOODY'S | Baa3 | March 2023 |
| FitchRatings | BBB- | March 2023 |

- In March, Cepsa signed an agreement with TotalEnergies to sell its E&P business in the United Arab Emirates, **accelerating its Positive Motion Strategy and strengthening its commitment to lead the energy transition in Europe**
- **All three rating agencies affirmed Cepsa's IG rating post-transaction**, underpinning the Group Strategy and reflecting the **commitment of the company with a conservative financial policy and a solid investment grade credit profile**
- **Investment Grade ratings remain a key priority for both the Company and its shareholders**



4. Closing Remarks



Closing Remarks

Solid results in Q1'23 and continued delivery of Positive Motion strategy

- **Strong start to 2023** with Q1 earnings showing continued financial resilience in complicated financial conditions
- **Significant progress** during the quarter in the delivery of our Positive Motion strategy across all businesses. **Cepsa announced the construction of the biggest 2G biofuels plant in southern Europe**
- **EBITDA of €556m in Q1'23**, in line with Q1'22 figure despite a challenging environment
- **Significant leverage reduction to 0.8x¹** from 1.5x in Q1'22
- **Solid liquidity position of €4.3bn²**, covering debt maturities until the end 2027



WELCOME TO

POSITIVE
MOTION





Cepsa

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May 5th, 2023

CEPSA