



Cepsa

Q2 2022 Results

July 29th, 2022

CEPSA

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Today's presenters



Carmen de Pablo

CFO



Gonzalo Sáenz

Head of Finance

Agenda

1. 2030 Strategy Update – Positive Motion
2. Q2'22 Business Units Overview
3. H1 '22 Financial Results
4. Closing Remarks





1. 2030 Strategy Update Positive Motion

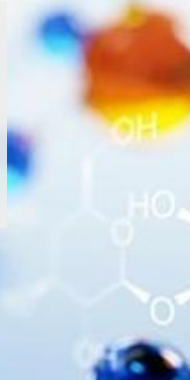


2030 Strategy – Positive Motion



Three successful businesses

LEADING GLOBAL
CHEMICALS
PROVIDER



FIRST CLASS
ENERGY
BUSINESS



DIVERSE LONG
LIFE E&P
PORTFOLIO



Four Key Pillars

Sustainable
Mobility &
New Commerce



Leader in green
hydrogen



Leader in 2G
biofuels



Renewable
energy projects



Strong focus on ESG



*Ambitious carbon commitments
to address climate change*



Scope 1 & 2

55%

Emissions reduction by **2030** vs 2019 and becoming **Net Zero before 2050**

Scope 3

15-20%

Carbon intensity index reduction by **2030** based on products sold vs 2019 and becoming **Net Zero before 2050**

Water & social KPIs

20% reduction of freshwater consumption by 2025

30% women in management positions by 2025

Advancing on ESG strategy – Positive Motion



CARING FOR THE ENVIRONMENT



13.06.22

Global

Energy Transition

Clean Energies

Cepsa signs an **agreement with Vueling** to accelerate the decarbonization of air transport

AMBITIOUS WATER COMMITMENT



30.05.22

ESG

Global

2030 Agenda

Cepsa commits to **reduce freshwater withdrawal** in water-stressed areas **by 20%** by 2025

TAKING SUSTAINABLE INITIATIVES



23.05.22

Global

Energy Transition

Canary Islands

Cepsa starts the **dismantling of the non-operational Tenerife refinery** as a symbol of energy transition

MOVING TOWARDS THE FUTURE



24.05.22

Global

Energy Transition

Canary Islands

Cepsa will invest **400 million euros** in the Canary Islands to **ensure security of supply, lead electric mobility** and promote the decarbonization of the islands

LEADING SUSTAINABLE PROJECTS



25.05.22

Global

Energy Transition

Andalusia

Cepsa to invest up to **5 billion euros** and create **17,000 jobs in Andalusia** to lead the energy transition

COMMITTED TO SOCIETY



24.06.22

Talent

Global

Cepsa adheres to the **UN Standards of the Conduct for Business** to promote inclusion of the **LGTBI+ community**



2. Business Units Overview

Q2'22 Key highlights



Results boosted by improved Upstream performance and the increase in market refining margins

FINANCIAL

- **Strong EBITDA** of **€1,137m**, **+88% growth** vs **Q1'22** and **+120%** vs **Q2'21**
- **Free Cash Flow ex-WC¹** of **€498m** in **Q2'22** vs €60m in Q1'22 and €353m in Q2'21
- **Solid liquidity position of €3.9bn**, covering 4.2 years of debt maturities
- **Significant deleverage** in last twelve months, from 1.9x in Q2'21 to 1.1x²

OPERATIONAL

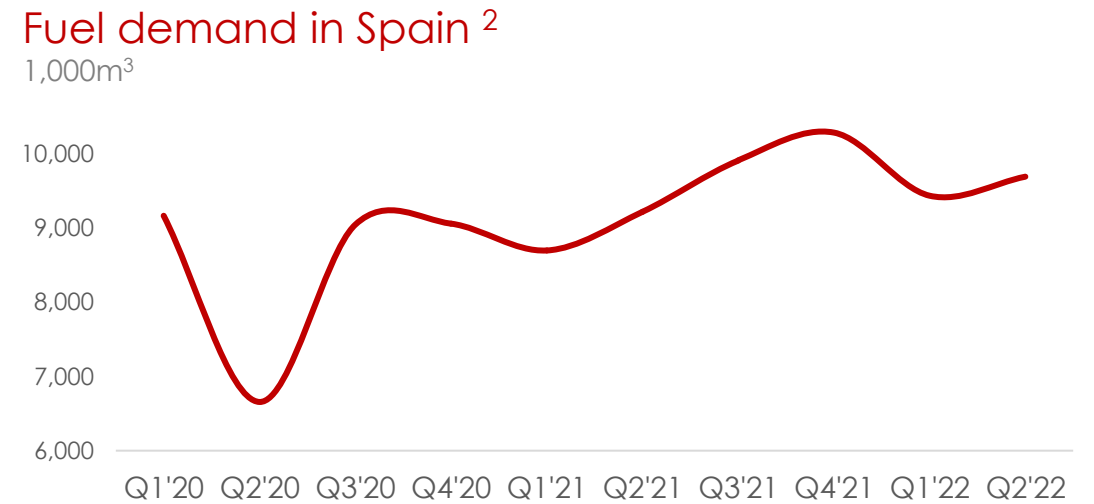
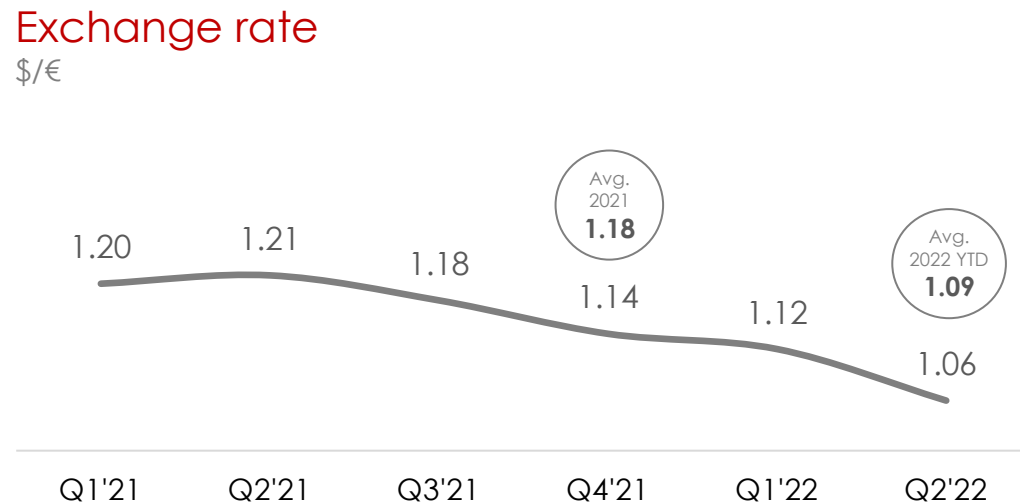
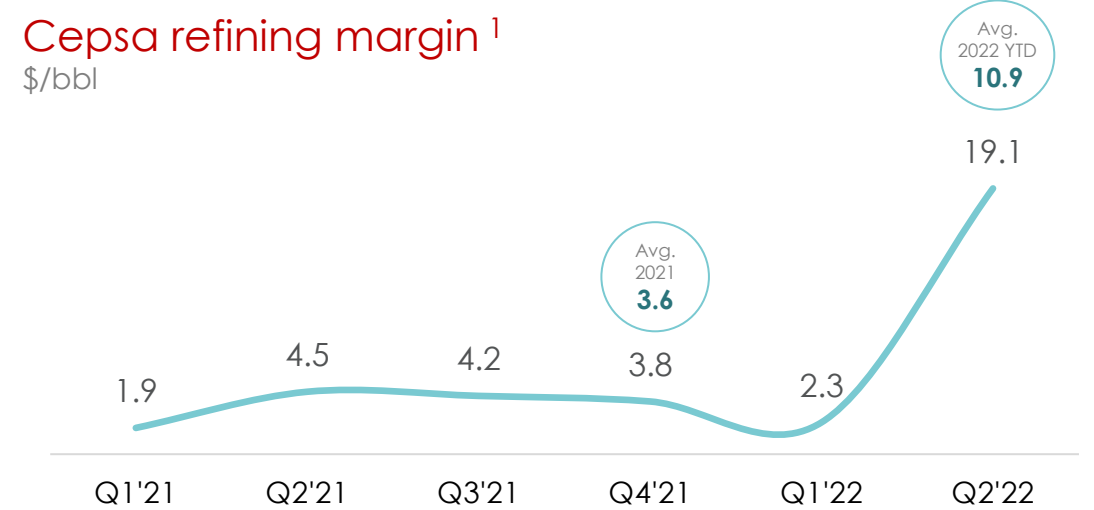
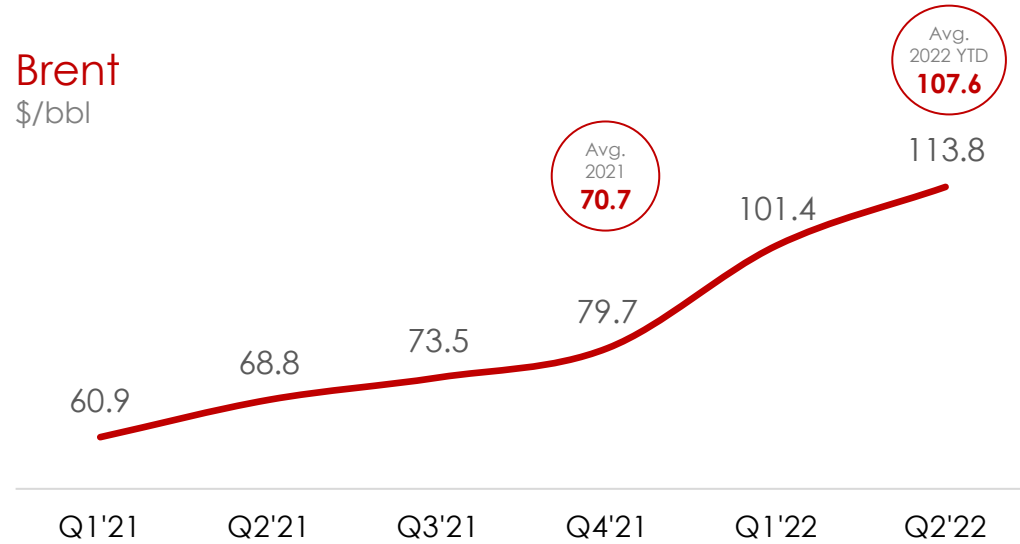
- **Significant increase refining margin** despite higher energy costs
- **Refining utilization** at **90%** (**+8%** vs **Q1'22** and **+11%** vs **Q2'21**)
- **Commercial sales increased by 8%** vs **Q1'22** and **+16%** vs **Q2'21**
- **WI production increased by 12%** vs Q2'21 to **81.3 kb/d**





Market environment

Supportive but volatile market environment



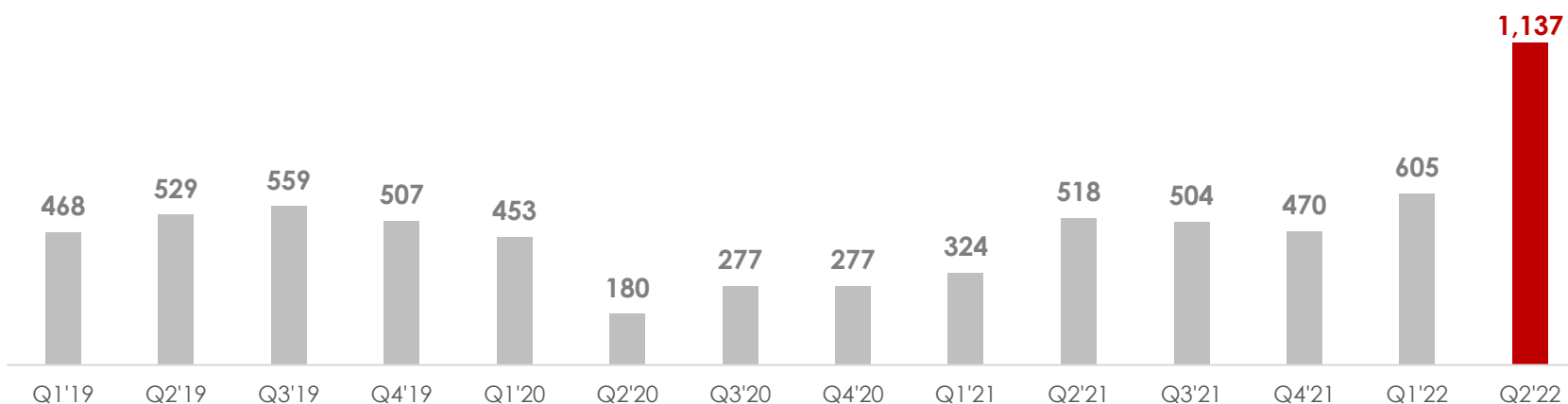
Source: Cepsa, Exolum. Average figures for each quarter. 1. Corresponds to a variable cost margin after crude differentials, freight and corporate group allocations, including natural gas costs at TTF; 2. Relates to gasoline, automotive diesel, agricultural and heating gasoil

EBITDA evolution by business

Significant increase in EBITDA boosted by higher refining margins and crude prices

CCS EBITDA by business (€m)	Q2'22	Q2'21	Q1'22	Q2'22 vs Q2'21
CCS EBITDA	1,137	518	605	120%
Energy	620	190	143	227%
Chemicals	106	132	110	(19%)
Upstream	438	217	384	102%
Corporate	(28)	(20)	(32)	36%

Quarterly CCS EBITDA evolution (€m)



Figures on CCS basis unless otherwise stated

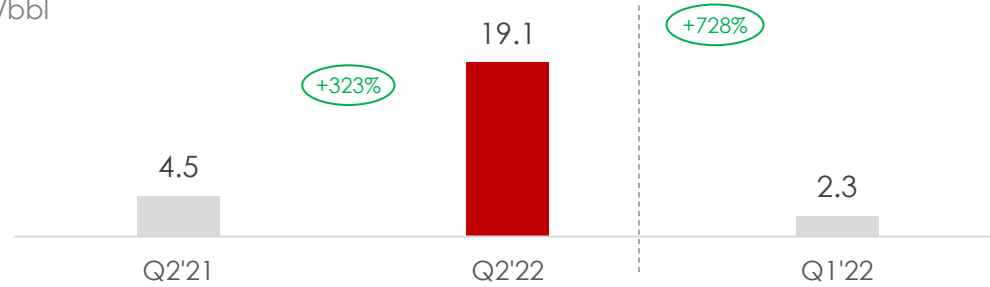




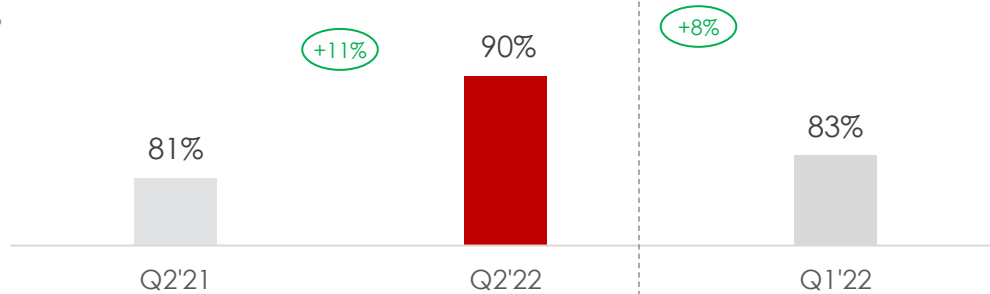
Energy

Market refining margins increased during the quarter despite high energy prices

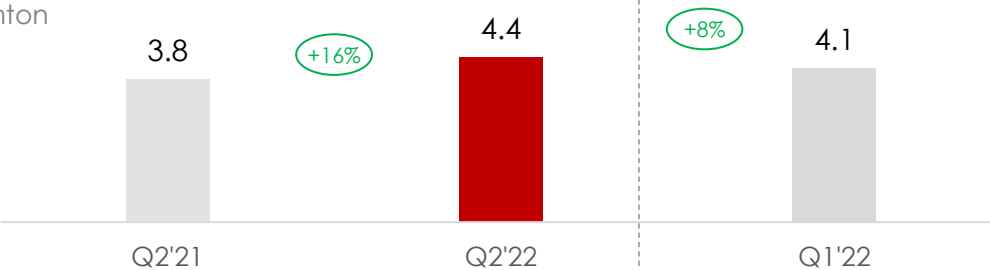
Refining Margin¹
\$/bbl



Utilization Rate
%



Commercial Product Sales
mton



YTD 2022 figures

EBITDA

€763m

Refining Margin

10.9 \$/bbl

Commercial Product Sales

8.5 mton

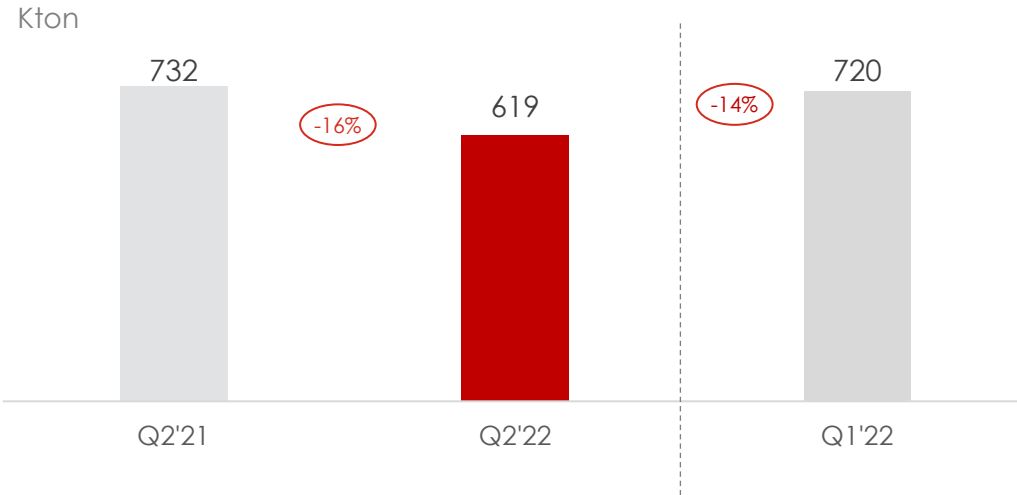
Figures on CCS basis unless otherwise stated 1. Corresponds to a variable cost margin after crude differentials, freight and corporate group allocations, including natural gas costs at TTF

Chemicals

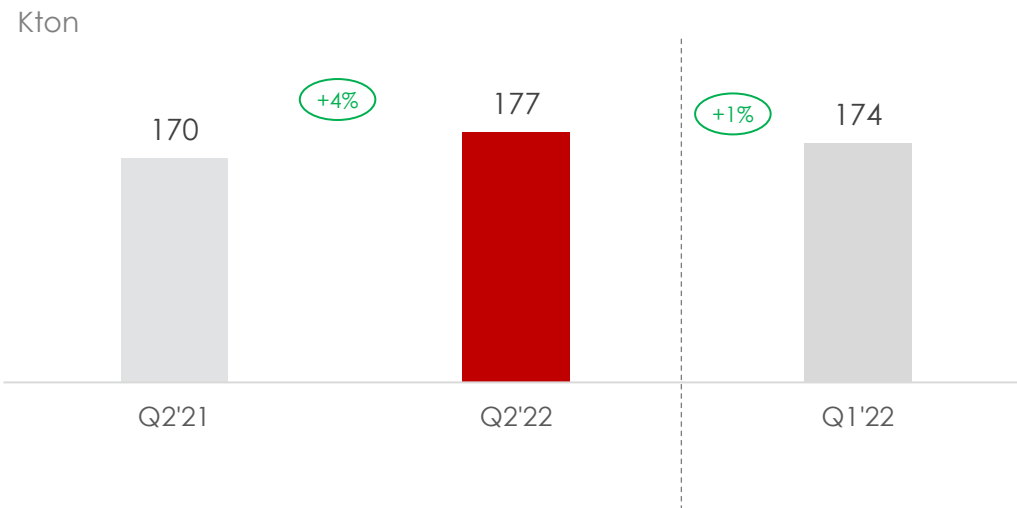


Continued to deliver resilient results due to sustained robust margins, especially in surfactants

Petrochemical Product Sales



LAB Sales



YTD 2022 figures

EBITDA

€216m

Total Sales

1,338 kton

LAB Sales

351 kton



Upstream

Sustained improvement in results on the back of higher crude prices

Working Interest Production kbopd



Crude Oil Sales million/bbl



YTD 2022 figures

EBITDA

€822m

WI Production

81.3 Kbpd

Reserves/ Prod.

17 years



3. H1 '22 Financial Results





Key financial metrics

Cepsa continued to delever driven by stronger EBITDA

Key Financial Metrics (€m)	H1'22	H1'21	H1'22 vs. H1'21
CCS EBITDA	1,742	842	107%
CCS Net Income	463	183	153%
Capex ¹	(218)	(212)	3%
Free cash flow ex-WC ²	559	488	15%
<hr/>			
Net Debt (excl. IFRS16)	2,758	2,412	14%
Total Liquidity	3,909	4,495	(13%)
Leverage (excl. IFRS16) ³	1.1x	1.9x	(0.8x)





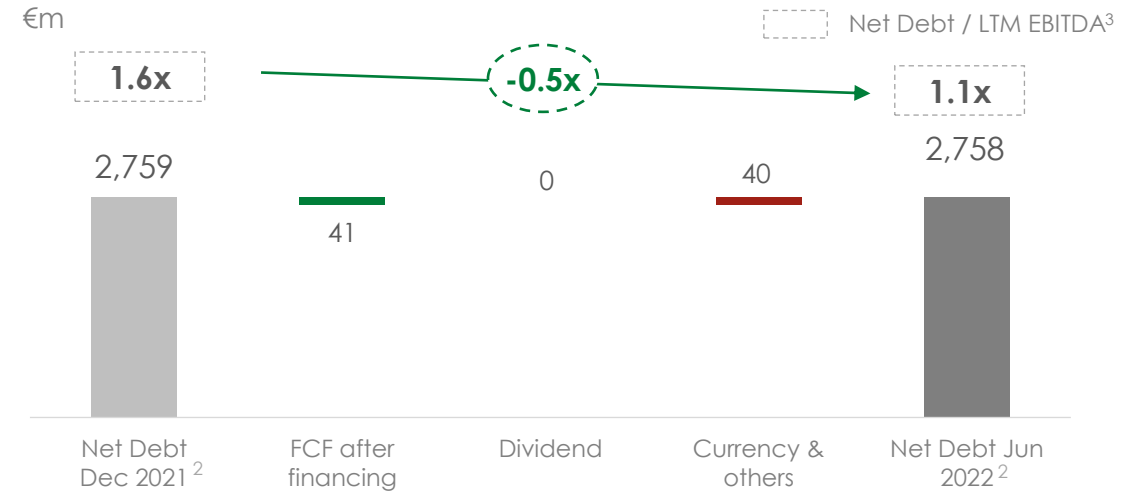
Cash flow generation and Debt overview

FCF impacted by higher taxes payments and working capital needs

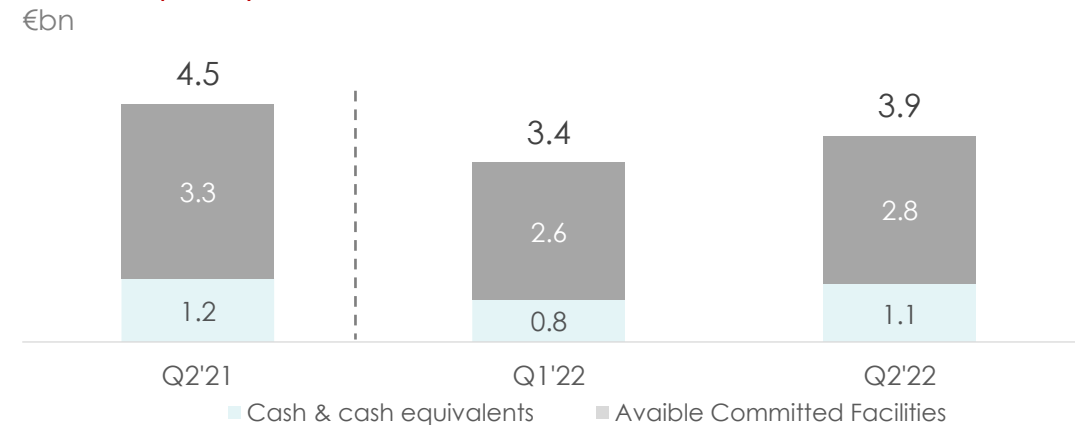
Cash Flow generation

€m	H1'22	H1'21
+ EBITDA	1,742	842
- Income tax paid	(563)	(57)
- Dividends from associates and other adjustments to EBITDA	(353)	(21)
= Cash flow from operations before WK	826	763
+/- Working capital variation	(392)	61
= Cash flow from operations	434	824
- Net Capex payments	(268)	(276)
= Free cash flow	167	549
- Financing activities ¹	(124)	(104)
= FCF before dividends	41	444

Net Debt evolution Dec 21 – Jun 22



Solid Liquidity Position



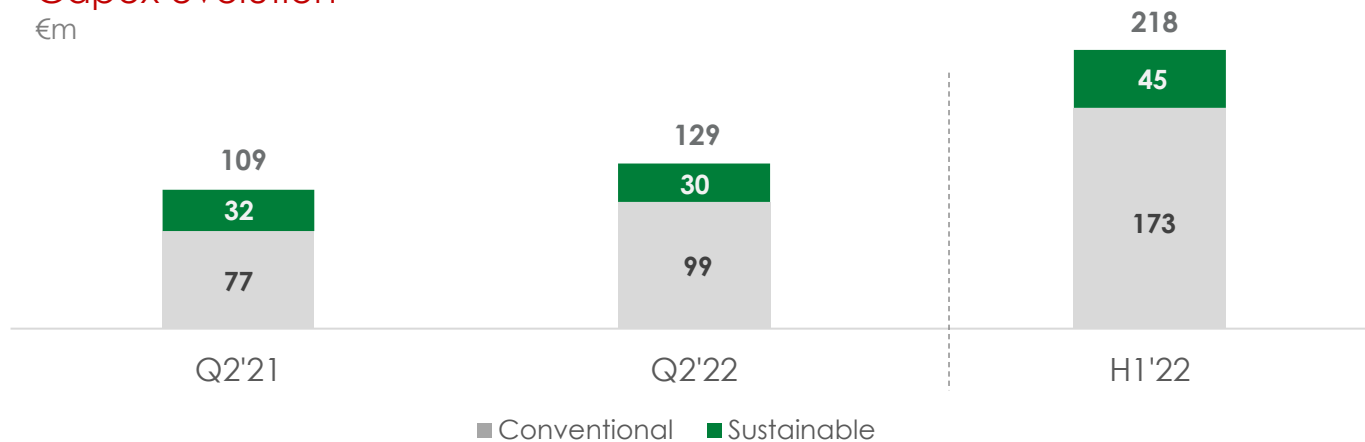
Figures on CCS basis unless otherwise stated ; 1. Include cost of debt and operating leases and dividends paid to minority interests; ; 2. Excluding IFRS16 leases; 3. Total Net Debt over EBITDA (excluding IFRS-16)

Capex evolution and breakdown

Optimization of investments by prioritizing the selection of the most value generative projects in line with the Group's strategy

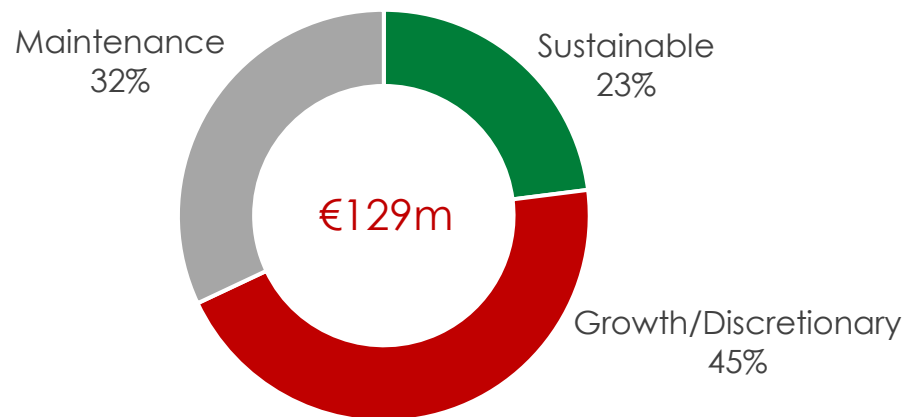
Capex evolution

€m



Breakdown Capex Q2'22

€m





4. Closing Remarks

Closing Remarks

Investing in the energy transition

- **Market volatility** marked the first half of the year, with the Company showing resilience and ability to cope with high energy prices
- **EBITDA** of **€1,137m**, an increase of 88% vs Q1'22 and 120% vs Q2'21
- **Free Cash Flow** ex-WC¹ **€498m** in Q2'22
- Significant **reduction in leverage**² to **1.1x** from 1.9x in Q2'21
- **Solid liquidity position** of **€3.9bn**, covering 4.2 years of debt maturities
- Cepsa **continues to deliver results on its ESG commitments**, advancing on the decarbonization of its business and ensuring the improvement of social and environmental conditions



WELCOME TO

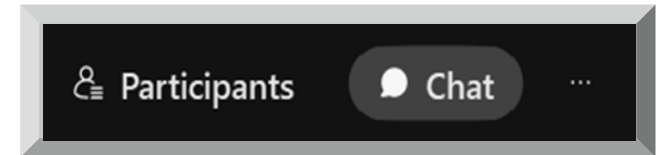
P O S I T I V E
M O T I O N



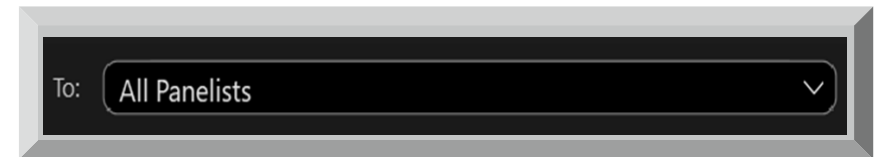
Ask your questions online



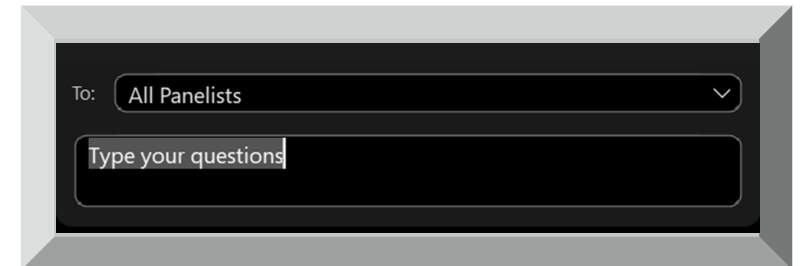
1. Event chat is located at the bottom right-hand side of the screen



2. Change field "To" from "Organizer" to "All panelists"



3. Once the addressee is changed to "All panelists", you may ask your questions





Thank you

