Cepsa

Q4 and FY 2020 Results

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Today's presenters

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Q4 Highlights & Outlook

Q4 2020 highlights

Cepsa consolidates the positive trends that began in Q3

Covid-19 impact

- All key assets continued to operate normally during the quarter as an essential energy provider for Spain
- Improved performance in all business segments vs Q3, although Marketing registered slightly lower volumes impacted by renewed restrictions on travel
  - Higher Upstream production and stable crude prices in the 40-50 $/bbl range
  - Stronger Refining margins, although lower throughput as refinery runs were adapted to softer demand
  - Improved performance of the Chemical business demonstrating its strong resilience

Financial Performance

- Clean CCS EBITDA of €277 million in Q4, consolidating the positive trend that began in Q3
- Cash flow from operations of €218 million, with all four business units generating positive cash flow in the period
- Strong balance sheet and liquidity position in excess of €4.6 Bn. Long-dated debt maturity profile of 4.4 years
- Reduction in dividend payments of 63% vs 2019. Dividend of €166 million paid in December

Contingency Plan

- Accumulated savings of €527 million were delivered by the end of the year exceeding the initial target of €500 million

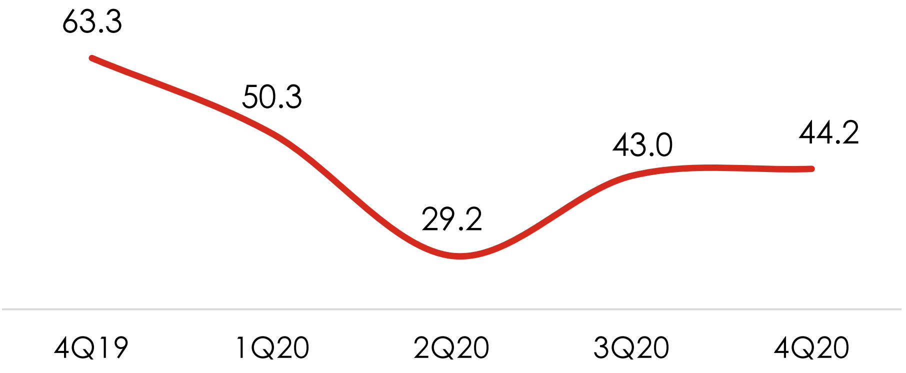
Corporate events

- In November, Cepsa and Ionity completed the first corridor of the largest intercity high-power charging network on the Iberian Peninsula, between Madrid and Barcelona

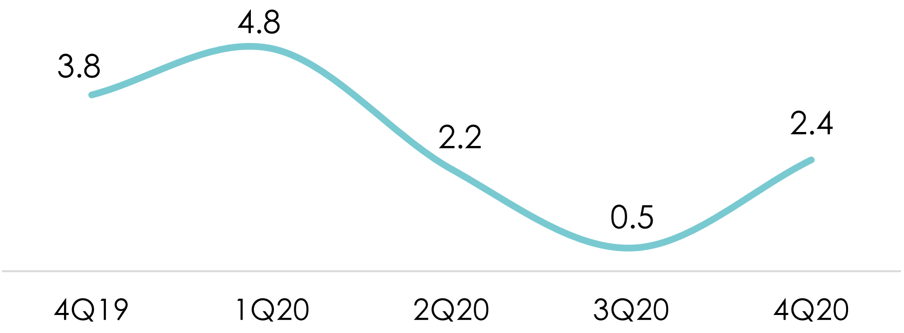
Market environment

Challenging market environment continued during Q4, with signs of recovery in refining margins

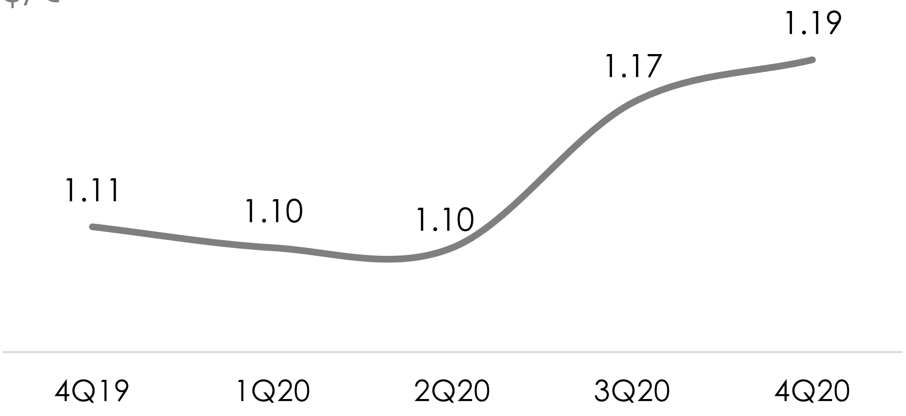
Brent[1]
$/bbl



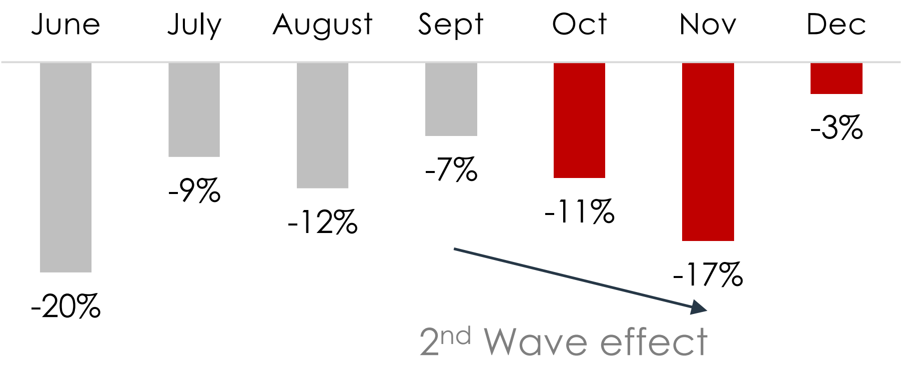
Cepsa refining margin (VAR) [1]
$/bbl



Exchange rate[1]
$/€



Fuel demand (Spain)
YoY variation



Source: Cepsa, CLH. 1. Average figures of each quarter

Q4 vs Q3 2020

Cepsa's Q4 2020 results continue to be impacted by the extremely challenging market environment

Key Operating metrics	Q4 2020	Q3 2020	Δ Q4/Q3
Realized crude price ($/bbl)	44.1	42.6	+3%
Refining throughput (Mt)	4.5	4.9	*(8%)*
Refining utilization	71%	80%	*(11%)*
Marketing product sales (Mt)	3.6	3.8	*(5%)*
Chemical product sales (kt)	687	693	*(1%)*

Key Financial metrics (€ million)	Q4 2020	Q3 2020	Δ Q4/Q3
CCS EBITDA	277	277	*0%*
CCS Net Income	(29)	39	*(174%)*
Cash Flow from operations[1]	218	224	*(2%)*
Net Debt	2,825	2,858	*(1%)*
Total Liquidity[2]	4,550	4,617	(2%)

Source: Cepsa 1. Before working capital variation. 2. Cash plus available committed facilities

Covid-19 impact on business

Upstream

- Crude prices in the 40-50 $/bbl range during Q4, increasing up to 65 $/bbl during the first months of 2021

- Improved production during Q4

FY Figures

Realized oil price

41.6 $/bbl

WI Production

75.8 kbopd

CCS EBITDA

458M€

Covid-19 impact on business
Refining

- Refining margins improved, averaging 2.4 $/bbl during Q4 vs 0.5 $/bbl in Q3

- Extended maintenance program carried out in two units at La Rábida refinery, taking advantage of lower demand levels

FY Figures

Utilization Rate
78 %

Throughout
19.3 Mt

EBITDA
10 M€

Covid-19 impact on business
Marketing

- Network of service stations impacted by travel restrictions during Covid-19

- Wholesales and Asphalts segments continued to perform strongly

FY Figures

Product Sales
14.8 Mt

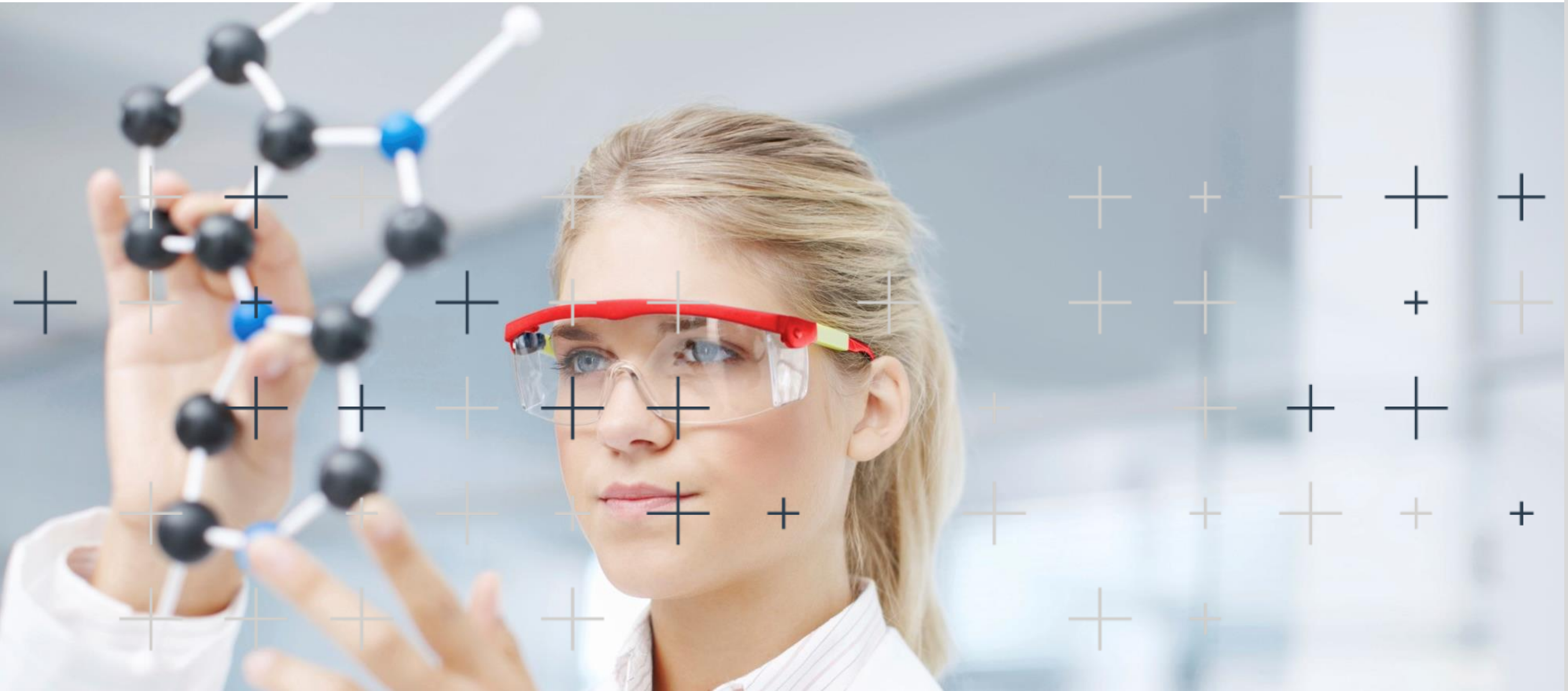
Service Stations
1,783

EBITDA
400 M€

Covid-19 impact on business
Chemicals

- Strong performance across all three business segments boosted by the pandemic, being specially LAB an essential raw material for detergents

- Stable volumes during the quarter with healthy margins in all segments



FY Figures

Product Sales
2.8 Mt

LAB Sales
701 Kt

EBITDA
357 M€

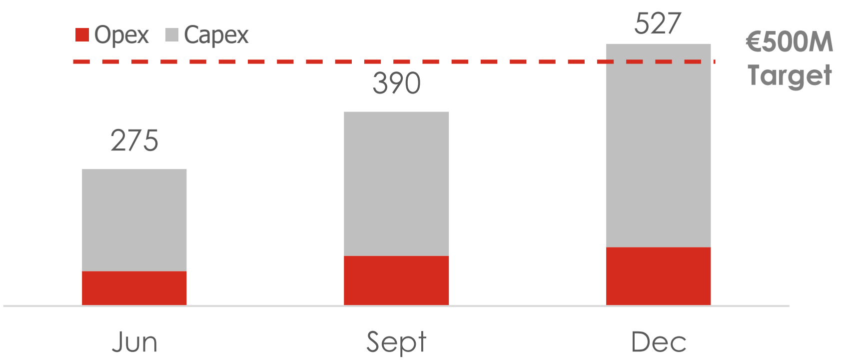
Contingency plan

€527 million in opex and capex savings, exceeding initial target

Operational initiatives

- €500 million in targeted opex and capex savings
- €527 million captured as of December (105% of target)
- Strict Working Capital management, with additional positive variation of €156 million in Q4
- Hedging of energy costs at historically low levels

Contingency Plan savings (€ million)



Financial initiatives

- New committed banking facilities for a total of €1.1 Bn since March 2020
- Two bond issues totaling €1.0 Bn, executed in February and July
- Strengthened liquidity of €4.5 Bn and long-dated average debt maturity of 4.4 yrs

Short term outlook

Gradual recovery in tandem with progress of vaccination roll-outs

Upstream

- Oil price expected to stabilize in the 60 $/bbl range
- Production expected to grow as OPEC quota restrictions are lifted
- Oil demand expected to recover in H2

Refining

- Refining margins expected to remain under pressure in the short term
- Run rates will adapt to market demand

Marketing

- Volumes expected to increase in sync with the end of travel restrictions
- Margin levels expected to be maintained

Chemicals

- Volumes to remain stable
- Margins expected to remain unchanged

FY 2020 Results

FY 2020 Highlights

Benefiting from a diversified business: A strong performance in the Chemical business and a resilient Marketing business partially offset lower earnings in Upstream and Refining

Financial Performance

- Clean CCS EBITDA for 2020 was €1,187 million, with all business segments registering positive EBITDA in the year
- Cash flow from operations in the year was €881 million, with an additional €138 million of cash released from working capital
- Clean CCS NIAT in positive territory despite the extremely challenging environment

Operating Performance

- Decrease in Upstream production mainly due to OPEC quota restrictions (-18% vs FY 2019)
- Refinery run rates have been adapted to market demand, with an average utilization of 78% (-12% vs FY 2019)
- Marketing held up remarkably well and Chemicals registered a record year, demonstrating the strong resilience of these two businesses

Corporate Events

- Investment Grade ratings affirmed by all three rating agencies post-Covid
- €1,000M in bond issuances successfully executed in February and July
- Acquisition of a 40% stake in two leading Moroccan asphalt companies
- Cepsa and Ionity reached an agreement to install ultrafast chargers, completing the first corridor on the Iberian Peninsula during Q4

Uninterrupted operations, at lower levels

Operational flexibility and strong integration partially offset the impact of lower volumes and prices during the year

Key Operational KPIs	FY 2020	FY 2019	Δ 20/19
WI Upstream Production (kbopd)	75.8	92.6	(18%)
Realized Crude Oil Price ($/b)	41.6	64.0	(35%)
Upstream Opex ($/bbl)	10.2	9.9	3%
Cepsa refining margin ($/bbl)	2.5	4.3	(41%)
Utilization rate refineries (%)	78%	89%	(12%)
Marketing Product Sales (Mt)	14.8	20.7	(29%)
Chemicals Product Sales (Kt)	2,795	2,893	(3%)
Natural Gas Sales (Gwh)	30,918	33,176	(7%)

Source: Cepsa

Results marked by temporary travel restrictions during Covid-19

The strong performance in the Chemical business and the resilience shown in Marketing partially offset lower earnings in Refining and Upstream

EBITDA by Business (€M)[1]	FY 2020	FY 2019	*Δ 20/19*
Upstream	458	963	(52%)
Refining	10	433	(98%)
Marketing	400	463	(14%)
Chemicals	357	246	+45%
Corporation	(39)	(48)	(19%)
Group EBITDA	**1,187**	**2,058**	**(42%)**

Key financial metrics (€M)	FY 2020	FY 2019	*Δ 20/19*
CCS Net Income	1	610	*(100%)*
IFRS Net Income	(919)	820	*(212%)*
Cash Flow from operations before WC	881	1,773	*(50%)*
Capex	652	924	*(29%)*

Source: Cepsa 1. Clean Current Cost of Supply, excluding non-recurring items.

Cash flow generation

Positive Free Cash Flow despite a challenging year

Cash Flow Statement (€M)	FY 2020	FY 2019	Δ 20/19
Clean CCS EBITDA	1,187	2,058	(42%)
Income tax paid	(257)	(337)	(24%)
Others[1]	(49)	52	(194%)
Cash flow from operations before WC	**881**	**1,773**	**(50%)**
Changes in working capital	138	306	(55%)
Cash flow from operations	**1,019**	**2,079**	**(51%)**
Capex	(774)	(1,002)	(23%)
Growth	*(519)*	*(683)*	*(24%)*
Maintenance	*(255)*	*(319)*	*(20%)*
Other cash flow from investments	15	75	(81%)
Free Cash Flow	**260**	**1,152**	**(77%)**

Source: Cepsa 1. Includes dividends from associates and other adjustments

Strong balance sheet and liquidity

Liquidity position of €4.6 Bn and net debt slightly below 2019 levels

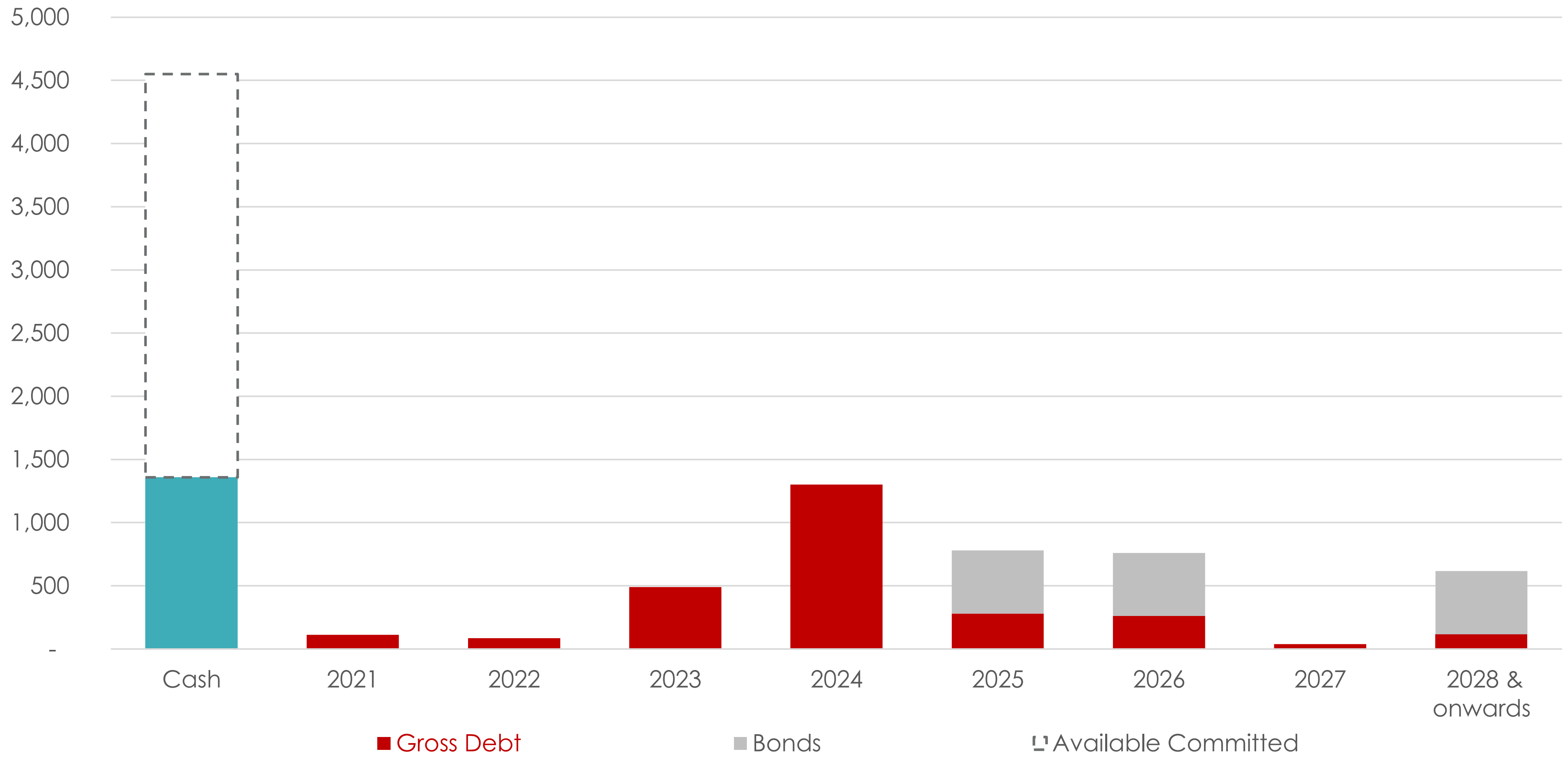
Capital Structure (€ M)	FY 2020	FY 2019	Δ 20/19
Non-current bank borrowings	2,555	2,661	(4%)
Current bank borrowings	129	146	(12%)
Bonds	1,500	500	+200%
Cash	(1,358)	(561)	+142%
Net debt excluding IFRS16 liabilities	**2,825**	**2,746**	**+3%**
IFRS16 liabilities	626	761	(18%)
Net debt including IFRS16 liabilities	3,451	3,507	(2%)
Net debt to CCS EBITDA[1]	**2.7x**	**1.4x**	**+1.3x**
Liquidity[2]	**4,550**	**3,100**	**+47%**
Avg. maturity of drawn debt (yrs)	**4.4**	**4.8**	**(0.4)**

Source: Cepsa 1. Excluding IFRS16. 2. Cash plus available committed facilities

Debt maturity profile

Long-dated average maturity of 4.4 years with no significant debt maturities up to 2024

Figures in €M



Debt avg maturity
4.4 Years

Cash position
€1,358 M

Liquidity[1]
€4.6 Bn

Source: Cepsa 1. Cash plus available committed facilities

Ratings summary

All three agencies affirmed Cepsa's Investment Grade rating post-Covid

Agency	LT Rating	Outlook	Last review
FitchRatings	BBB-	Stable Outlook	April 2020
Moody's	Baa3	Negative Outlook	April 2020
S&P Global	BBB-	Stable Outlook	June 2020

- Conservative financial policies consistent with Investment Grade credit profile
- Investment Grade credit ratings are a key priority for both the Company and its shareholders
- Commitment to IG ratings evidenced by the reduction in dividend payments of 63% vs 2019

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