2Q23 Results

31 July 2023

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Recent developments

2Q23 Highlights

Strong performance leading to robust cash generation

€916 m
Ebitda

€702 m
OCF

€207 m
Net capex

€503 m
FCF

€1.4 bn
Net debt

0.4 x
Net debt to Ebitda

Operating contribution leading to improved **Ebitda & OCF QoQ**

Midstream delivering solid performance

Net Debt stable in lower price environment

Maintaining 2023 Ebitda & OCF guidance, despite lower macro, supported by operating momentum

2023 dividend of €0.54/sh (+4% YoY)[1] with interim payment expected at end of August (€0.27/sh)

[1] Following distribution to shareholders guidelines on DPS progression. Subject to AGM approval.

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Upstream

Cash engine delivering on strong fundamentals

117 kboepd

WI Production
(exc. Angola)

74 $/bbl

Oil realisations

44 $/boe

Gas realisations

1.8 $/boe

Production costs

2Q23

- **Solid WI production** (exc. Angola) with increased efficiencies despite higher planned maintenance in Brazil QoQ
- **Bacalhau FPSO hull sail-away** to Singapore for topsides integration, whilst D&C progressing according to plan
- **End of Brazilian oil export levy**, which had a net consolidated impact of c.€40 m in 1H23[1]

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Outlook

- **2023 WI production expected at >115 kboepd** supported by improved performance in Brazil and ramp-up of Coral Sul
- **Bacalhau North appraisal well** planned to start in 3Q23 key to provide insights into phase II development concept
- Rig and well services' contract secured to spud the first of two **exploration wells in Namibia in 4Q23** (PEL83, Galp operator)

[1] Four months levy of €64 m, deductible for corporate income tax.

Renewables & New Businesses

Capturing seasonal high irradiation despite lower Iberian solar prices

1.4 GW
Renewables installed capacity

775 GWh
Equity renewable generation

64 €/MWh
Renewables realised sales price

c.15%
LTM OCF[1] / Invested Capital (operating assets)

2Q23

- **Equity generation increase 50% YoY**, following Titan Solar full acquisition and capacity build-up
- Progressing with **portfolio de-risking** and advancing on **Iberian developments**

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Outlook

- Persistent **licensing bottlenecks** in Iberia and **challenging market dynamics** in Brazil limiting FIDs
- Expecting to deploy **c.200 MW renewable solar capacity** in Iberia until YE23

[1] Last Twelve Months OCF.

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Industrial & Midstream

High refinery availability and solid contribution from gas operations

21.7 mboe
Raw materials processed

7.7 $/boe
Refining margin

2.9 $/boe
Refining operating costs

12.7 TWh
NG / LNG supply & trading

2Q23

- **High availability** of the refinery allowing to capture robust cracks environment
- **Refining costs** normalised following Q1 turnaround, although impacted by demurrages and inflation
- **Midstream** results supported on improved oil, gas and power supply & trading

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Outlook

- **Overall planned maintenance** in Sines refinery during 4Q23
- Preparation of **Sines HVO & green H2** low carbon projects
- FY23 Ebitda **I&M now expected >€700 m**, despite persistent gas sourcing constraints and lower prices

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Commercial

Reflecting tighter market environment in Iberia and Africa

1.8 mton
Oil products sales

4.2 TWh
Gas & Power sales

2.8 k
Current EV charging network

€37 m (+12% YoY)
Convenience 1H23 Ebitda

2Q23

- **Oil volumes sales slowdown** following a more pressured environment in B2B segments in Iberia and Africa
- **Retail** maintained its resilient performance, also supported on **increased convenience contribution**

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Outlook

- **FY23 Ebitda** expected slightly below €300 m given 1H23 market dynamics
- **Continue transformation** towards increased integration and contribution from lower carbon business

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Financial Overview

2Q23

2Q23 robust earnings

in a context of lower commodities prices and increased taxes

RCA Ebitda

Upstream

€522 m

Operating performance QoQ reflecting lower production and realisation prices but capturing improved efficiencies

Renewables & NB

€33 m

Maintained QoQ contribution with higher irradiation offset by lower solar captured prices

Industrial & Midstream

€289 m

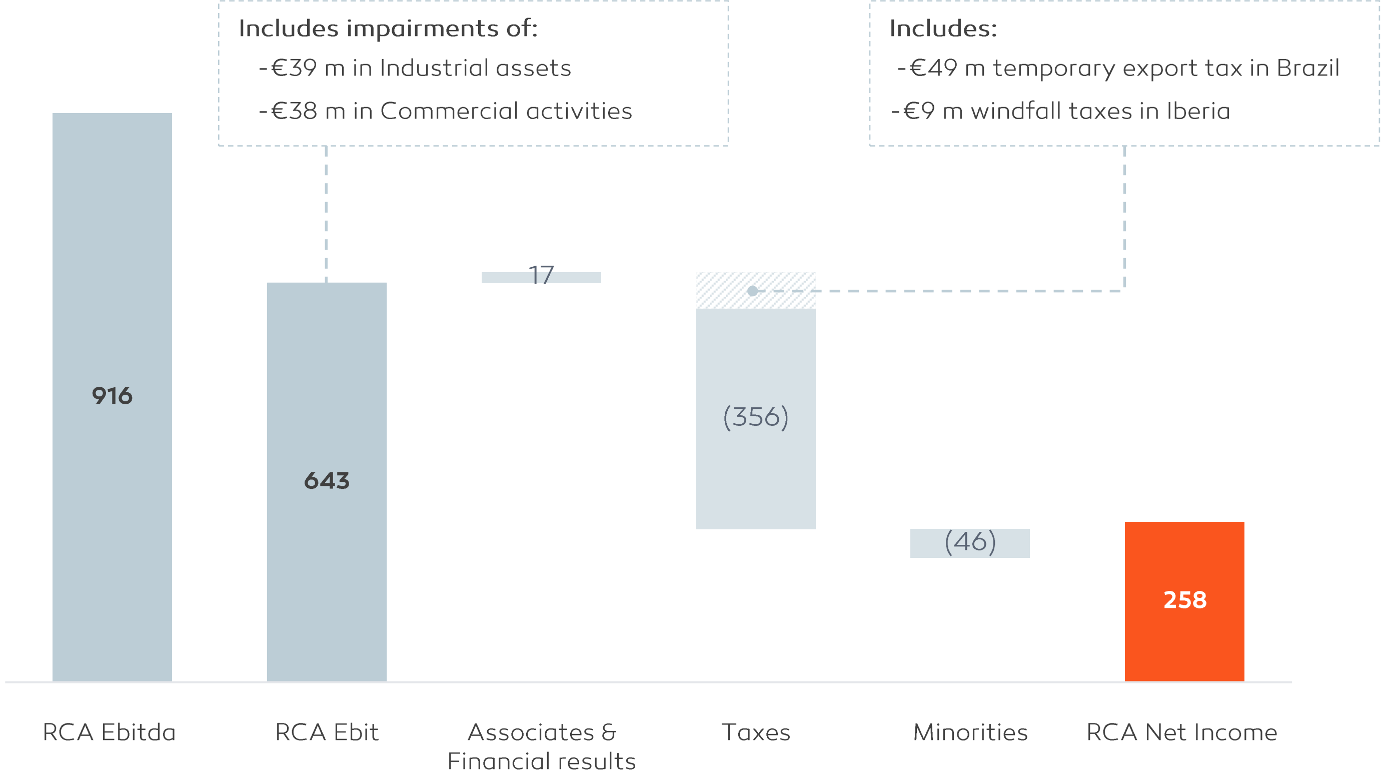
Strong supply & trading performance, whilst refining operations high availability capturing robust cracks

Commercial

€68 m

Tighter market environment in B2B segment in Iberia and Africa, pressuring contribution

2Q23 P&L (€ m)



	RCA Ebitda	RCA Ebit	Associates & Financial results	Taxes	Minorities	RCA Net Income
2Q22	1,244	924	(284)	(295)	(79)	265
1Q23	864	674	16	(389)	(50)	250

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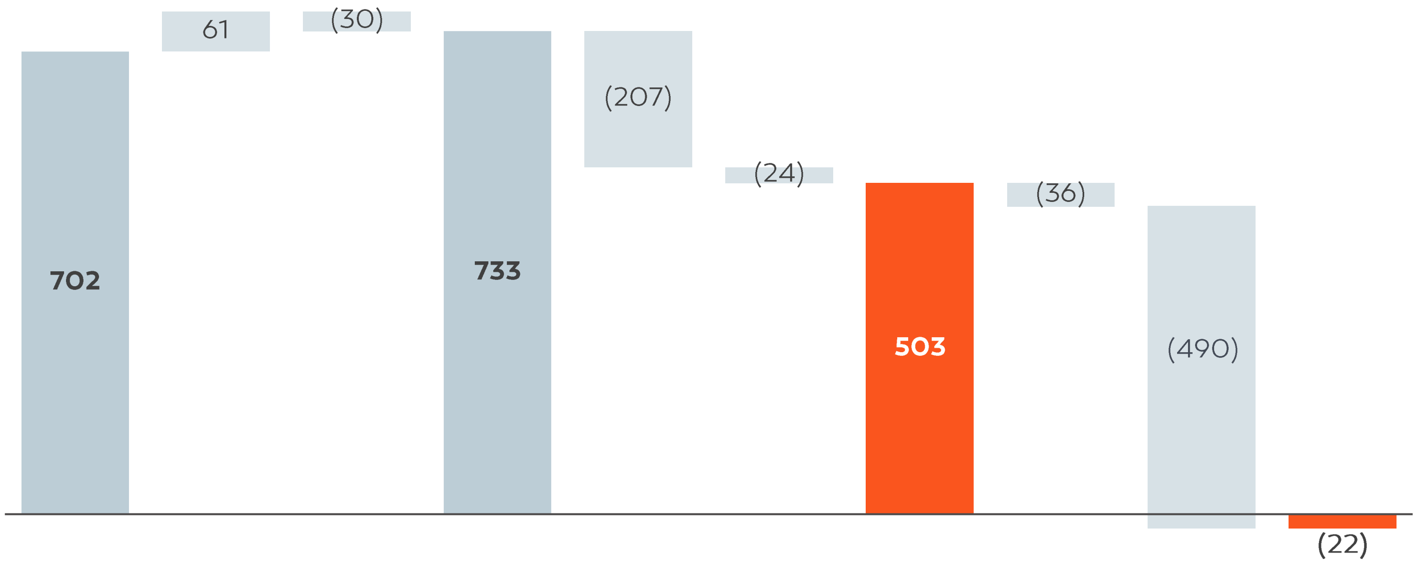
Strong FCF generation

supported by operating contribution and disciplined investment execution

2Q23 Cash flow (€ m)



	OCF	Working capital	Special items & Inventory effect	CFFO	Net capex	Net financials & IFRS 16 interest	FCF	IFRS 16 leases	Dividend Minorities Buyback Others	Δ Net debt
2Q22	964	(522)	305	747	(244)	(16)	488	(34)	(247)	207
1Q23	363	275	(138)	500	(109)	(39)	352	(36)	(101)	214

OCF & CFFO up QoQ driven by increased contribution from Upstream and Midstream

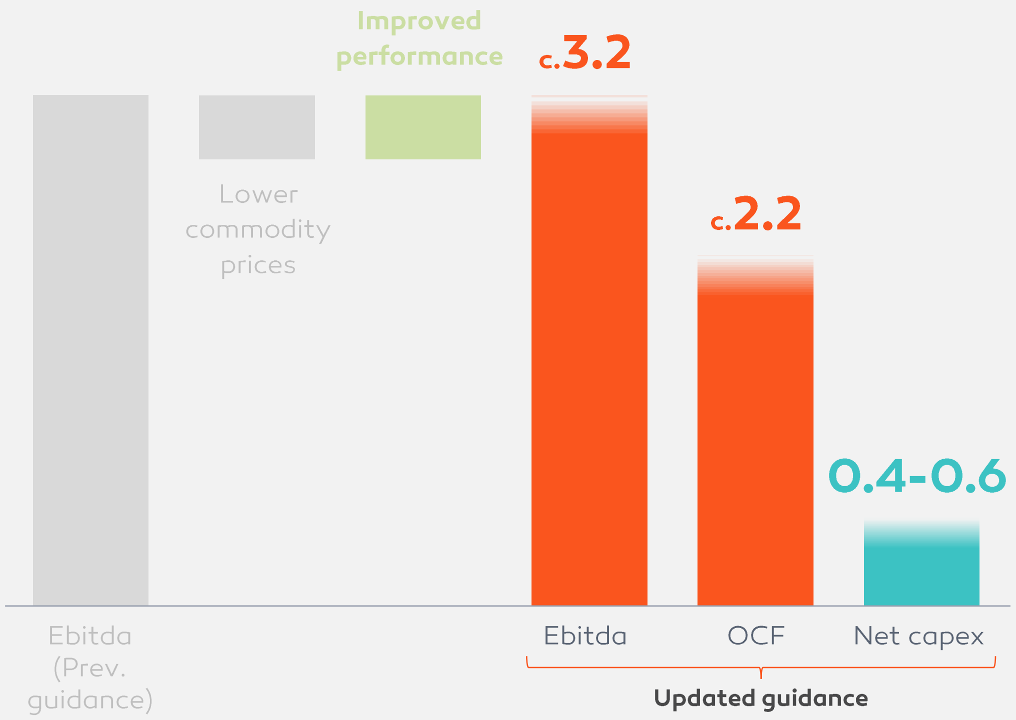
Net capex reflecting slower pace of investments in Industrial and Renewables

Net debt flat at €1.4 bn with net debt to RCA Ebitda at 0.4x

FY2023 guidance maintained

despite lower price deck

FY2023 (€ bn)



Current assumptions: Brent **c.$75/bbl** | Refining margin **c.$9/boe** | EUR:USD **1.10** | Solar captured price **c.€80/MWh** | Iberian PVB gas price **c.€40/MWh**

Previous assumptions: Brent **$85/bbl** | Refining margin **c.$9/boe** | EUR:USD **1.15** | Solar captured price **c.€120/MWh** | Iberian PVB gas price **c.€60/MWh**

Stronger operating performance driven by **improved upstream production** and higher **midstream contribution**

Net capex reflecting **disciplined execution** and supported by **divestment proceeds**

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Appendix

Updated Guidance for 2023

Operating indicators		Previous	Current
Upstream			
WI production	kboepd	>110	>115
Production costs	$/boe	c.3	c.3
Renewables			
Renewable capacity by YE	GW	1.6	1.6
Industrial & Energy Management			
Sines refining throughput	mboe	c.75	c.75
Sines refining costs[1]	$/boe	3-4	3-4
Commercial			
Oil products sales to direct clients	mton	7.4	7.4
Convenience Ebitda growth YoY (from €70 m)	%	+10	+10

FY2023 Financial indicators		Previous	Current
RCA Ebitda (unchanged)	**€ bn**	**c.3.2**	**c.3.2**
Upstream	€ bn	>2	c.2
Renewables & NB	€ m	>180	>130
Industrial & Midstream	€ m	>550	>700
Commercial	€ m	c.300	<300
OCF (unchanged)	**€ bn**	**c.2.2**	**c.2.2**
Net capex[2]	**€ bn**	**c.1**	**0.4-0.6**

Current macro assumptions:

Brent **c.$75/bbl** (vs. $85/bbl)

Refining margin **c.$9/boe** (unchanged)

EUR:USD **1.10** (vs. 1.15)

Solar captured price **c.€80/MWh** (vs. c.€120/MWh)

Iberian PVB gas price **c.€40/MWh** (vs. c.€60/MWh)

[1] 2023 Sines refining costs reflect concentration of cyclical maintenance in 2023.
[2] Considering net capex guidance of c.€3 bn during the 2023-25 period.

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