



An integrated energy player developing
profitable and sustainable businesses

1Q21 RESULTS

April 26
2021



CAUTIONARY STATEMENT

This document may include forward-looking statements, including, without limitation, regarding future results, namely cash flows, dividends, and shareholder returns; liquidity; capital and operating expenditures; performance levels, operational or environmental goals, targets or commitments and project plans, timing, and outcomes; production rates; developments of Galp's markets; and impacts of the COVID-19 pandemic on Galp's businesses and results; any of which may significantly differ depending on a number of factors, including supply and demand for oil, gas, petroleum products, power and other market factors affecting them; the outcome of government policies and actions, including actions taken to address COVID-19 and to maintain the functioning of national and international economies and markets; the impacts of the COVID-19 pandemic on people and economies; the impact of Galp's actions to protect the health and safety of its employees, customers, suppliers and communities; actions of Galp's competitors and commercial counterparties; the ability to access short- and long-term debt markets on a timely and affordable basis; the actions of consumers; other legal and political factors, including changes in law and regulations and obtaining necessary permits; unexpected operating events or technical difficulties; the outcome of commercial negotiations, including negotiations with governments and private entities; and other factors discussed in Galp's Management Report & Accounts filed with the Portuguese Securities Market Commission (CMVM) for the year ended December 31, 2020 and available on our website at galp.com. This document may also contain statements regarding the perspectives, objectives, and goals of Galp, including with respect to energy transition, carbon intensity reduction or carbon neutrality. An ambition expresses an outcome desired or intended by Galp, it being specified that the means to be deployed may not depend solely on Galp. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements express future expectations that are based on management's expectations and assumptions as of the date they are disclosed and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such those statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Galp to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. These forward-looking statements may generally be identified by the use of the future or conditional tense or the use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "consider", "could", "envision", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "think", "will" or the negative of these terms and similar terminology.

Financial information by business segment is reported in accordance with the Galp's management reporting policies and shows internal segment information that is used to manage and measure the Group's performance. In addition to IFRS measures, certain alternative performance measures are presented, such as performance measures adjusted for special items (adjusted earnings before interest, taxes, depreciation and amortisation, adjusted earnings before interest and taxes, and adjusted net income), return on equity (ROE), return on average capital employed (ROACE), gearing ratio, cash flow from operations and free cash flow. These indicators are meant to facilitate the analysis of the financial performance of Galp and comparison of results and cash flow among periods. In addition, the results are also measured in accordance with the replacement cost method, adjusted for special items. This method is used to assess the performance of each business segment and facilitate the comparability of the segments' performance with those of its competitors. This document also contains non-financial performance indicators, including a carbon intensity indicator for energy products sold by Galp, that measures the amount of greenhouse gas emissions of those products, from their production to their end use, per unit of energy delivered. This indicator covers the direct GHG emissions of production and processing facilities (scope 1) and their indirect emissions associated with energy purchased (scope 2), as well as the emissions associated with the use of products by Galp's costumers (scope 3). The same emissions are considered for products purchased from third parties and sold or transformed by Galp. For a complete definition of scopes 1, 2 and 3 and the methodology used by Galp for this indicator please refer to Galp's website at galp.com.

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1Q21 HIGHLIGHTS

Strong cash generation, benefiting from improved conditions and completion of GGND transaction

499 € m

RCA Ebitda

518 € m

Free Cash Flow

445 € m

Adjusted operating cash flow¹

1.1 x

Net Debt to RCA Ebitda



RESILIENT RESULTS

DESPITE CHALLENGING DOWNSTREAM ENVIRONMENT

UPSTREAM

RCA Ebitda

438 € m

- Production up 2% QoQ to 125 kboepd
- Output still impacted by restrictions, mostly pandemic-related
- Ebitda supported by stronger Brent and production

COMMERCIAL

RCA Ebitda

69 € m

- Oil and gas products' sales affected by lower demand in Iberia
- Electricity sales increase in both B2C and B2B segments
- Ebitda impacted by the decline in oil and gas volumes during the period

REFINING & MIDSTREAM

RCA Ebitda

-6 € m

- Sines refining margin up, supported by higher gasoline cracks
- Midstream with gas sourcing restrictions, pricing lag and regasification costs
- Ebitda reflects a slightly negative refining and a weak Midstream contribution

RENEWABLES & NEW BUSINESSES

RCA Ebitda

-2 € m

1 € m
Proforma Ebitda¹

- Renewable generation up QoQ, considering higher sunlight hours
- Full operational capacity re-established on time to fully capture "high season"
- Proforma Ebitda backed by higher generation and solar prices

GROUP RCA EBITDA OF €499 M, UP 22% QoQ

SUPPORTED BY A ROBUST UPSTREAM PERFORMANCE

P&L (RCA figures, € m)

	1Q20	4Q20	1Q21
RCA Ebitda	469	410	499
RCA Ebit	217	159	284
Associates	19	8	0
Financial results	-60	-19	-55
Taxes ¹	-146	-120	-181
Non-controlling interests	-1	-25	-22
RCA Net Income	29	3	26
IFRS Net Income	-257	-35	161

RCA figures adjusted from 1Q21 onwards for Matosinhos decommissioning and MTM from derivatives

RCA net income of €26 m also reflecting neutral associates and higher upstream taxes. Financial results excluding the impact from MTM, now considered as special items

IFRS net income of €161 m, including an inventory effect of €101 m and special items of €34 m

ADJUSTED OPERATING CASH FLOW OF €445 M

PROVIDING A BETTER RUN RATE INDICATOR

Cash flow (€ m)

	1Q20	4Q20	1Q21
RCA Ebitda	469	410	499
Dividends from associates	1	38	48
Taxes paid	-165	-74	-102
Adjusted operating cash flow¹	305	373	445
Special items	36	-14	11
Inventory effect	-380	23	133
Changes in working capital	283	-151	-212
Cash Flow from Operations	244	231	377
Net capex	-211	-117	195
Net financial expenses and IFRS 16 interest	-48	-20	-54
Realised income from derivatives	105	2	0
Free Cash Flow	90	95	518
Dividends paid to non-controlling interests	-108	-2	0
Dividends paid to Galp shareholders	0	0	0
Reimbursement of IFRS 16 principal leases	-27	-27	-27
Others	-16	-41	22
Change in financial net debt	61	-25	-513

Net capex (ex-GGND)
-€148 m

GGND Proceeds
€343 m

Adjusted operating cash flow follows the strong Ebitda and taxes paid mostly on the Upstream

CFFO benefitting from a positive inventory effect, partially offset by a WC build

Net capex of €148 m (ex-GGND), mostly related to the development of Upstream projects in Brazil

GGND sale proceeds of €343 m, with transaction completion, and the remaining €25 m to be received in 2Q21

FINANCIAL POSITION

NET DEBT 25% DOWN TO C.€1.6 BN

Financial position (€ m)

	31 Dec., 2020	31 Mar., 2021
Net fixed assets	6,308	6,472
Rights of use (IFRS 16)	1,002	1,033
Working capital	703	916
Other assets/liabilities	-759	-1,216
Capital employed	7,254	7,204
Net debt	2,066	1,552
Leases (IFRS 16)	1,089	1,125
Equity	4,100	4,527
Equity, net debt and op. leases	7,254	7,204

Other assets/liabilities reflecting €343 m in cash proceeds from GGND stake sale

Net debt down by €513 m supported by a robust cash generation and divestments

Net debt to Ebitda down to 1.1x¹





04



Appendix

UPSTREAM RESULTS

SUPPORTED BY HIGHER OIL PRICES

		1Q20	4Q20	1Q21
Working interest production	kboepd	131.4	122.8	125.2
Oil production	kbpd	118.1	111.1	112.2
Net entitlement production	kboepd	129.6	121.1	123.5
Angola	kbpd	14.1	11.3	11.3
Brazil	kboepd	115.6	109.8	112.2
Oil and gas realisations - Dif. to Brent	USD/boe	-5.6	-5.0	-6.5
Production costs	USD/boe	2.4	2.2	1.8
DD&A ¹	USD/boe	13.1	15.9	13.7
RCA Ebitda	€ m	286	319	438
RCA Ebit	€ m	145	161	314
Adjusted operating cash flow	€ m	132	241	390
Capex	€ m	104	69	149

		1Q20	4Q20	1Q21
Dated Brent price	USD/bbl	50.1	44.2	61.1

WI production up 2% QoQ, considering fewer maintenance activities

Production impacted, mostly due to operating and logistics restrictions related to the pandemic

Ebitda up QoQ, following higher oil prices and the slight increase in production

Capex mostly reflecting the progress of Brazilian developments

COMMERCIAL RESULTS

PERFORMANCE STILL REFLECTING WEAK MACRO ENVIRONMENT

		1Q20	4Q20	1Q21
Commercial sales to clients				
Oil products	mton	1.8	1.5	1.3
Natural gas	TWh	6.7	5.8	4.9
Electricity	GWh	901	881	950
RCA Ebitda	€ m	90	71	69
RCA Ebit	€ m	68	47	44
Adjusted operating cash flow	€ m	90	70	67
Capex	€ m	24	49	4

Oil products and natural gas sales down QoQ reflecting the lower demand in Iberia as a result of lock down measures

Ebitda followed the lower oil products and natural gas sales

Capex activities mainly related to the retail segment in Portugal

REFINING & MIDSTREAM RESULTS

IMPACTED BY GAS SOURCING RESTRICTIONS AND HIGHER REGASIFICATION COSTS

		1Q20	4Q20	1Q21
Raw materials processed	mboe	26.8	23.5	19.7
Galp refining margin	USD/boe	1.9	1.6	2.0
Oil products supply ¹	mton	4.1	3.7	3.6
NG/LNG supply & trading volumes ¹	TWh	17.7	24.1	25.7
Trading	TWh	5.3	11.3	15.8
Sales of electricity from cogeneration	GWh	339.3	351.2	330.8
RCA Ebitda	€ m	90	17	-6
RCA Ebit	€ m	9	-51	-67
Adjusted operating cash flow	€ m	84	42	-9
Capex	€ m	14	26	7

Galp refining margin up QoQ, following the improvement in the international market environment, now considering Sines only

Supply & Trading volumes increased QoQ driven by higher natural gas network trading activities

Ebitda still constrained by a weak refining margins and Midstream impacts from sourcing restrictions, lag in oil pricing formulas and regasification costs

Investments mostly reflecting efficiency improvement initiatives in Sines

RENEWABLES & NEW BUSINESSES RESULTS

OPERATING PERFORMANCE MOSTLY REFLECTING SEASONALITY

		1Q20	4Q20	1Q21
Renewable power generation				
Gross	GWh	8	170	191
Net to Galp	GWh	4	125	141
Galp average solar generation sale price	EUR/MWh	-	39	42
RCA Ebitda	€ m	-1	-3	-2
RCA Ebit	€ m	-7	-1	-3
Adjusted operating cash flow	€ m	-1	-3	-2
Capex	€ m	0	20	15

		1Q20	4Q20	1Q21
Pro-forma - Equity to Galp¹				
Ebitda	€ m	0	1	1
Ebit	€ m	-7	-6	-6

		1Q20	4Q20	1Q21
Iberian baseload pool price ²	EUR/MWh	34.9	40.1	45.2
Iberian solar captured price ²	EUR/MWh	33.7	39.6	42.6

Renewable generation up QoQ, supported by seasonally higher sunlight hours, but still impacted by some transformers' upset

Generation resumed normalised conditions by the end of the quarter

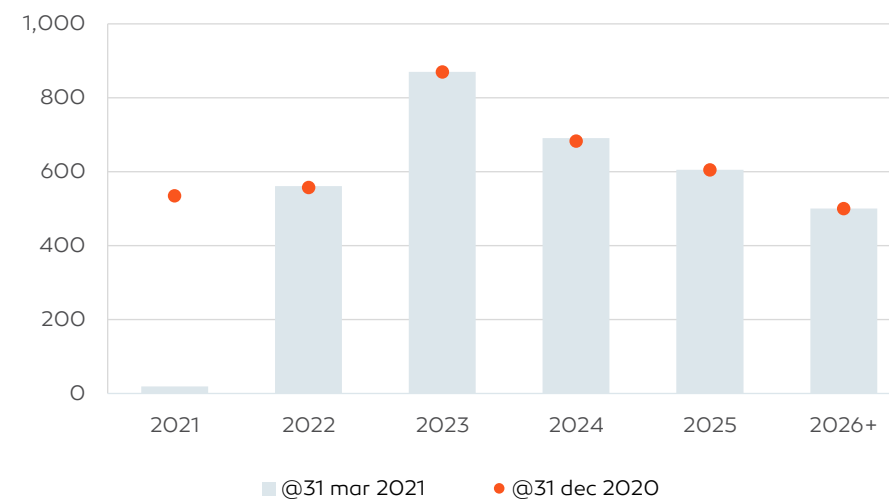
Investments mostly deployed towards the execution of the solar PV projects

DEBT INDICATORS

Debt indicators

€m	31 Dec., 2020	31 Mar., 2021
Cash and cash equivalents	1,678	1,739
Undrawn credit facilities	1,262	1,263
Gross debt	3,743	3,291
Average funding cost	1.7%	1.5%
Net debt	2,066	1,552
Operating leases (IFRS 16)	1,089	1,125
Net debt to RCA Ebitda¹	1.5x	1.1x
% Debt at fixed rate	48%	40%

Debt reimbursement (€m)



GALP LEADING ESG PERFORMANCE

CONSISTENT WITH OUR SUSTAINABLE STRATEGIC GOALS

Incorporating best disclosure practices

- Global Reporting Initiative (GRI) guidelines
- Task Force on Climate-related Financial Disclosure (TCFD)
- United Nations Global Compact (UNGC) principles
- International Integrated Reporting Council (IIRC) guidelines
- World Economic Forum (WEF)¹

Dow Jones Sustainability Index

Best score in Europe, 3rd worldwide in the Oil & Gas sector²

CDP climate

A-, Leadership Level
Industry average: B

MSCI

AAA

Maximum score since July 2018

Sustainalytics

Medium risk (26.8)

#9 of 280 (global Oil & Gas producers)

ISS ESG

Prime (B-)

High relative performance
#1 decile rank

Bloomberg Intelligence

Environmental³: #2 of 31

Carbon transition⁴: #2 of 39

Gender Equality Index 2021



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