3Q19 Results & Strategy Update

October 22, 2019

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3Q19 Key Highlights

Corporate

- **Robust cash flow** generation despite weak contribution from refining
- **9M19 FCF of €694 m**, covering FY dividends paid to shareholders
- Galp reconfirmed as an **industry leader** in the Dow Jones Sustainability Indices (#1 in Europe)

Upstream

- Upstream contribution benefiting from **production ramp-up**
- **Lula unit #8 reached plateau** 10 months after first oil

Downstream

- Refining impacted by **planned maintenance** and **operational restrictions**
- Implementation of "+$1/boe" initiatives underway
- **Solid marketing** and **G&P** contribution

3Q19

Operational performance

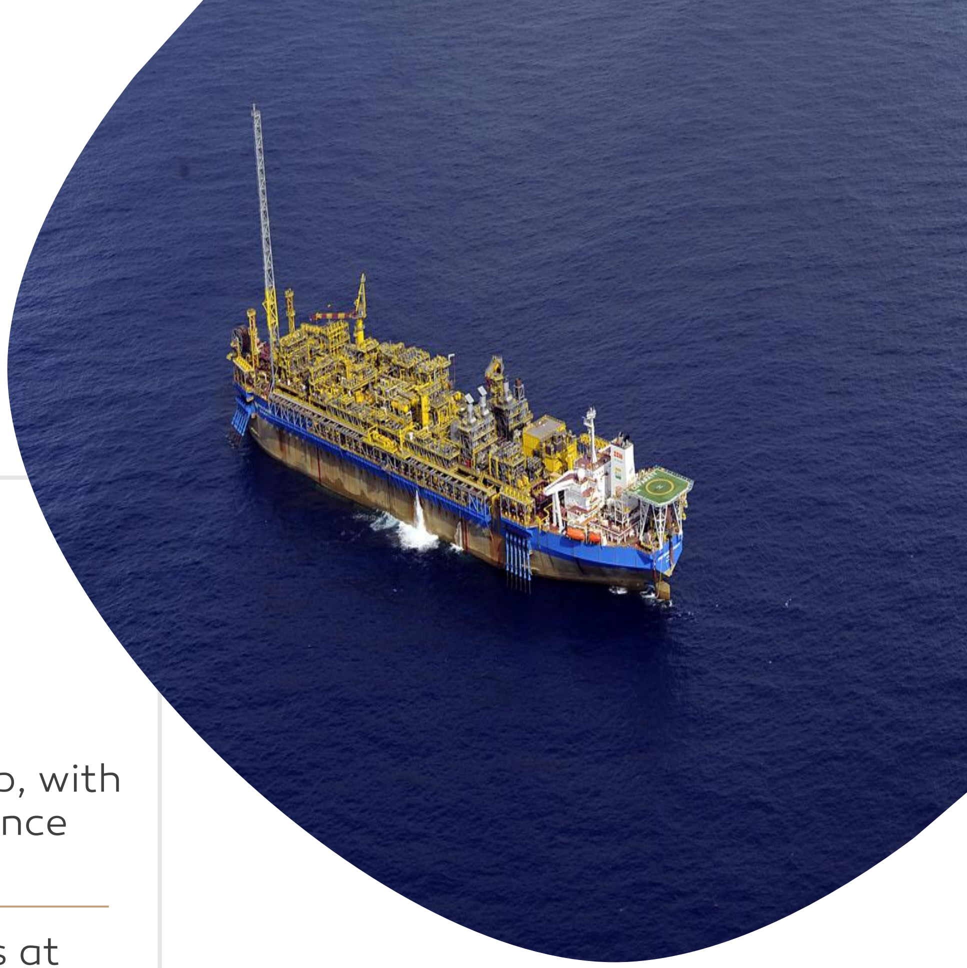
Downstream contribution

impacted by weak refining performance

	Refining & Marketing	Gas & Power
3Q Overview	Planned maintenance activities and additional restrictions in September	Stable contribution after strong 1H19
	Implementation of "+$1/boe" initiatives	Lower NG/LNG sales to electrical and own consumptions
	Supportive contribution from marketing	
Outlook	Refining system now operating under normal conditions	FY2019 contribution from G&P to exceed initial forecast
	Galp fully prepared to supply compliant bunker fuel	Solar PPA of 358 GWh to strengthen renewable electric offering

Upstream performance

supported on ramp-up progression



3Q Overview

WI Production of 126 kboepd, benefiting from the ramp-up in Brazil and Angola, with Lula unit #8 reaching plateau

Unitisation agreements for the Atapu and Sépia accumulations approved by ANP

Awarded EPC contracts for the Rovuma LNG project, subject to FID expected in 2020. Targeting first gas in 2025.

Outlook

4Q19 production to continue benefiting from units' ramp-up, with no relevant planned maintenance expected

First unit to develop Iara fields at final location (Berbigão/Sururu)

Uirapuru well expected to be spud by YE2019

3Q19 Financial performance

Operational results driven by upstream

despite lower contribution from downstream

Profit & Loss (€m)

	3Q18 w/o IFRS 16	2Q19 IFRS 16	3Q19 IFRS 16	3Q19 w/o IFRS 16
RCA Ebitda	642	615	619	571
E&P	396	408	469	434
R&M	195	142	104	92
G&P	44	57	37	37
RCA Ebit	470	386	370	356
Associates	39	47	31	31
Financial results	(34)	(10)	(89)	(13)
Taxes[1]	(221)	(190)	(180)	(200)
Non-controlling interests	(43)	(34)	(31)	(43)
RCA Net Income	212	200	101	131
IFRS Net Income	235	231	60	

Upstream performance supported on higher production from Brazil and Angola, more than offsetting lower oil prices

Downstream impacted by lower refining and G&P, despite supportive commercial contribution

Financial results including negative MTM from derivatives and reflecting BRL depreciation

[1] Includes SPT payable in Brazil and IRP payable in Angola.

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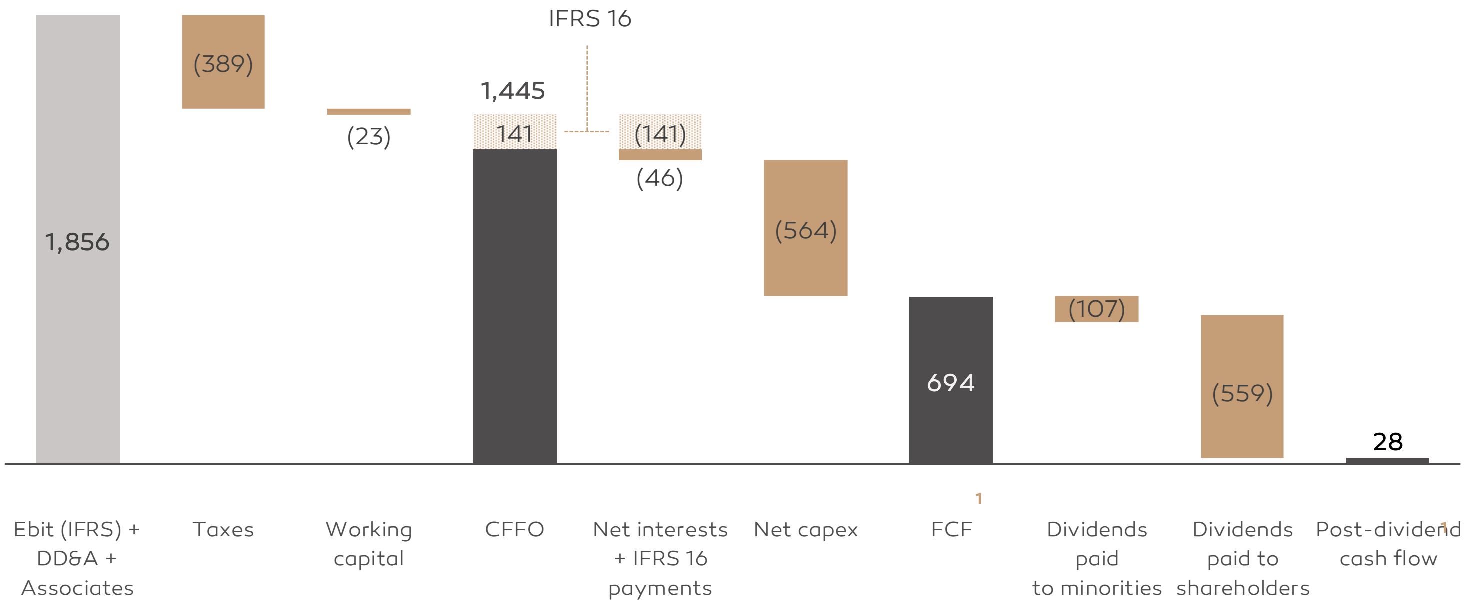
Solid cash generation

9M19 FCF of c.€0.7 bn

FCF 9M19 (€m)



	Ebit (IFRS) + DD&A + Associates	Taxes	Working capital	CFFO	Net interests + IFRS 16 payments	Net capex	FCF	Dividends paid to minorities	Dividends paid to shareholders	Post-dividend cash flow
3Q19	616	(126)	(55)	**435**	(53)	(189)	**192**	0	(262)	**(70)**
2Q19	712	(127)	29	**613**	(49)	(223)	**342**	(39)	(296)	**7**
3Q18	692	(163)	(186)	**343**	(10)	(246)	**87**	(11)	(228)	**(153)**

9M19 FCF of €694 m, covering full year dividends paid to shareholders

3Q19 CFFO of €435 m, up €92 m YoY, reflecting higher upstream contribution offsetting refining maintenance

3Q19 net capex of €189 m during the period, including investments related to refining maintenance and "+$1/boe" initiatives

[1] All lease-related payments (IFRS 16) captured within FCF.

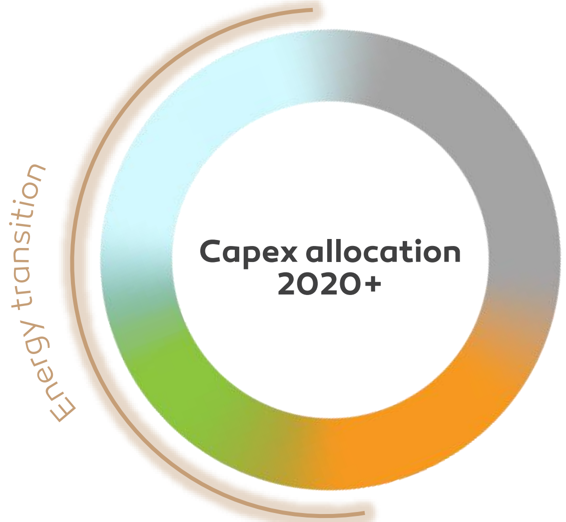
Strategy update

Capital allocation guidelines

Balanced investments supporting long-term value creation

Investment strategy

Investing in sustainable growth across the energy value chain



Energy transition
>40%

Renewables New businesses
10-15%

Upstream breakeven[1]
c.$25/bbl

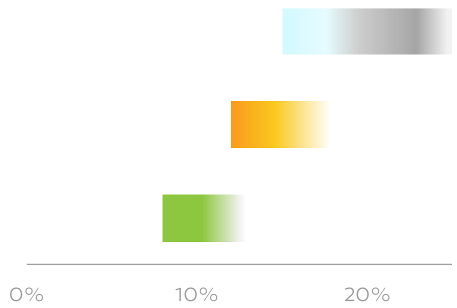
Financial discipline

Adding value while maintaining a strong balance sheet

Group ROACE
c.15%

ND/Ebitda
<2x

Main projects' potential returns[2]



Shareholder distribution

Commitment to progressive dividend policy

DPS growth
10% p.a.[3]
2019-21

Upstream Gas | Upstream Oil | Downstream | Renewables / New businesses

[1] NPV_{10} Brent breakeven. [2] Equity IRR from already identified projects, non-exhaustive. [3] DPS growth target based on 2018 dividend of €0.6325/sh.

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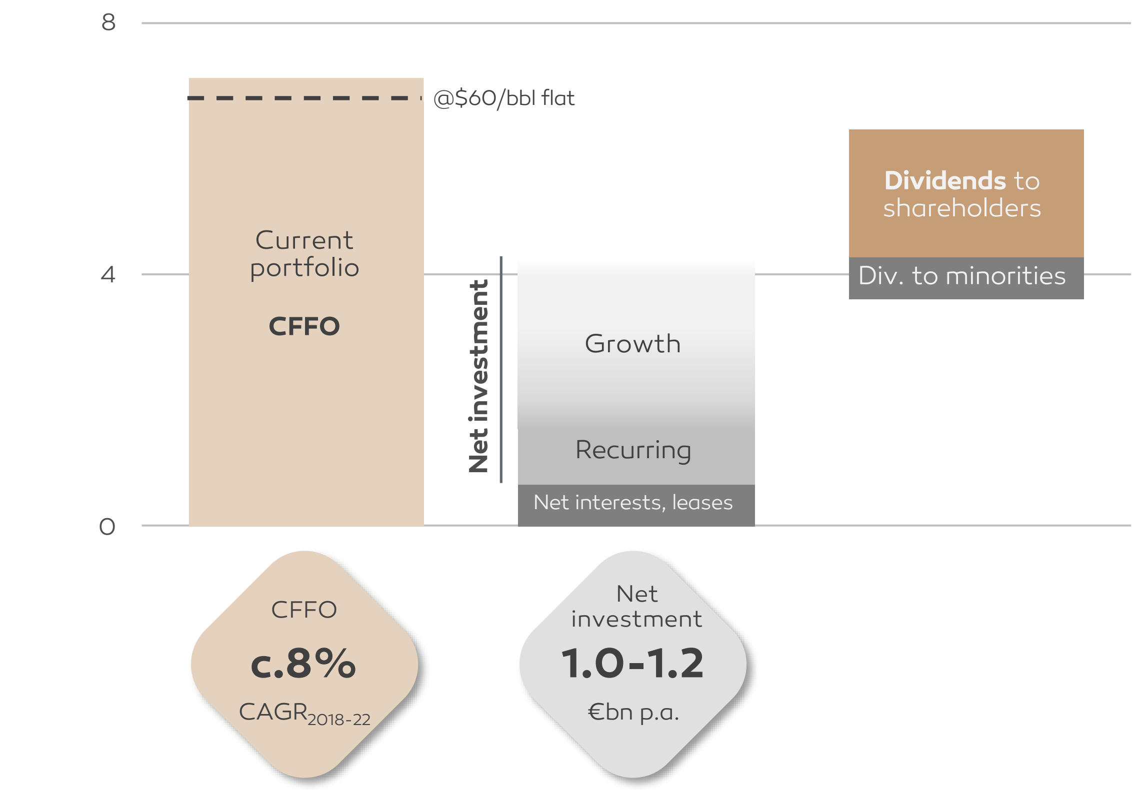
Strengthening portfolio for
resilience and long-term growth

Sources and Uses 2020-22 (€bn)



Strong **financial position** and **asset rotation** to support further growth

Develop **upstream** business for value

Adapt **refining** system, increasing asset competitiveness and resilience

Build a sustainable and flexible **NG/LNG** portfolio

Maximise value from **commercialisation**

Develop an integrated **power** business based on low carbon generation

Note: Current portfolio CFFO assumes $65/bbl Brent in 2020 and $70/bbl onwards, refining margin averaging $5.5 – 6.0/boe in 2020-22 and EUR:USD stable at 1.15 during the period. Expected net investment includes both organic and additional projects equity needs.

Unique asset base

Selective growth

Attractive Returns

Increase **portfolio resilience** and competitiveness

Investment for growth along the energy value chain

Focus on **project returns** and **financial discipline**

Balance net investments with competitive **shareholder returns**

Capture opportunities from the **energy transition** while reducing carbon intensity

Positioning Galp for the next growth cycle and for the future of energy

Appendix

3Q19 E&P

Higher production offsetting lower oil price environment

Main E&P data

		3Q18 w/o IFRS 16	2Q19 IFRS 16	3Q19 IFRS 16	3Q19 w/o IFRS 16
Working interest production	kboepd	103.8	111.8	125.5	
Oil production	kbpd	93.1	99.5	111.0	
Net entitlement production	kboepd	102.3	109.8	124.0	
Angola	kbpd	7.4	12.2	12.7	
Brazil	kboepd	94.9	97.6	111.3	
Oil and gas realisations - Dif. to Brent	USD/boe	(9.8)	(7.8)	(7.3)	
Production costs	USD/boe	9.0	4.6	3.3	6.7
DD&A	USD/boe	10.5	14.5	14.2	12.0
RCA Ebitda	€ m	396	408	469	434
RCA Ebit	€ m	311	278	324	311
Net Income from E&P Associates	€ m	15	17	3	3
Capex	€ m	188	177	106	

Production up QoQ, with Brazil and Angola ramp-up

Continuing reduction of unit technical costs (opex + DD&A) from high quality project ramp-up

RCA Ebitda up QoQ and YoY, with higher production more than offsetting lower oil prices

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3Q19 R&M

Performance impacted by refining operations

Main R&M data

		3Q18 w/o IFRS 16	2Q19 IFRS 16	3Q19 IFRS 16	3Q19 w/o IFRS 16
Galp refining margin	USD/boe	5.8	3.0	3.9	
Refining cost	USD/boe	1.9	2.3	3.0	
Hedging impact on Ebitda	USD/boe	0.0	0.1	(0.4)	
Raw materials processed	mmboe	28.0	26.1	20.6	
Total oil product sales	mton	4.5	4.4	3.9	
Sales to direct clients	mton	2.3	2.3	2.3	
RCA Ebitda	€ m	195	142	104	92
RCA Ebit	€ m	115	48	7	5
Net Income from R&M Associates	€ m	1	6	3	3
Capex	€ m	44	54	80	

Maintenance and operational restrictions impacting throughput and oil products sales

Refining margin of $3.9/boe resulting from operational restrictions

RCA Ebitda lower QoQ and YoY given the lower contribution from refining, with solid marketing performance

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3Q19 G&P

Normalised contribution from G&P activities

Main G&P data

		3Q18 w/o IFRS 16	2Q19 IFRS 16	3Q19 IFRS 16	3Q19 w/o IFRS 16
NG/LNG total sales volumes	mm^3	2,024	1,887	1,803	
Sales to direct clients	mm^3	1,201	1,205	1,131	
Trading	mm^3	823	682	673	
Sales of electricity to direct clients	GWh	931	788	762	
Sales of electricity to the grid	GWh	328	328	304	
RCA Ebitda	€ m	44	57	37	37
RCA Ebit	€ m	39	53	32	32
Net Income from G&P Associates	€ m	24	24	24	24
Capex	€ m	0	2	1	

Lower NG/LNG sales to electrical and own consumptions

RCA Ebitda down YoY due to the end of LNG structured contracts and fewer sourcing opportunities

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Keeping a

solid financial position

Balance sheet (€m)

	31 Dec. 2018	30 Jun., 2019	30 Sep., 2019
Net fixed assets[1]	7,340	7,424	7,437
Rights of use (IFRS 16)	-	1,240	1,202
Working capital	814	782	837
Loan to Sinopec	176	-	-
Other assets/liabilities[1]	(546)	(779)	(879)
Capital employed	7,784	8,666	8,597
Net debt	1,737	1,598	1,645
Operating leases (IFRS 16)	-	1,252	1,274
Equity	6,047	5,817	5,678
Equity, net debt and op. leases	7,784	8,666	8,597

Cash generation during the first nine months leads to net debt reduction of €92 m to €1,645 m

Net debt to Ebitda RCA of 0.8x[2]

[1] For the periods ending in 30 Jun. 2019 and 30 Sep. 2019, net fixed assets and other assets/liabilities include the estimated impact from unitisations.
[2] Ratio considers the LTM Ebitda RCA of €2,080 m, adjusted for the impact from the application of IFRS 16 (€140 m in 9M19).

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