



Cepsa

Q4 and FY 2022 Results

March 3rd, 2023

CEPSA

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Today's presenters



Carmen de Pablo

CFO



Gonzalo Sáenz

Head of Finance

Agenda

1. FY 2022 Highlights
2. Market and Operational Performance
3. FY 22 Financial Performance
4. Closing Remarks



1. FY 2022 Highlights





Key highlights

Results marked by volatility in commodity prices and refining margins

FINANCIALS

€2,939m
EBITDA

€901m
Free Cash
Flow¹

<1.0x
Leverage

€4.0bn
Liquidity
Position²

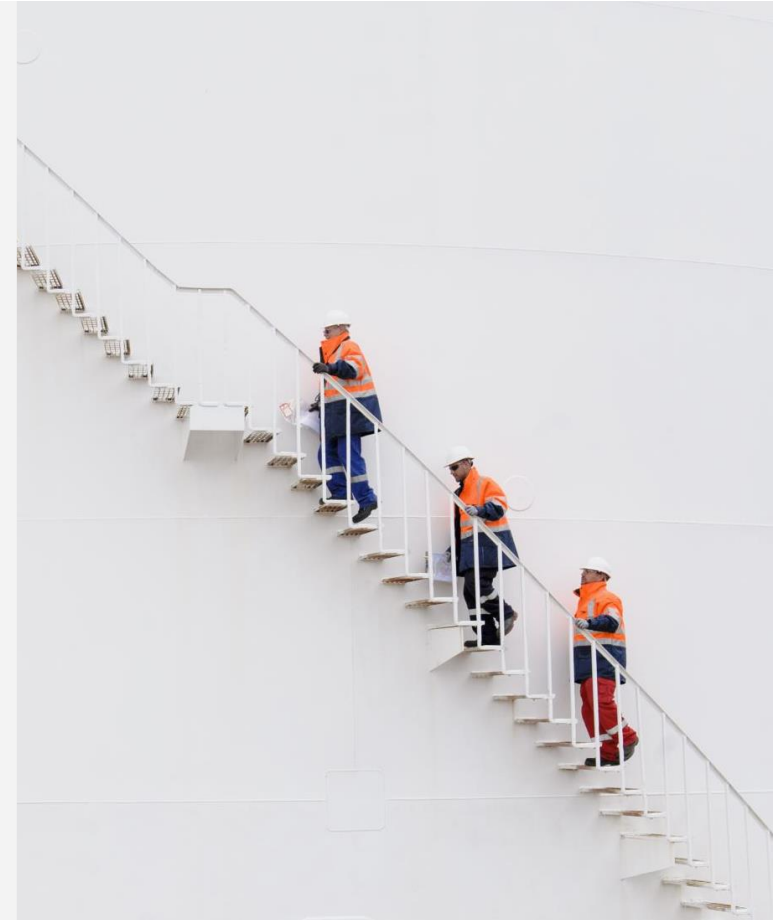
OPERATIONAL

9.6\$/bbl
Refining
Margin

84%
Refining
Utilization

17.7mton
Commercial
Sales

82.8kb/d
WI Production



Delivering on our ESG goals



Performance endorsed by renowned third-parties and on track to fulfill ambitious commitments

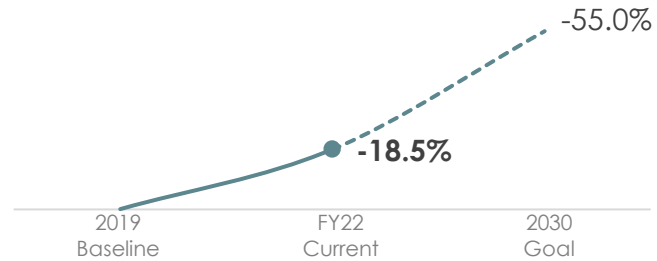
Market leading ambitions

Climate

55% Scope 1 & 2 reduction by 2030 vs 2019 and **Net Zero before 2050**

Performance on track

Reduction of scope 1+2 emissions, MT



Third-party endorsement

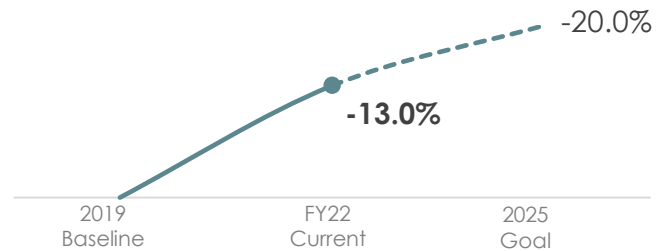


Leadership category for 3rd year in a row in **Climate**

Natural Capital

20% reduction of freshwater withdrawal by 2025 vs 2019

Reduction of freshwater withdrawal, Mm3

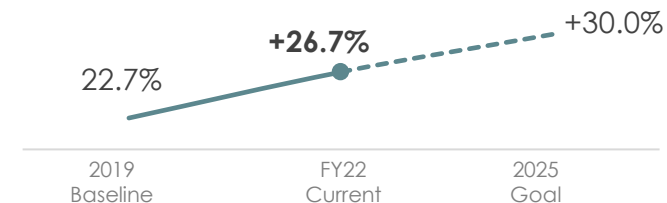


Leadership category for 3rd year in a row in **Water**

Talent

30% women in management positions by 2025

Women in leadership positions, %








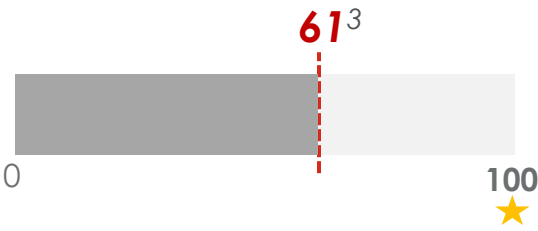




FT **Leading in Diversity** energy company in Spain for 2nd year in a row



Top performer in key ESG ratings

Leading positions in all major third-party ratings

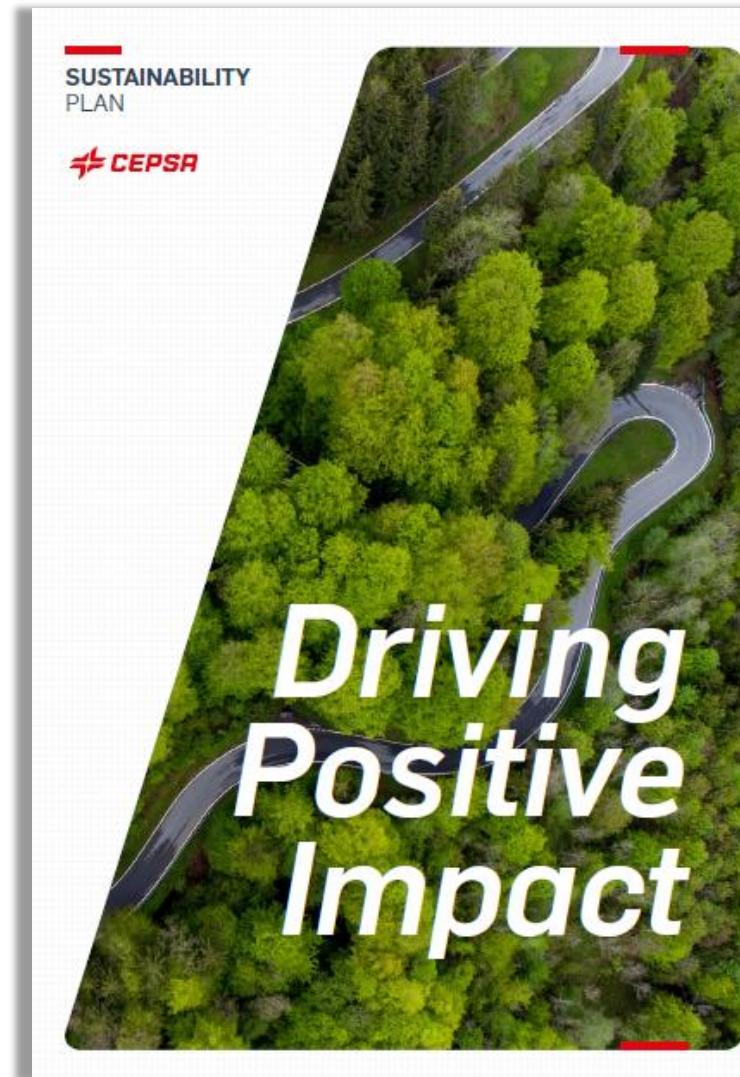
ESG Rating	Positioning	Scoring	Remarks
 <p>SUSTAINALYTICS a Morningstar company</p>	<p># 1 in our sector for 2nd year in a row</p>	 <p>19.6¹</p>	<p>Only company in our sector to achieve Low ESG Risk</p> 
 <p>S&P Global CORPORATE SUSTAINABILITY ASSESSMENT (CSA)</p>	<p>Top 5% in our sector</p>	 <p>71²</p>	<p>Awarded with the Industry Mover recognition by S&P</p> 
 <p>MOODY'S ESG</p>	<p>Top category in our sector</p>	 <p>61³</p>	<p>Achieved Advanced Category (highest category) in our first participation</p>
 <p>CLARITY AI</p>	<p># 1 in our sector</p>	 <p>82⁴</p>	<p>Top rated O&G company globally</p>

1. Last update: 8 Feb 2022 , ranking: Min 100 - Max 0 2. Last update: 23 Sep 2022, ranking: Min 0 – Max 100 3. Last update: 11 Nov 2022, ranking: Min 0 – Max 100 4. Last update: 19 Jan 2023, ranking: Min 0 – Max 100



Our Sustainability Plan: Driving Positive Impact

Strengthening our ambitions to deliver positive impact inside and outside of Cepsa



Adding ambitions across all material topics



Talent



Health & Safety



Climate



Ethics and Human Rights



Circular Economy



Supply Chain



Natural Capital



Communities

Linking Executive Compensation to Sustainability performance

25%

2023 short-term compensation linked to ESG KPIs

30%

2023-2025 LT incentive compensation linked to ESG KPIs

Positive Motion strategy update

Substantial progress made during 2022



Leading global
chemicals provider



First class energy
business



Low cost E&P
portfolio



1
Green Hydrogen

2
Advanced Biofuels

3
Sustainable Mobility & New Commerce

4
Renewable Energy

5
Reducing Upstream Exposure



1 Energy Parks in Andalusia ideally positioned to develop Cepsa's green hydrogen business

Green H₂ Strategy highlights

Regional hydrogen hub with **the lowest renewable LCOE in Europe**

Planned production capacity of **2 GW** in Spain and Portugal by 2030

70% green H₂ production dedicated to the decarbonisation of customers

Become **key player** in hydrogen import and export within **EMEA**

Key milestones

22 Feb 23

Cepsa and Fertiberia form a strategic alliance to boost green hydrogen production and decarbonize industry in Huelva



20 Feb 23

Cepsa and ACE Terminal join forces to create green hydrogen supply chain from Spain to the Netherlands



30 Jan 23

EDP and Cepsa sign partnership to promote Andalusian green hydrogen valley



25 Jan 23

Enagas Renewable and Alter Enersun join Cepsa as partners in the Andalusian Green Valley



1 Dec 22

Cepsa to invest €3 Bn in Andalusia to build the largest green hydrogen hub in Europe



11 Oct 22

Cepsa and the Port of Rotterdam to create first green hydrogen corridor between the north and south of Europe



2 Leveraging market leadership in Spain to deliver 2G sustainable fuels to customers across the transportation sector



Sustainable fuels

Strategy highlights

Serve customers in **road, maritime and aviation**

JV Agreement to be signed in Q1 23 to secure advanced renewable feedstock for future HVO plants

2.5 Mt/y of biofuel production in Spain and Portugal by 2030

0.8 Mt/y SAF by 2030

Strategic alliances

Key milestones

12 Jan 23

Cepsa and BeGas promote a partnership to decarbonise heavy urban transport with bioautogas



23 Jan 23

Cepsa becomes the first energy company in Europe to operate a hybrid diesel-electric bunker barge



10 Jan 23

Cepsa and AIJU, recognised by the European Commission for the innovation of their 'Life Superbiodiesel' project



25 Nov 22

Seville becomes southern Europe's capital of air transport decarbonization with more than 200 biofuel flights



6 Oct 22

Cepsa completes advanced biofuels shipping trial for the first time in Spain



30 Sep 22

Cepsa starts production of advanced biofuels at its Huelva Energy Park



3 Vision to build the largest e-mobility ecosystem in Spain and Portugal

Sustainable mobility

Strategy highlights

Stations, digitally enabled destinations (**Non-fuel EBITDA x5 by 2030**)

20 ultra-fast chargers installed per week during full deployment phase

Minimum of **1 ultrafast charger** every 200 km on key inter-city corridors

Hydrogen stations for all key road transport corridors (**1 hydrogen refueling** site every 300 km by 2030)

Key milestones

24 Nov 22

Cepsa to install ultra-fast chargers at more than 60 service stations in Andalusia by 2023



17 Nov 22

ACCIONA and Cepsa join forces to promote sustainable mobility through a network of battery exchangers



23 Feb 22

Cepsa advances in its commitment to sustainable mobility with a new range of lubricants for hybrid and electric vehicles



21 Dec 21

Cepsa and Endesa sign the first major alliance to accelerate electric mobility in Spain and Portugal



4 Developing a solar and wind portfolio to decarbonize our own operations and our customers while providing electricity for our green hydrogen

Renewables Strategy highlights

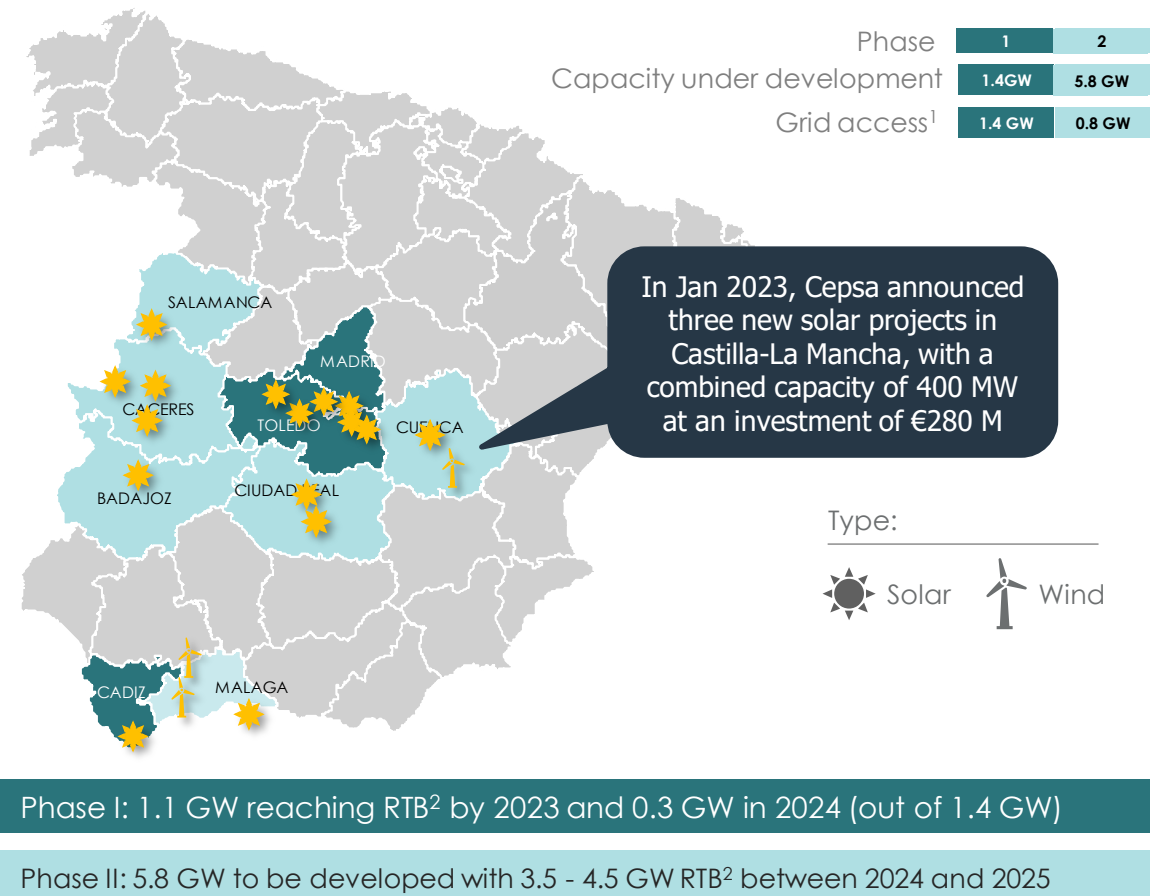
7 GW renewable energy (solar and wind) **by 2030**

Representing **c.15% of solar energy production in Spain**

2.2 GW of capacity already **achieved grid connection**

1.1 GW of environmental approvals granted (last milestone for RtB)

Renewables portfolio overview



Notes: 1. Based on capacity under development 2. Ready to build



5 Upstream

Cepsa accelerates its Positive Motion strategy implementation with the sale of its upstream assets in Abu Dhabi to TotalEnergies



- **A significant step towards fulfilling** key objectives of Cepsa's 2030 “Positive Motion” strategy
- It enables Cepsa to **maximise the value creation from its upstream business, while advancing its transformation** into a leader in sustainable energy and mobility
- **The transaction** rationalizes Cepsa upstream footprint and **rebalances the overall portfolio towards sustainable businesses**
- The transaction is subject to satisfaction of customary conditions precedent, including formalization of documentation and final approvals. The **transaction** is to have an **effective date of January 1st, 2023**





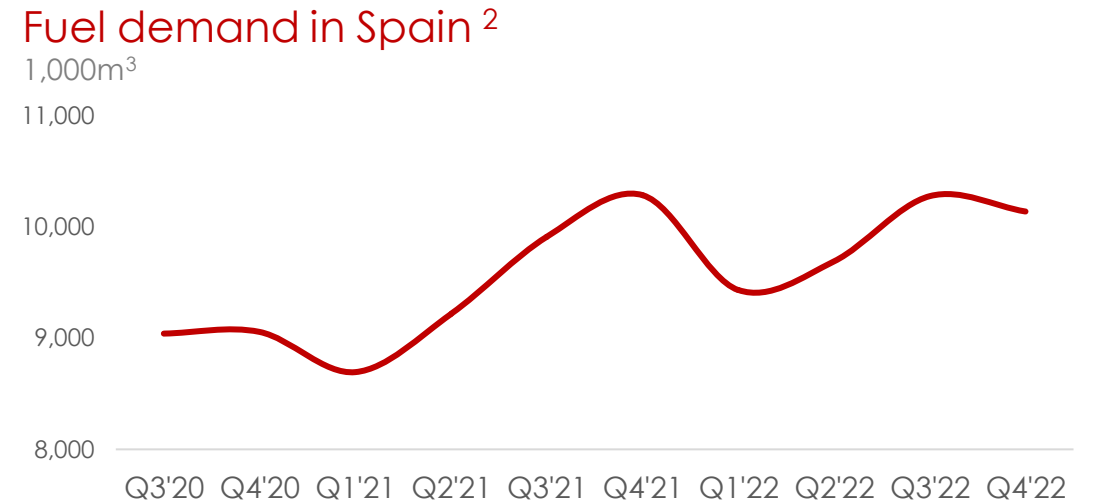
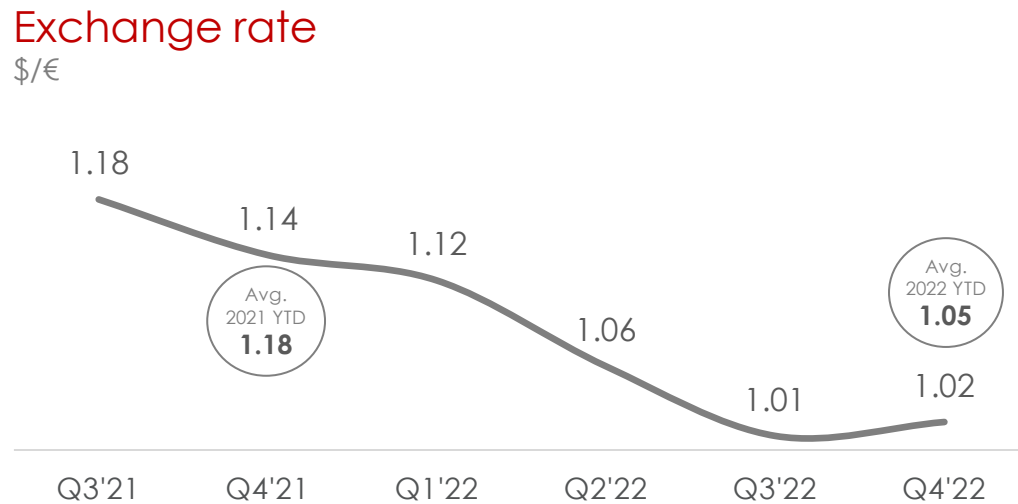
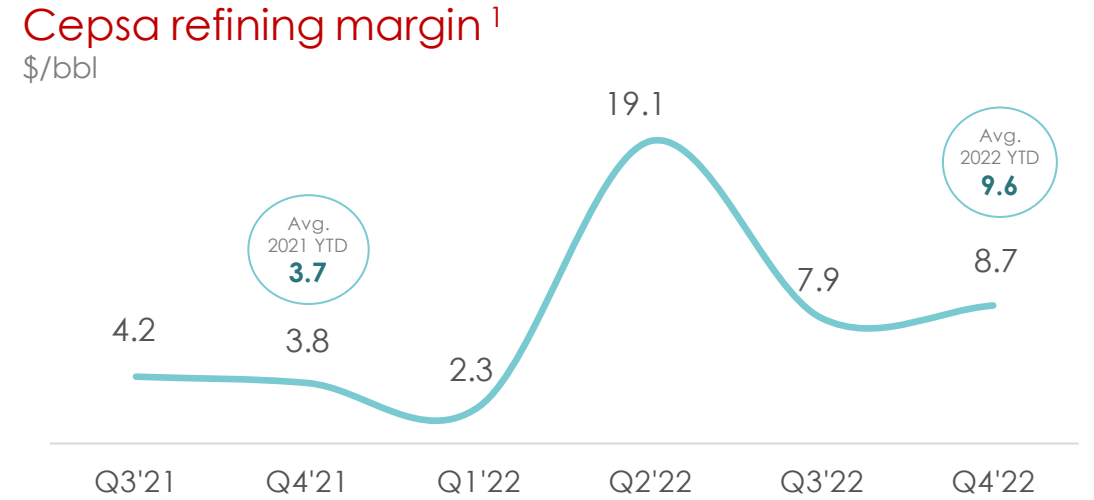
2. Market and Operational Performance





Market environment

Supportive market environment, although volatility remains specially in Europe



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

Energy

Improved refining margins during the quarter, counterbalanced by sustained high gas prices and lower results in the Mobility business due to special discounts

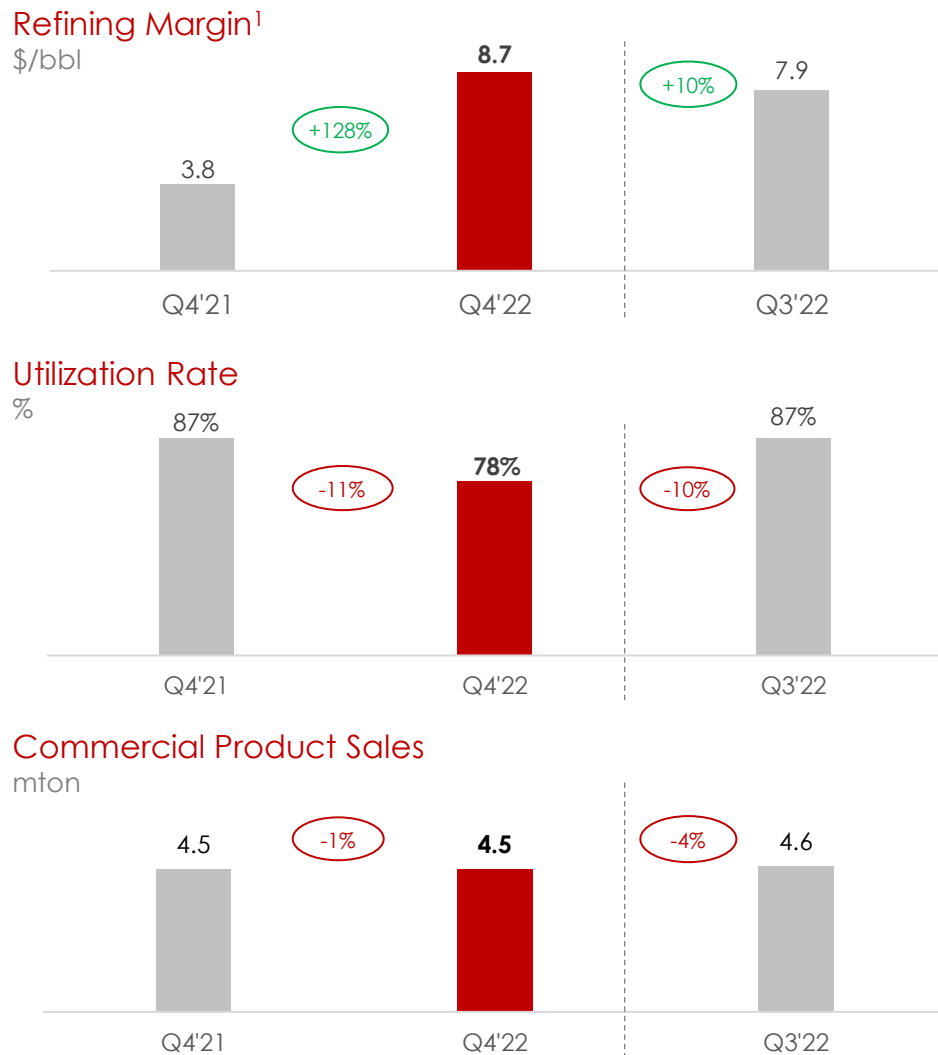


FY 2022 figures

EBITDA
828€m

Refining Margin
9.6\$/bbl

Commercial Product Sales
17.7mton

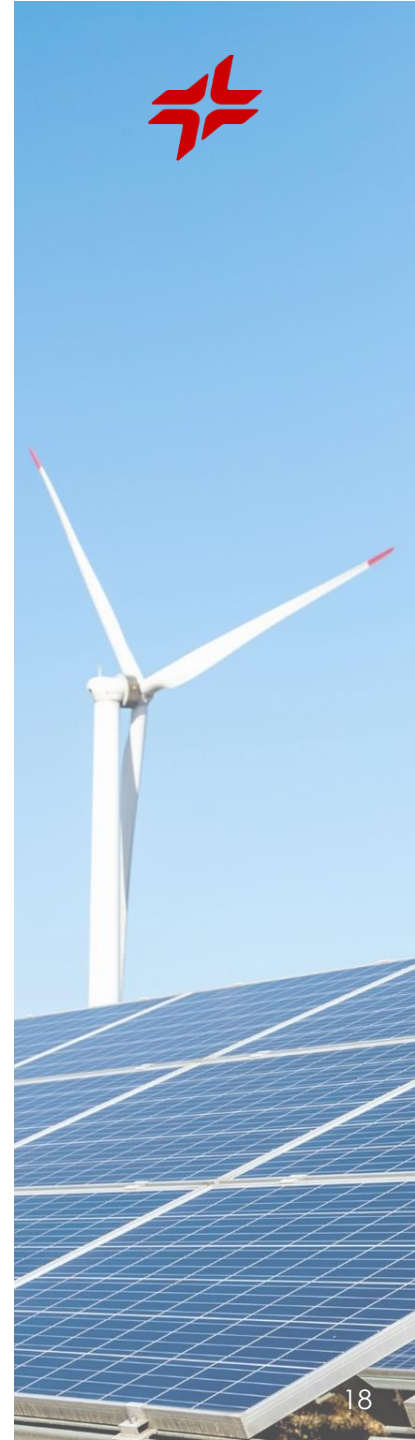


Quarter highlights

EBITDA impacted by reduced profitability in the Mobility business due to special discounts and high gas prices

Refining margins increased compared to previous quarter with **utilization rates at 78%**

In Jan '23, Cepsa and Enagás signed an agreement for the production and purchase of biomethane



Chemicals

Resilient results despite softer Phenol demand and margins under pressure



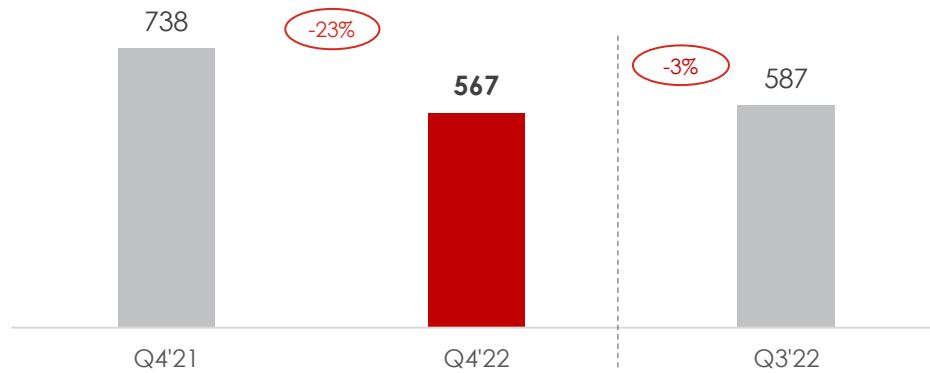
FY 2022 figures

EBITDA
382€m

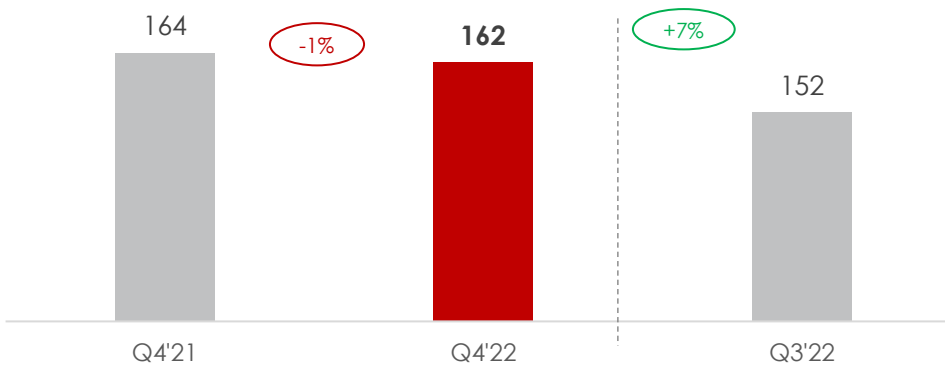
Total Sales
2,493kton

LAB Sales
665kton

Petrochemical Product Sales
Kton



LAB Sales
Kton



Quarter highlights

Chemicals delivered **lower results** during the quarter due to reduced volumes and **pressure on margins**, especially in the Phenol business

The **surfactants segment (LAB)** registered **resilient results with increased volumes** vs previous quarter

The Chemicals business started producing **NextLab Low Carbon**, which **reduces the in GHG emissions of the production process** significantly vs traditional LAB



Upstream

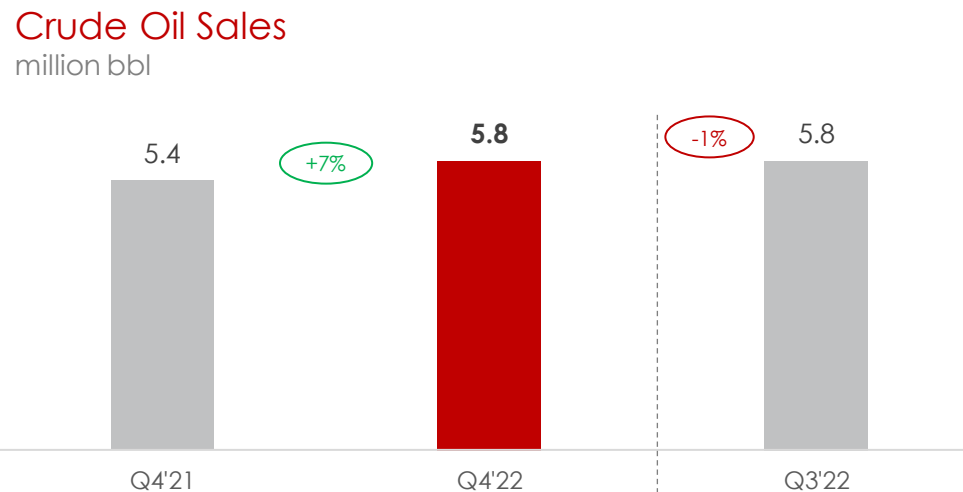
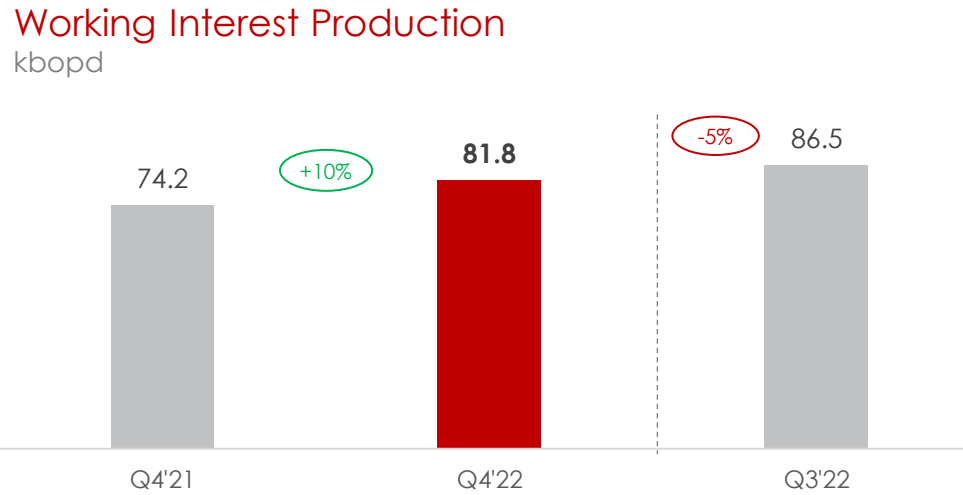
Solid performance on the back of sustained strong production and high crude prices

FY 2022 figures

EBITDA
1,868€m

WI Production
82.8Kbopd

Reserves/ Prod
≈ 15 years



Quarter highlights

Record results in Upstream underpinned by sustained elevated production, high crude prices and cost discipline

WI production during the quarter **increased by 10%** vs the same quarter of last year

Crude oil sales remained solid during the quarter on the back of strong production



3. FY'22 Financial Performance





Key financial metrics

Robust 2022 results despite a highly volatile market environment

Key Financial Metrics (€m)	FY'22	FY'21	Δ '22/'21
EBITDA	2,939	1,815	62%
Net Income	790	310	155%
Capex ¹	(743)	(473)	57%
Free cash flow ex-WK ²	1,149	1,065	8%
	FY'22	FY'21	Δ '22/'21
Net Debt (excl. IFRS16)	2,756	2,759	(3)
Total Liquidity ³	4,023	3,736	288
Leverage (excl. IFRS16) ⁴	0.99x	1.64x	(0.65x)

Figures on CCS basis unless otherwise stated 1. Accounting Capex, includes M&A activities. 2. Before working capital, financing activities and dividends.
3. Cash and undrawn committed and uncommitted facilities. 4. Total Net Debt over EBITDA (excluding IFRS16)





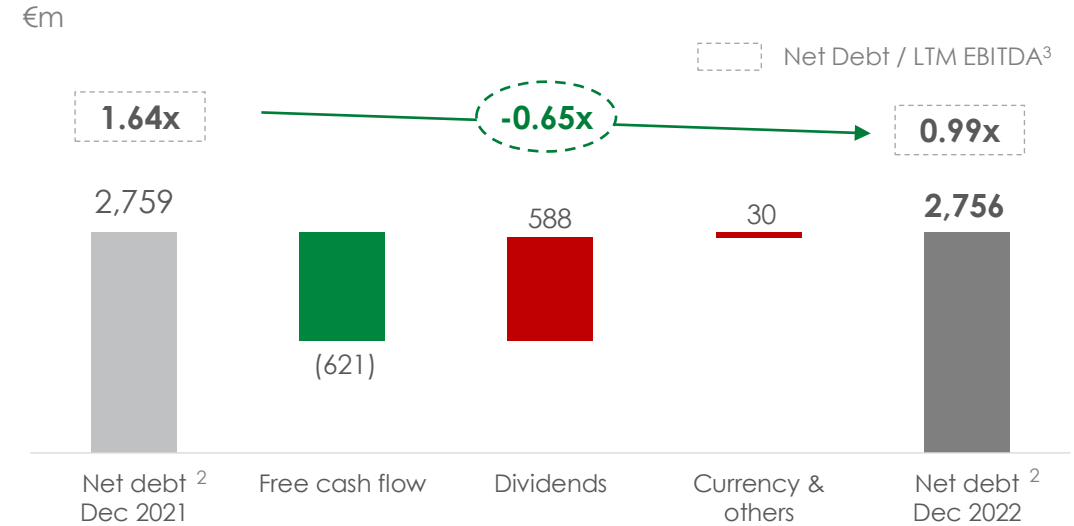
Cash flow generation and Debt overview

Strong FCF generation despite high tax payments, mainly in the Upstream business

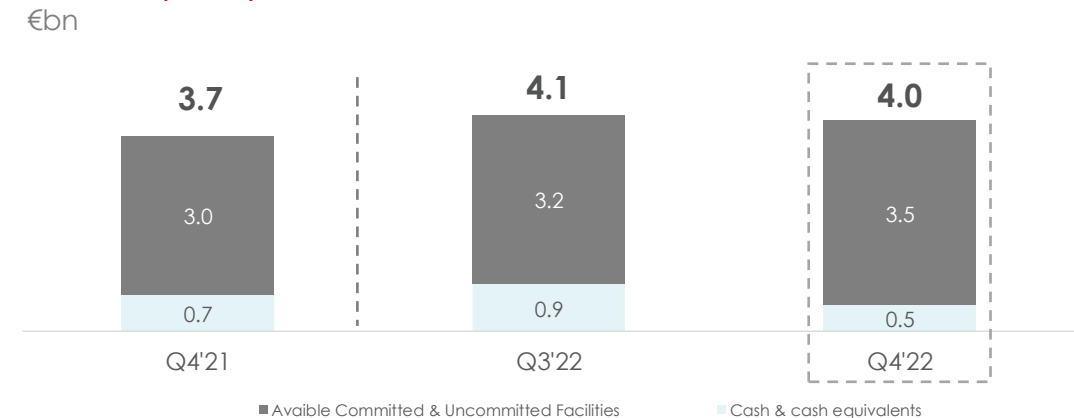
Cash Flow generation

€m	FY'22	FY'21
+ EBITDA	2,939	1,815
- Income tax paid	(1,419)	(372)
+/- Dividends from associates and other adjustments to EBITDA	277	13
= Cash flow from operations before WK	1,797	1,456
+/- Working Capital Variation	(248)	(149)
= Cash flow from operations	1,549	1,306
- Net Capex Payments	(648)	(391)
= Free Cash Flow	901	915
- Financing Activities ¹	(280)	(227)
= FCF before dividends	621	688

Net Debt² evolution FY'21 – FY' 22



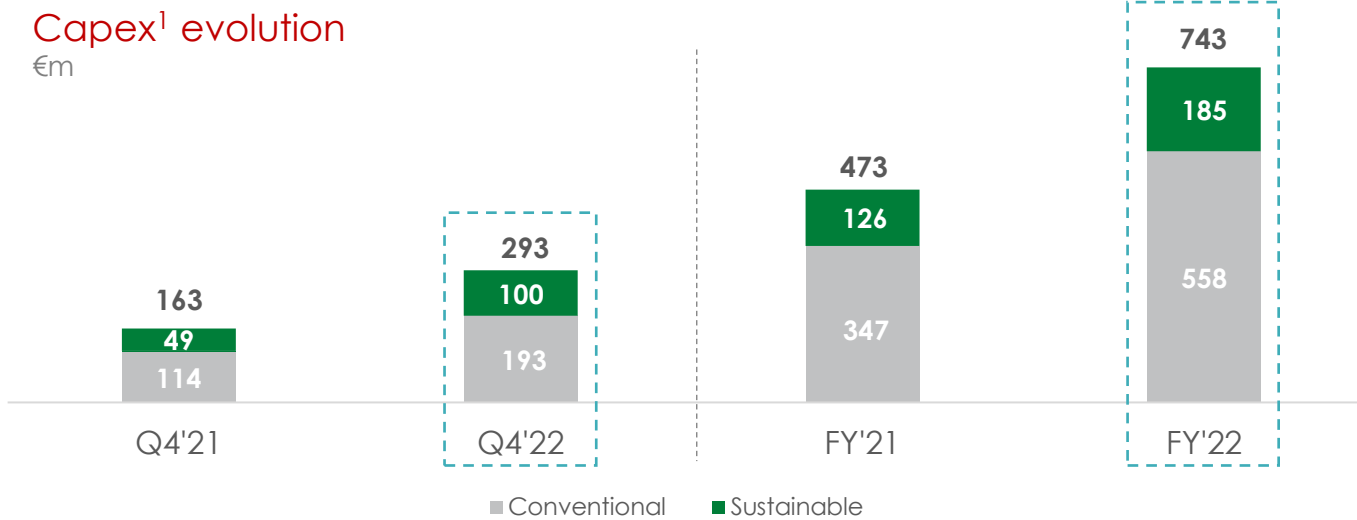
Solid Liquidity Position



Figures on CCS basis unless otherwise stated ; 1. Include cost of debt and operating leases ; 2. Excluding IFRS16 leases; 3. Net Debt over EBITDA (excluding IFRS16)

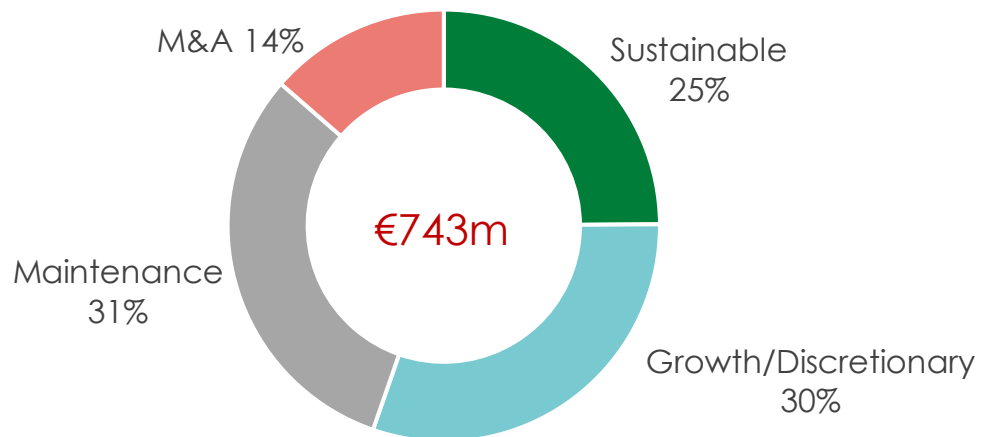
Capex evolution and breakdown

Significant growth in sustainable investments as we ramp up strategy implementation



Capex¹ breakdown FY'22

€m



Figures on CCS basis unless otherwise stated ; 1. Accounting Capex





4. Closing Remarks



Closing Remarks

Record results in 2022 in a year marked by a highly volatile environment

- **Significant progress** during the year in the delivery of our Positive Motion strategy across all businesses
- **Strong ESG commitments and performance** recognition by key ESG third-party ratings
- **EBITDA of €2,939m in FY'22**, significantly above 2021 figure (€1,815m) underpinned by robust performance across all business
- **Significant leverage reduction to <1.0x¹** from 1.6x in FY2021
- **Solid liquidity position of €4.0bn²**, covering debt maturities until 2027



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P O S I T I V E
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Cepsa

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CEPSA