Cepsa

Q1 2021 Results

April 30th, 2021

Today's presenters

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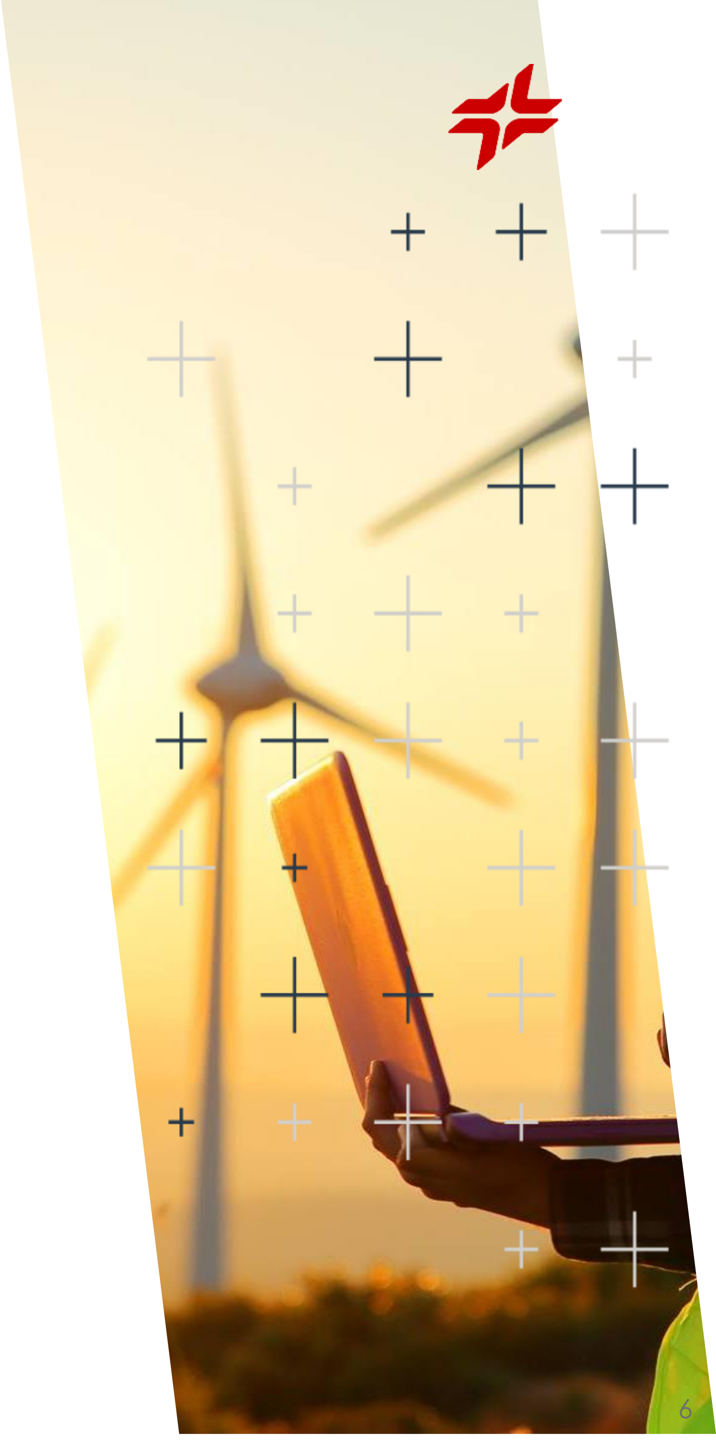
Q1 2021
Highlights & Outlook

Q1 2021 Highlights

Building on the strong performance delivered in Q4 2020

- **EBITDA of €324 million, up 17% vs Q4 2020**, highlighting continued improving trend in results seen in Q3 and Q4 2020
- Upstream delivered **stronger results** with EBITDA of €171 million helped by a higher oil price
- Chemicals delivered another **record quarter** with strong performance across all segments
- Refining impacted by continued **pressure on margins**, partially offset by strong trading results
- Commercial volumes temporarily affected by **new travel restrictions and weather conditions in Iberia**
- **Capex down 45%** vs Q4 2020 - will be closely monitored for further optimization opportunities
- Ongoing successful execution of optimization plan positions the Group strongly for 2021
    - **>€500 million of Opex + Capex saved in 2020**, with additional savings expected during 2021



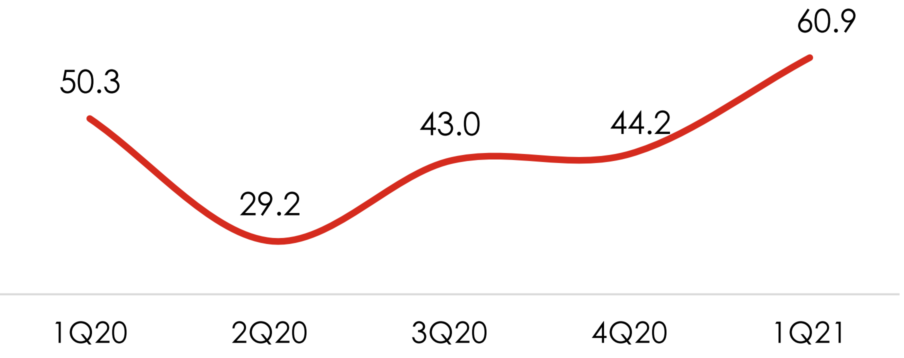
Source: Cepsa. Financial figures reported on a Clean CCS basis, unless otherwise stated

Market environment

Significant improvement in Brent prices and fuel demand, with refining margins still under pressure

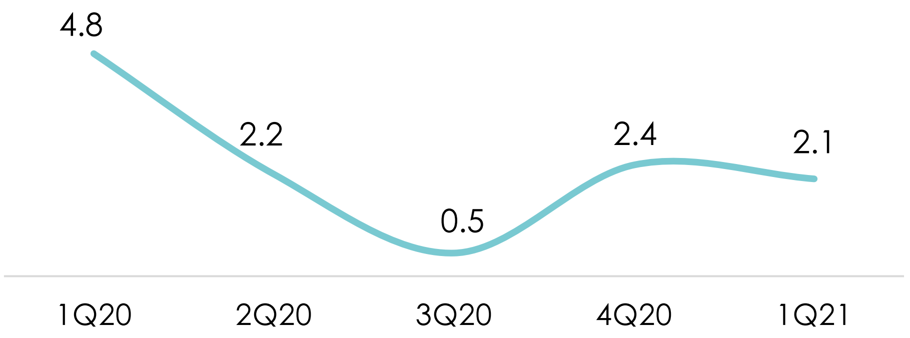
Brent

$/bbl



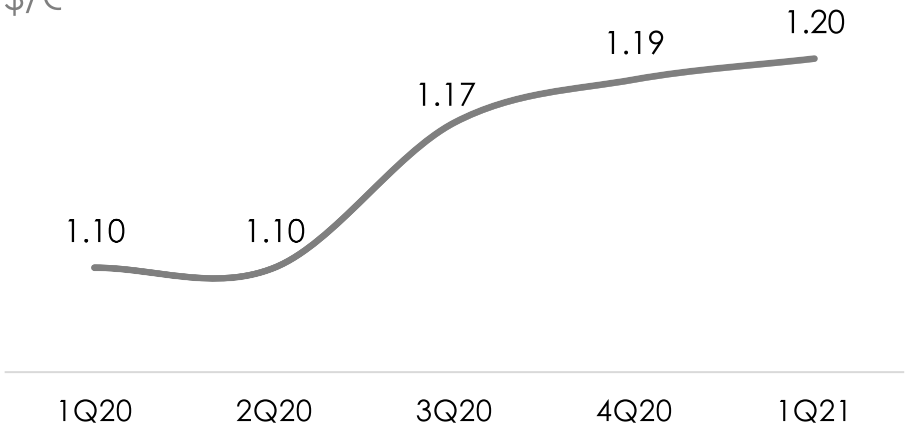
Cepsa refining margin [1]

$/bbl



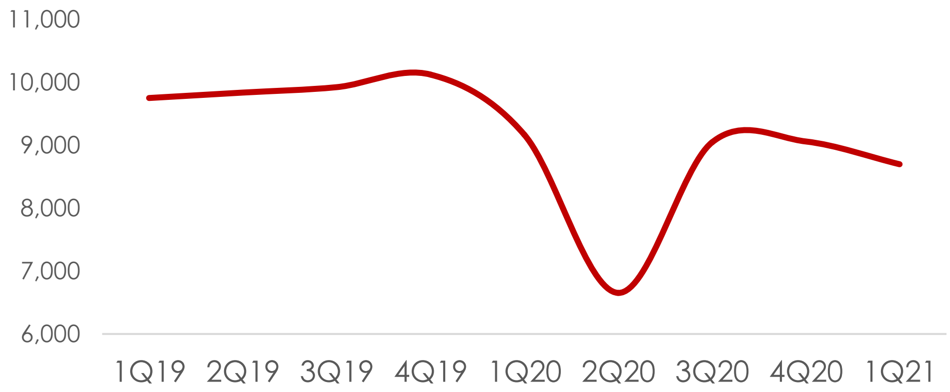
Exchange rate

$/€



Fuel demand in Spain [2]

1,000m^3

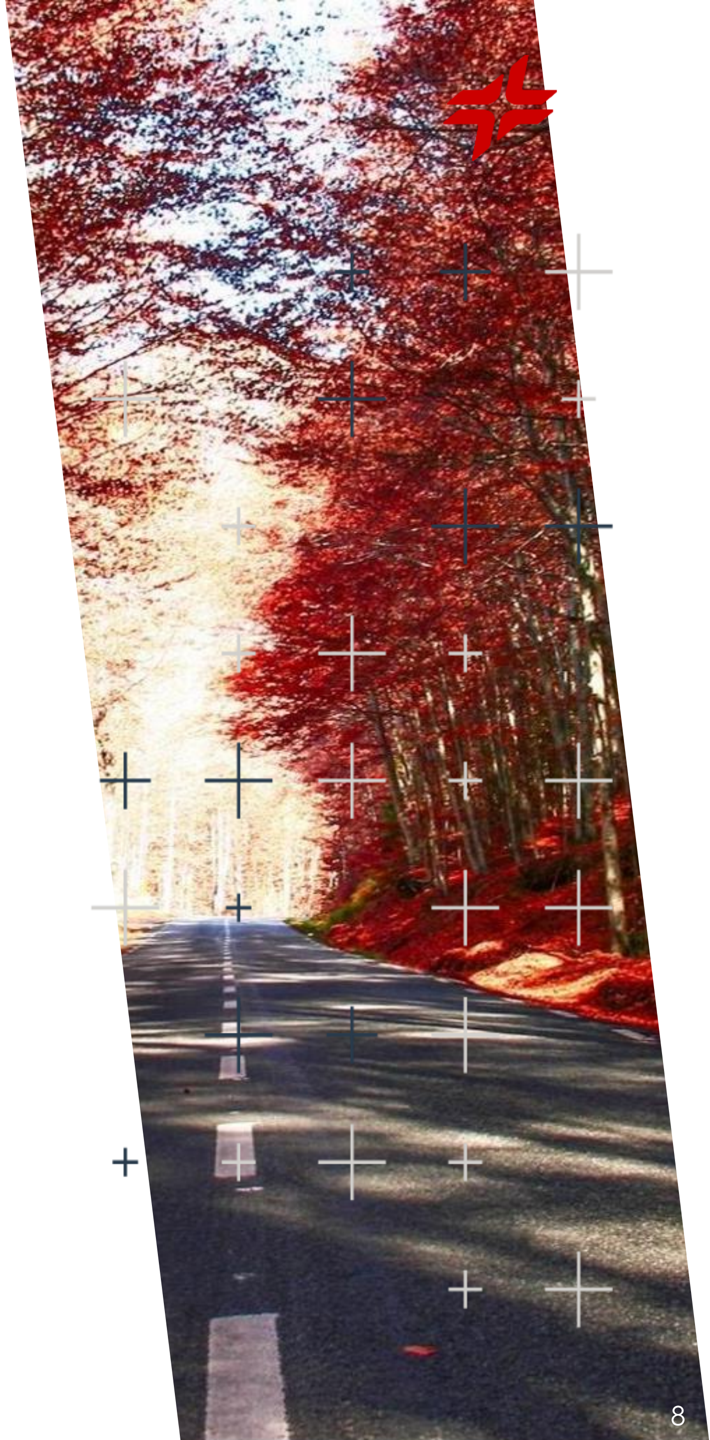


Source: Cepsa, CLH. Average figures of each quarter . 1. Cepsa's Refining Margin corresponds to a margin after crude differentials, freight and variable costs. 2. Relates to gasoline, automotive diesel, agricultural and heating gasoil

Uninterrupted operations with Refining still at low levels

Cepsa plans to resume production of the two idle units[1] at its Huelva Refinery during Q2 to bring refinery utilization levels back to around 85%

Key Operational KPIs	Q1 2021	Q4 2020	Δ Q1'21/Q4'20
WI Upstream Production (kbopd)	76.1	72.7	5%
Realized Crude Oil Price ($/b)	59.7	44.1	35%
Upstream Opex ($/bbl)	9.1	9.9	(8%)
Cepsa refining margin ($/bbl)	2.1	2.4	(12%)
Utilization rate refineries (%)	67%	71%	(5%)
Commercial Product Sales (Mt)	3.6	3.6	(2%)
Chemicals Product Sales (Kt)	715	687	4%
Natural Gas Sales (Gwh)	8,488	8,707	(3%)



Source: Cepsa

1. Fuels 1 and Vacuum 2

Upstream
Q1 2021 Highlights

- In Q1 2021 Brent oil price rebounded to an average of $61/bbl, up 38% QoQ

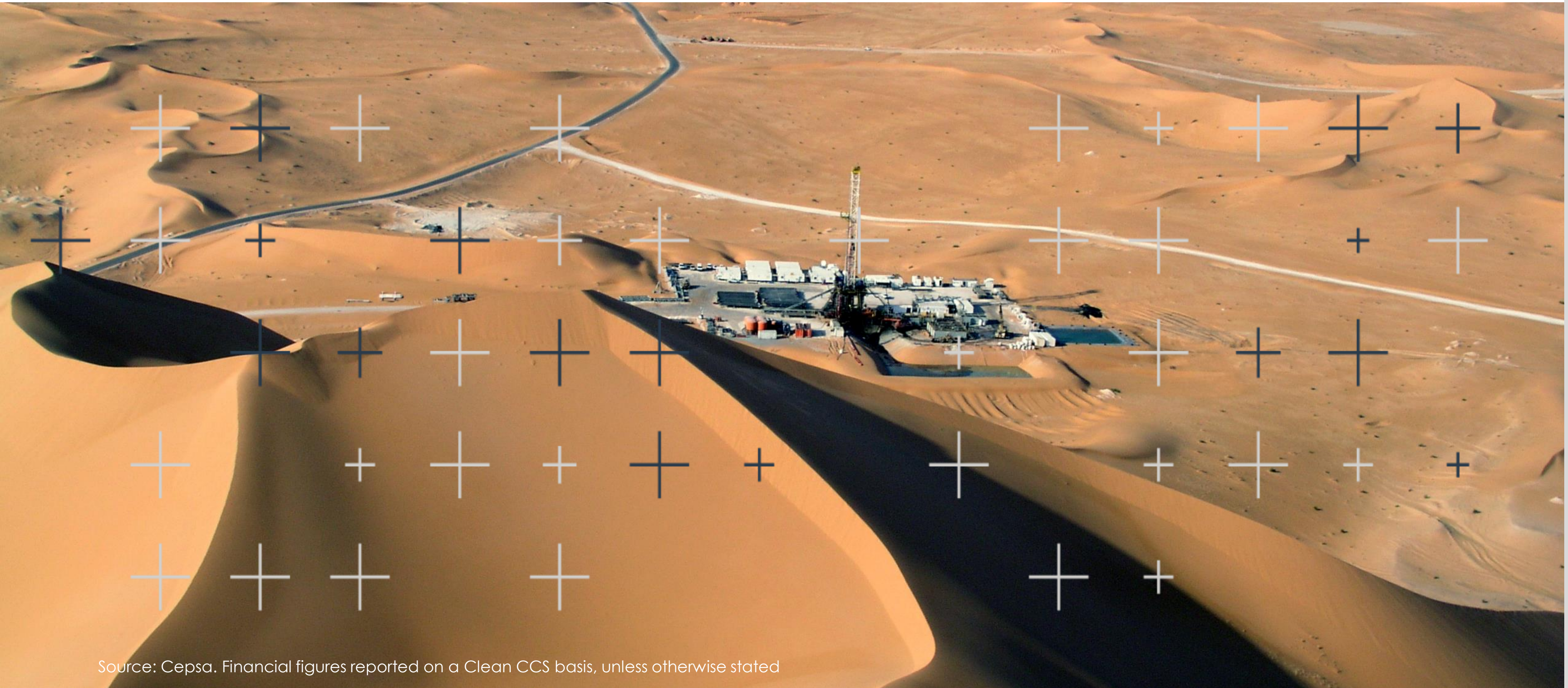
- Production levels slightly increased compared to Q4 2020

YTD Figures

Realized oil price
59.7 $/bbl

WI Production
76.1 kbopd

EBITDA
171 M€



Source: Cepsa. Financial figures reported on a Clean CCS basis, unless otherwise stated

Refining

Q1 2021 Highlights

- Refining margins remained under pressure due to continued subdued demand
- Utilization remained low, affected by lower demand and scheduled maintenance turnarounds

YTD Figures

Utilization Rate
67 %

Refining Output
4.2 Mt

EBITDA
8 M€

Source: Cepsa. Financial figures reported on a Clean CCS basis, unless otherwise stated

Commercial
Q1 2021 Highlights

- Slight decrease in volumes due to new travel restrictions and adverse weather conditions in Iberia

- Margins remained healthy during the quarter

YTD Figures

Product Sales
3.6 Mt

Service Stations
1,774

EBITDA
80 M€

Source: Cepsa. Financial figures reported on a Clean CCS basis, unless otherwise stated

Chemicals

Q1 2021 Highlights

- Strong performance of LAB with improved margins in Phenol-Acetone due to short market
- Stable volumes with all plants producing at full capacity

YTD Figures

Product Sales
715 Kt

LAB Sales
163 Kt

EBITDA
100 M€

Source: Cepsa. Financial figures reported on a Clean CCS basis, unless otherwise stated

Improved performance underpinned by the rebound in crude price

Stronger results continuing the improving trend seen in Q4 2020

EBITDA by Business (€M)	Q1 2021	Q4 2020	Δ Q1'21/ Q4'20
Upstream	171	122	*41%*
Refining	8	(24)	*134%*
Commercial	80	92	*(13%)*
Chemicals	100	101	*(1%)*
Corporation	(35)[1]	(14)	*154%*
Group EBITDA	**324**	**277**	***17%***

Key financial metrics (€M)	Q1 2021	Q4 2020	Δ Q1'21/Q4'20
Net Income	53	(29)	*287%*
IFRS Net Income	75	(108)	*170%*
Cash Flow from operations before WC	309	218	*42%*
Capex[2]	(104)	(188)	*(45%)*

Source: Cepsa. Financial figures reported on a Clean CCS basis, unless otherwise stated 1. Increase in Corporation costs driven by a change in the allocation criteria of certain Corporate costs previously recorded within the business units 2. Accounting Capex (accrual basis)

Cash flow generation

Strong CF from operations partially offset by higher working capital needs

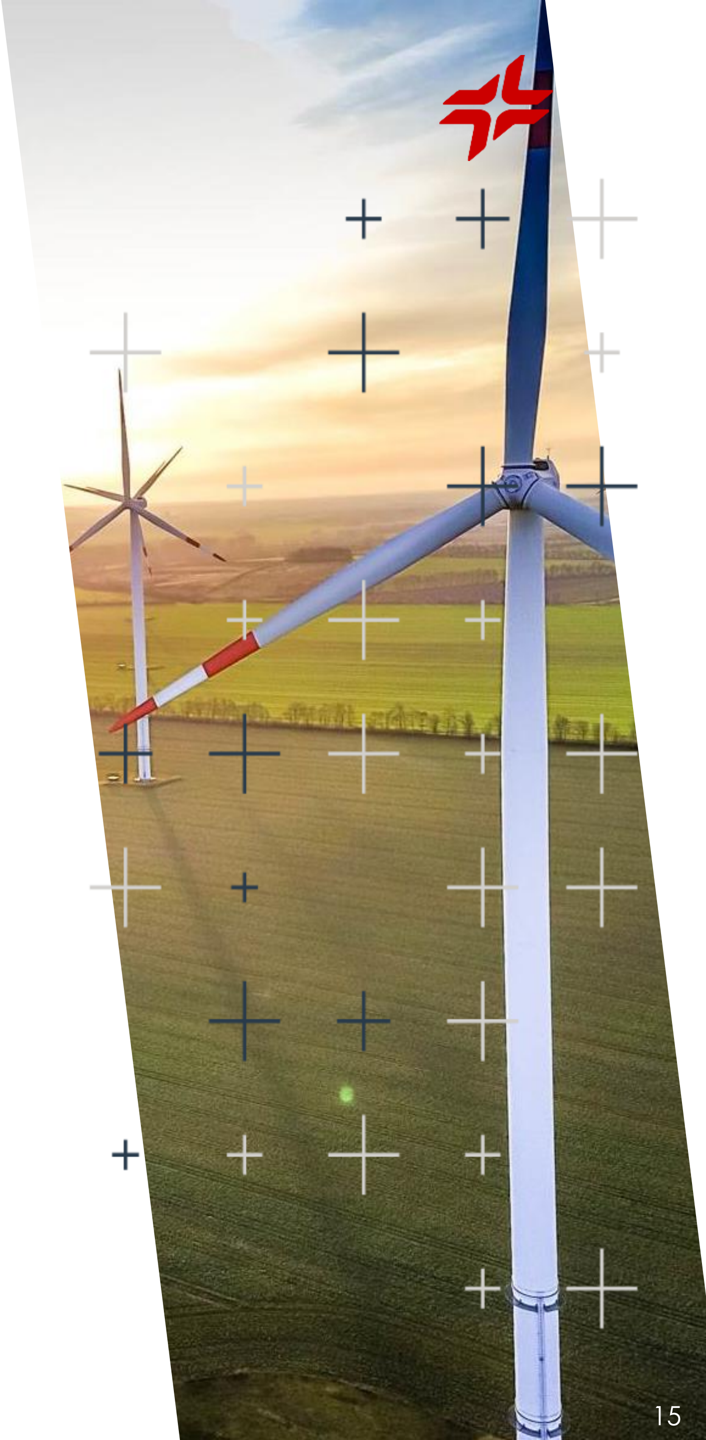
Cash Flow Statement (€M)	Q1 2021	Q4 2020	Δ Q1'21/ Q4'20
EBITDA	324	277	*17%*
Income tax paid	(2)	(35)	*(94%)*
Other[1]	(13)	(23)	*(43%)*
Cash flow from operations before WC	**309**	**218**	***42%***
Changes in working capital	(230)	156	*(248%)*
Cash flow from operations	**79**	**374**	***(79%)***
Capex[2]	(165)	(160)	*(3%)*
Growth	*(95)*	*(91)*	*(4%)*
Maintenance	*(70)*	*(69)*	*(2%)*
Other cash flow from investments	(9)	(9)	*7%*
Free Cash Flow	**(95)**	**205**	***(146%)***

Source: Cepsa. Financial figures reported on a Clean CCS basis, unless otherwise stated   1. Includes dividends from associates and other adjustments   2. Capex payments

Strong balance sheet and liquidity

Leverage ratio impacted by the full effect of Covid-19 in LTM EBITDA

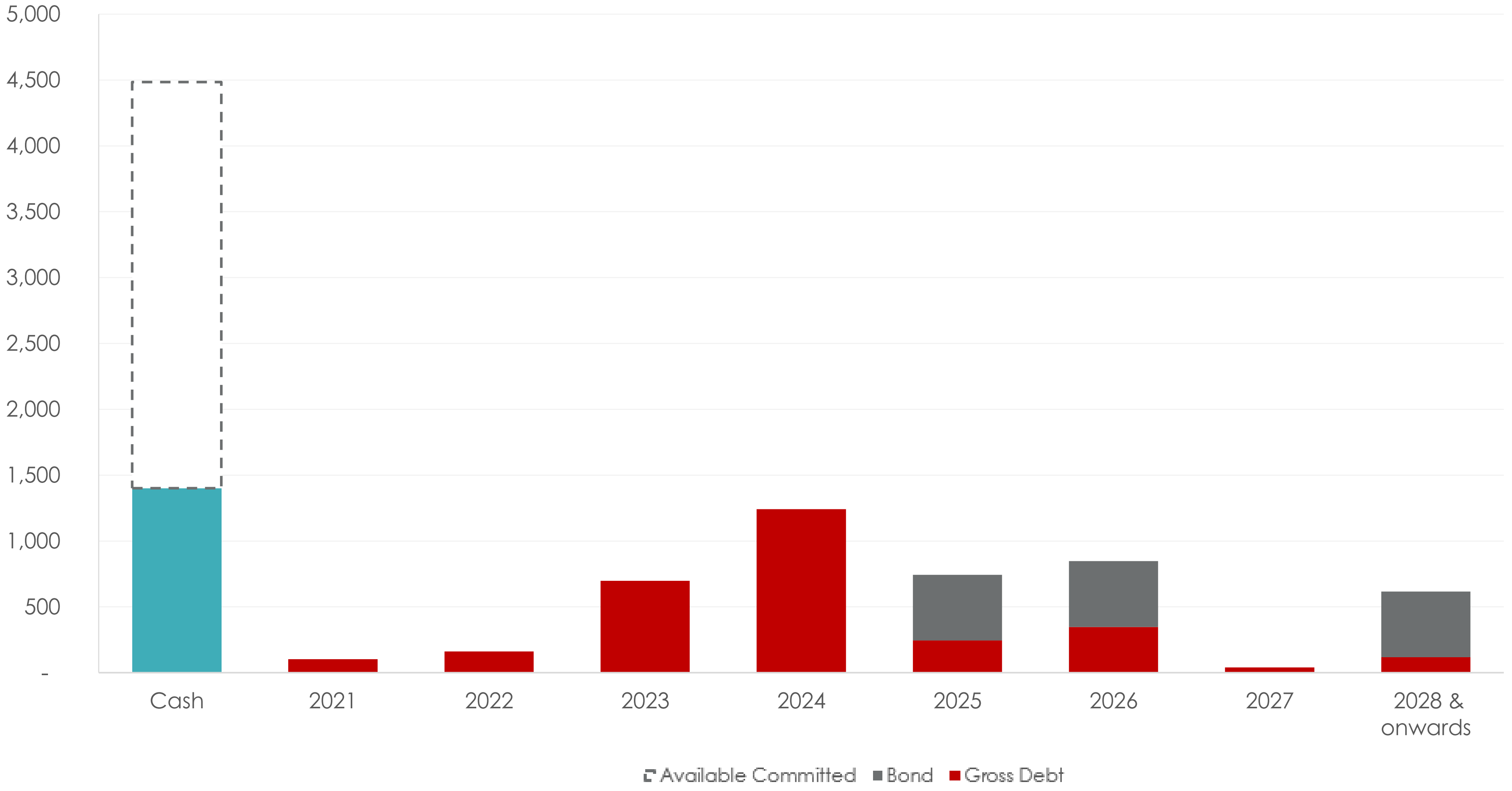
Capital Structure (€ M)	Q1 2021	Q4 2020	Δ Q1'21/Q4'20
Non-current bank borrowings	2,798	2,555	*9%*
Current bank borrowings	145	128	*13%*
Bonds	1,491	1,501	*(1%)*
Cash	(1,401)	(1,358)	*3%*
Net debt excluding IFRS16 liabilities	**3,032**	**2,825**	***+7%***
IFRS16 liabilities	663	626	*6%*
Net debt including IFRS16 liabilities	3,695	3,451	*7%*
Net debt to EBITDA[1]	**3.3x**	**2.7x**	**+0.6x**
Liquidity[2]	**4,485**	**4,550**	***(1%)***
Avg. maturity of drawn debt (yrs)	4.0	4.4	*(0.4)*



Source: Cepsa 1. Net debt excluding IFRS16 and EBITDA on Clean CCS basis 2. Cash plus available committed facilities

Debt maturity profile

Ample liquidity and low refinancing risk



Debt avg. maturity

4.0 Years

Cash position

1.4 Bn€

Total Liquidity[1]

4.5 Bn€

Source: Cepsa 1. Cash plus available committed facilities

Short term outlook

Gradual recovery linked to overall macro improvement

Upstream

- Oil price expected to remain in the 60+ $/bbl area
- Production growth linked to lifting of OPEC quota restrictions
- Oil demand expected to recover in H2

Refining

- Refining margins expected to remain under pressure in the short term
- Run rates expected to increase in Q2 in sync with expected recovery of demand

Commercial

- Volumes expected to increase as travel restrictions ease and the summer season starts
- Margin expected at similar levels

Chemicals

- Volumes to remain stable
- Margins expected to remain unchanged

Ratings summary

Fitch affirmed Cepsa's IG rating in March 2021

Agency	LT Rating	Outlook	Last review
FitchRatings	BBB-	Stable Outlook	March 2021
Moody's	Baa3	Negative Outlook	April 2020
S&P Global	BBB-	Stable Outlook	June 2020

- In March, Fitch affirmed Cepsa's BBB- rating with stable outlook
- Highlights the company's business diversification as well as the shareholders' commitment to IG ratings
- Investment Grade credit ratings are a key priority for both the Company and its shareholders

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