Cepsa awarded investment grade credit ratings from the three major rating agencies

- **Cepsa is rated 'BBB-' with positive outlook by Fitch Ratings, 'Baa3' with stable outlook by Moody's, and 'BBB-' with stable outlook by Standard & Poor's**
- **The three agencies have recognized Cepsa's diversification across the energy value-chain and its integrated business model**
- **This important milestone confirms the company's creditworthiness**

The three major rating agencies, Fitch Ratings Inc., Moody's Investors Services Limited and Standard & Poor's Ratings Services, have rated Cepsa investment grade. The company has been rated 'BBB-' with a positive outlook by Fitch, 'Baa3' with a stable outlook by Moody's, and 'BBB-' with a stable outlook by Standard & Poor's.

The investment grade ratings, published today, recognize Cepsa's diversification across the energy value-chain, and the benefits of its integrated business model, which provides greater resilience under different scenarios of oil prices and refining margins. In this regard, Moody's has highlighted: "the company's business model has led to a relatively stable EBITDA generation over the past five years despite substantial volatility of crude oil prices."

This is the first time that Cepsa has applied for these credit ratings. Cepsa's investment grade ratings will contribute towards further optimization of the company's capital structure, opening up the possibility to access the debt capital markets to diversify funding sources, and fund future growth.

Cepsa's investment grade ratings offer financial market participants clear guidance and an independent assessment of the company's current and medium-term creditworthiness, providing greater transparency to the market.

In this regard, the agencies have taken a favorable view of Cepsa's solid business profile, driven by a robust, low break-even and long-term upstream asset base; a large scale, top quartile and structurally efficient refining business; strong marketing positioning with the second largest service station network in Iberia; and a leading chemicals platform with global leadership in surfactants and phenol segments.

The positive outlook from Fitch reflects its expectations that Cepsa may improve its business and/or financial risk profile in the medium-term to a level commensurate with a 'BBB' rating. According to Fitch, the company "has the potential to reduce leverage subject to the successful ramping up of its upstream business in the United Arab Emirates."

On a similar note, Standard & Poor's highlighted the positive business impact from upstream's improved scale and profitability, which should help to reduce debt more rapidly going forward, according to their forecast, "credit metrics will remain stable during an important investment phase and that upstream cash generation will increase in the next two-to-three years."

Rating outcomes take into account the recent agreement between Mubadala and The Carlyle Group to sell a minority stake of its shareholding in Cepsa (between 30% and 40%). Following completion of the transaction, expected by the end of 2019, Carlyle will become a strategic partner bringing additional value to Cepsa and long-term expertise in the energy sector.

More information: www.cepsa.com/en/the–company/financial-statement

Cepsa is a global energy company, which operates in an integrated manner throughout the value chain stages of hydrocarbons, in addition to the manufacture of products from raw materials of plant origin, and which has a presence in the renewable energy sector.

Cepsa's experience spans more than 85 years, and its team of almost 10,000 professionals offer both technical excellence and a capacity for adaptation. It has a presence on all five continents through its business areas: Exploration and Production, Refining, Chemicals, Marketing and Distribution, Gas and Electricity, and Trading.

Madrid, April 26, 2019

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