



Cepsa

Q4 & FY 2023 Results
March 8th, 2024



CEPSA

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Today's presenters



Carmen de Pablo

CFO



Jaime Cifuentes

IR & Corporate Planning

Agenda

1. FY 2023 Highlights
2. Market and Operational Performance
3. FY 2023 Financial Performance
4. Closing Remarks



1. FY 2023 Highlights

2023 Key highlights

Solid results and cash generation in 2023 after change in perimeter



OPERATIONAL

10.0\$/bbl
Refining
Margin

90%
Refining
Utilization

17.0mton
Commercial
Sales¹

42.1kb/d
WI Production

FINANCIALS

€1,402m
EBITDA

€1,126m
Cash Flow from
operations²

€2.3bn
Net debt

€4.4bn
Liquidity
Position³



Figures on CCS basis unless otherwise stated (excluding the effect of extraordinary items and inventories); 1.Excluding Chemical product sales (c. 2.13 Mt); 2. Includes the impact of the extraordinary tax imposed on Spanish energy companies, amounting to €323m for Cepsa; 3. Cash and undrawn committed and uncommitted facilities.

Cepsa and Bio-Oils begin construction of the 2G biofuels plant

Will be the largest 2G biofuels plant in southern Europe



The facility will **double Cepsa's and Bio-Oils' current second-generation biofuels production capacity** to 1 million tons

The new plant will **begin production in 2026** and is expected to generate **2,000 direct and indirect jobs** during construction and operation

2G biofuels, produced from **agricultural waste** or **used cooking oils**, are an **immediate, circular economy solution to decarbonize** land, sea, and air transport

The new plant will **secure the majority of its feedstock supply** from organic waste through a **global, long-term agreement with Apical Group**



Delivering on Positive Motion strategy

Moving forward to decarbonize our operations and our customers



Cepsa reached an agreement with **Ballenoil** to **acquire its service station network**

Ballenoil currently comprises **more than 230 service stations**, widening **Cepsa's network** to around 2,000 service stations in Iberia, with the **aim of expanding the low-cost perimeter to 500 sites by 2027**



EIB is contributing to the financing of Positive Motion projects with **favorable conditions in terms of maturity and price, and public support for our strategy**

Cepsa and EIB signed a **€150m loan for EV chargers** to finance the largest network of ultrafast electric chargers in **Spain and Portugal** and a **€80m loan** to support **solar photovoltaic projects in Spain**



Cepsa commenced the **sale of 2G sustainable aviation fuel (SAF)** at Spain's **five main airports**; Madrid, Barcelona, Palma de Mallorca, Seville and Malaga

Cepsa reached **collaboration agreements** with the main airlines operating in Spain: Iberia, Iberia Express, Vueling, Air Nostrum, Binter, TUI, Etihad, Wizz Air and Volotea



Cepsa advances in green hydrogen and methanol

Consolidated development of the Andalusian Green Hydrogen Valley



Cepsa announced the construction of the **largest Green Ammonia Plant in Europe**, with a production capacity of **750,000 tons**, which will prevent 3m tons of CO₂ emissions per year

Our Company and **Yara Clean Ammonia** sealed an alliance to set up the **first green hydrogen maritime corridor** between the ports of Algeciras and Rotterdam

Cepsa also signed an agreement with Dutch company **Gasunie** that **guarantees access to its green hydrogen transport network in the Netherlands**



Cepsa and **C2X** will turn the Port of Huelva into Europe's main green methanol hub with an annual production capacity of **300,000 tons**

It will be one of the **five largest green methanol plants in the world**, avoiding the emission of up to **1 million tons of CO₂**

Green methanol will be used to supply sustainable energy to the **shipping and air transport sectors**, as well as the **chemical industry** and other hard-to-abate sectors



Other relevant milestones

Positive Motion strategy in 2023 and recent developments

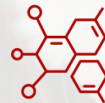


Energy



- Supply of **100% renewable diesel** at service stations and to our professional customers
- Endesa and Cepsa launched a **comprehensive charging solution** to boost electric mobility
- Started development of **biomethane plants**
- **Exceeded 2GW of solar projects** under development
- Launched **GOW loyalty program**
- **Commenced distribution of biofuels** at Port of Barcelona

Chemicals



- **Launched NextLAB**, the world's first sustainable LAB
- First **blockchain sustainability** certification system
- Announced **construction 1st plant for IPA production**
- Pioneers in the use of **recycled Flexitank**

Upstream



- **RKF field back on production**
- Sale of upstream assets in **Abu Dhabi**
- Ongoing portfolio reshaping in **Latin America**

Delivering on our ESG goals

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



ESG Rating

S&P Global CORPORATE SUSTAINABILITY ASSESSMENT (CSA)

Rank in our sector

#1

co-leaders worldwide with another company out of 165 companies in the Oil & Gas Upstream & Integrated industry

Remarks

Top 1% S&P Global ESG Score ¹

S&P Sustainability Yearbook member ¹ for second year in a row



 **SUSTAINALYTICS**
a Morningstar company

#1

out of 61 in our industry worldwide for 3rd year in a row

ESG Industry Top Rated ²



MOODY'S | **ESG**

#3

out of 31 in our industry in Europe

Advanced Category ³

ecovadis

Top 3%

out of +50,000 worldwide

Gold Medal Award ⁴
(Cepsa and Cepsa Chemicals)



 **CLARITY AI**

#1

out of 54 in our industry worldwide for 2nd year in a row

Top Rated ⁵

Note: these results are as of the date of the last update by the analysts in 2023 (indicated below). Sustainalytics rating can vary in any moment of the year if a controversy (negative news) is identified by the analyst.

1. Last update: 7 Feb 2024; 2. Last update: 16 January 2024; 3. Last update: 29 Jun 2023; 4. Last update: 19 Jun 2023; 5. Last update: 23 Nov 2023

Delivering on our ESG goals



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

Market leading ambitions

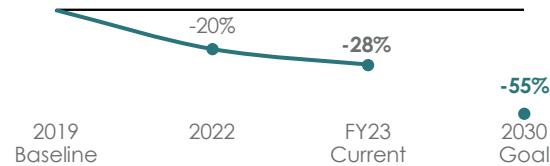


Climate

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



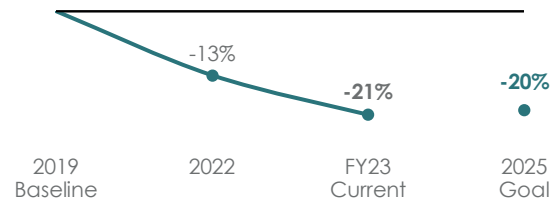
Leadership category for 4th year in a row **in Climate**



Natural Capital

20% reduction of freshwater withdrawal by 2025 vs 2019

Reduction of freshwater withdrawal, Mm3



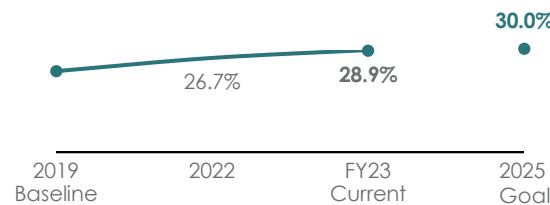
Leadership category for 4th year in a row **in Water**



Talent

30% women in management positions by 2025

Women in leadership positions, %



Ranked among **Diversity Leaders** for 3rd year in a row

Notes: 1. Last update: Jan-2024, ranking: Min: Failure to disclose (F) – Max: Leadership (A)



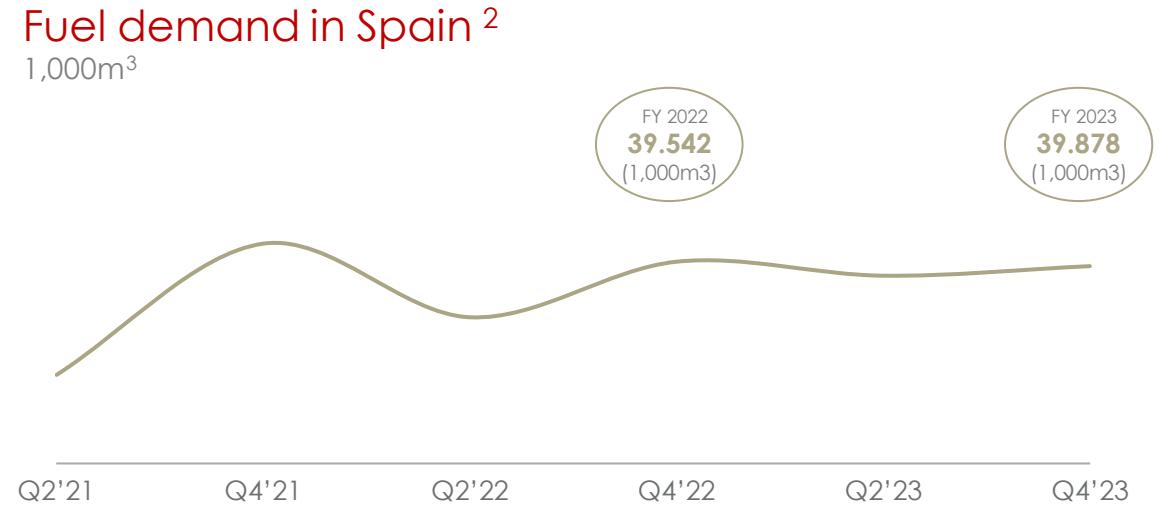
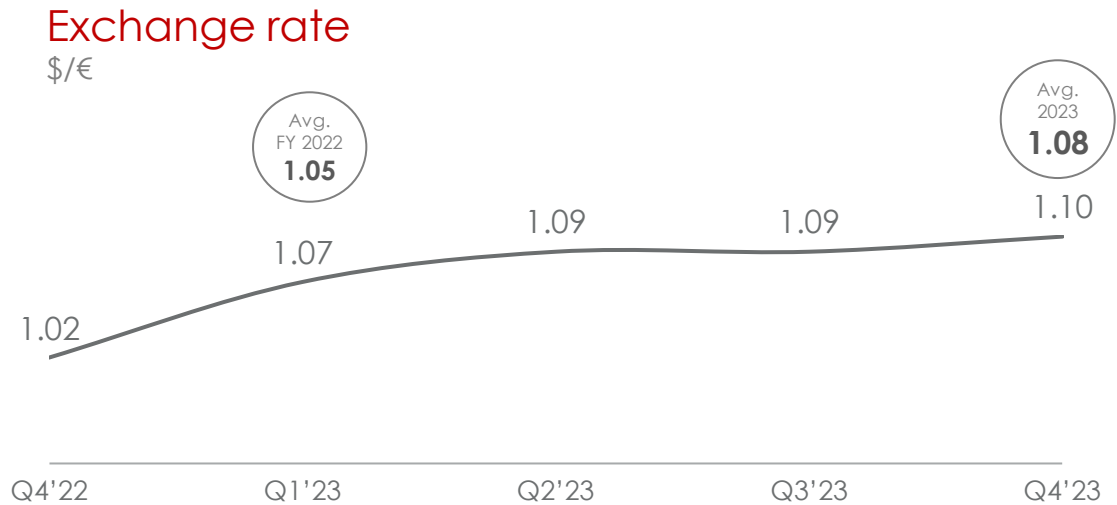
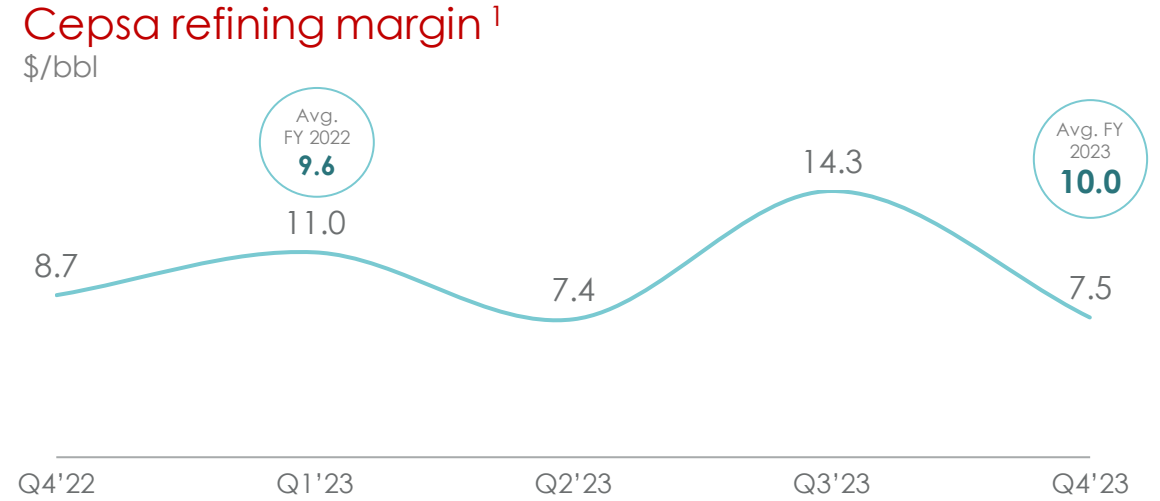
2. Market and Operational Performance





Market environment

Supportive market environment with refining margins above historical averages



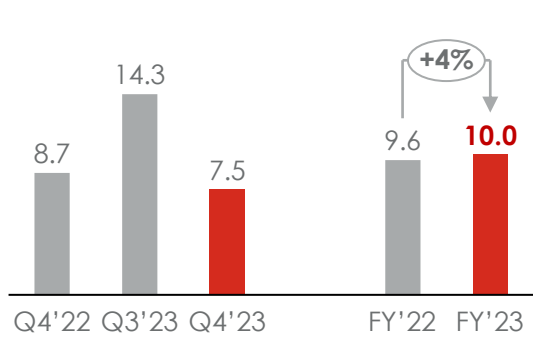
Source: Cepsa, Exolum. Average figures for each quarter. 1. Corresponds to a variable cost margin after crude differentials, freight and corporate group allocations, including natural gas costs at TTF; 2. Relates to gasoline, automotive diesel, agricultural and heating gasoil

Business performance 2023

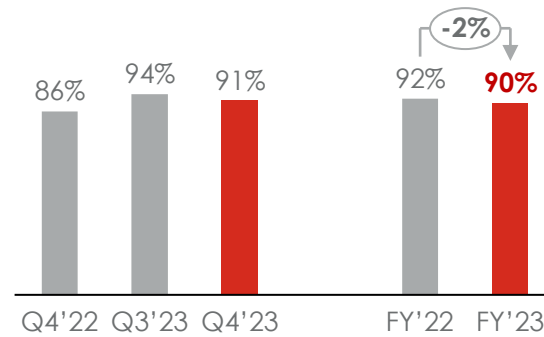
Improved refining margins counterbalanced by lower volumes in Chemicals and Commercial



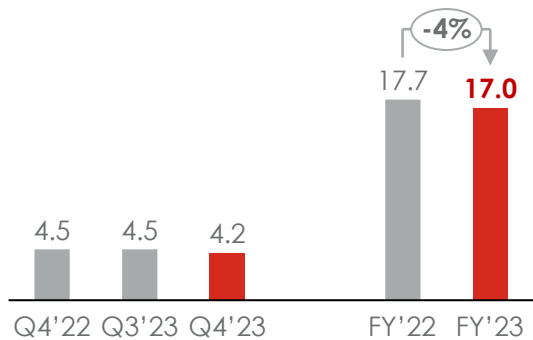
Refining Margin, \$/bbl



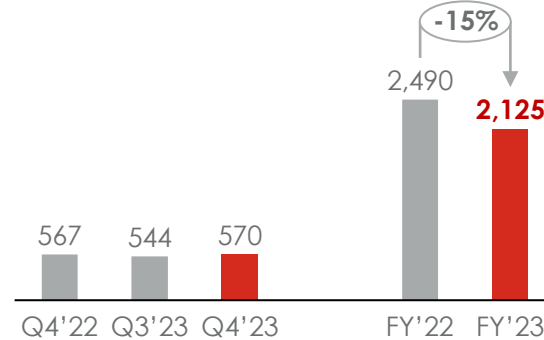
Utilization Rate, %



Commercial Product Sales, mton



Chemical Product Sales, Kton



Figures on Clean CCS basis unless otherwise stated (excluding the effect of extraordinary items and inventories)



FY 2023 figures

Energy EBITDA
€830m

Chemicals EBITDA
€223m

Upstream EBITDA
€493m



3. FY 2023 Financial Performance



Key financial metrics

Robust 2023 with enhanced CF generation after change of perimeter and despite worsened macro environment

Key Financial Metrics (€m)	Reflects the change in perimeter ¹	FY'23	FY'22
EBITDA ²		1,402	2,939
Net Income ²		278	790
CFFO ³		1,126	1,549
Organic Cash Capex ⁴		(702)	(549)
		FY'23	FY'22
Net Debt ⁵		2,291	2,756
Total Liquidity ⁶		4,359	4,023

After the sale of Abu Dhabi assets, CFFO evidences the ability of the company to generate cash. Without the impact of the extraordinary tax, the figure would be in line with FY'22, showcasing the underlying strength and stability of our financial performance

1. Abu Dhabi figures included only until 15th March 2023 2. Figures on CCS basis unless otherwise stated (excluding extraordinary and inventories effects); 3. Includes the payment of €323m corresponding to the extraordinary tax imposed on Spanish energy companies; 4. Excluding M&A activities; 5. Excluding IFRS16; 6. Cash and undrawn committed and uncommitted facilities.





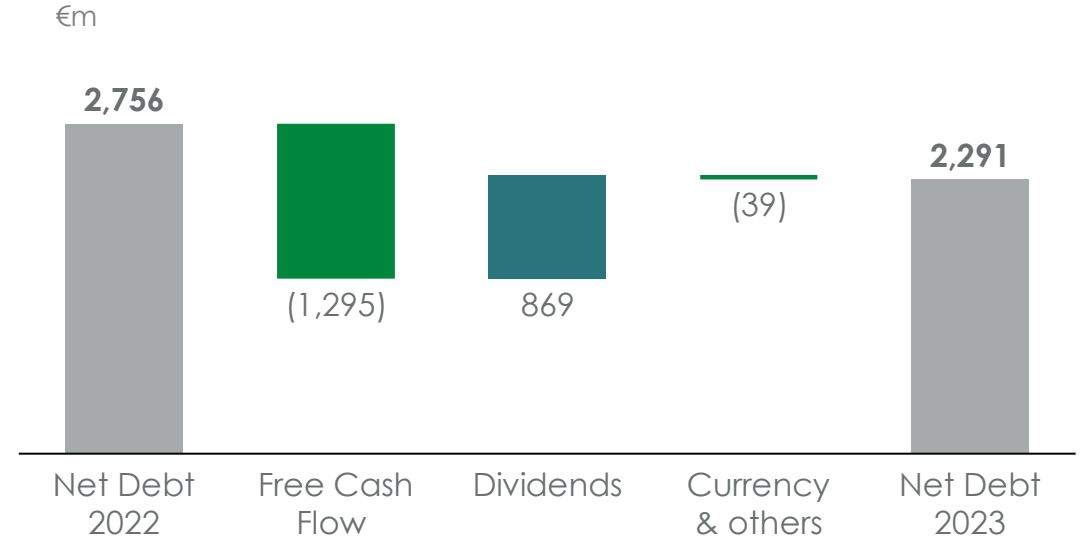
Cash flow, liquidity and debt overview

Strong FCF generation and extraordinary liquidity position with buffer until the end of 2028

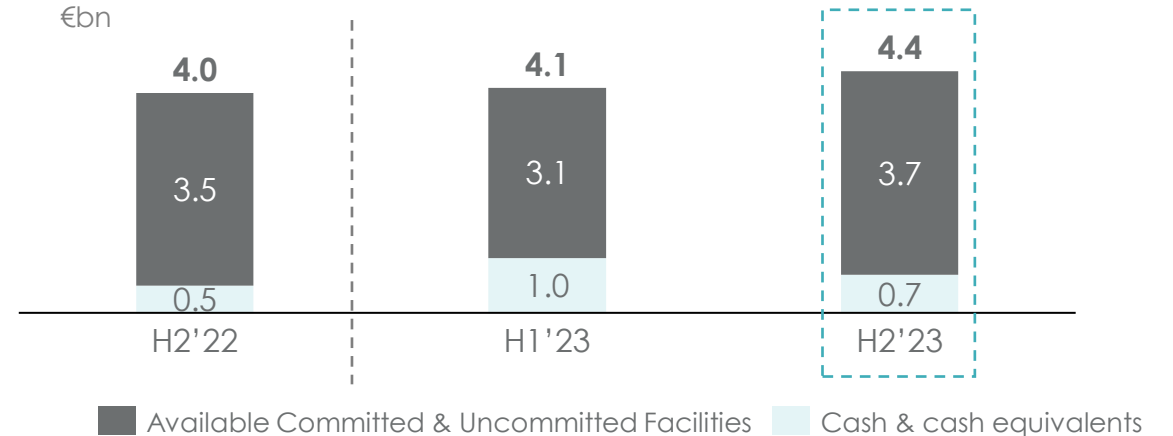
Cash Flow generation

€m	FY'23	FY'22
+ EBITDA	1,402	2,939
- Taxes	(366)	(1,419)
+/- Other adjustments to EBITDA ¹	51	277
= Cash flow from operations before WC	1,087	1,797
+/- Changes in working capital	38	(248)
= Cash flow from operations	1,126	1,549
- Capex Payments	(702)	(549)
+/- Other cash flow from investments ²	1,190	(99)
= Free Cash Flow before financing	1,614	901
- Interest and leases ³	(319)	(280)
= FCF before dividends	1,295	621

Net Debt⁴ evolution FY'22 – FY'23



Solid Liquidity⁵ Position



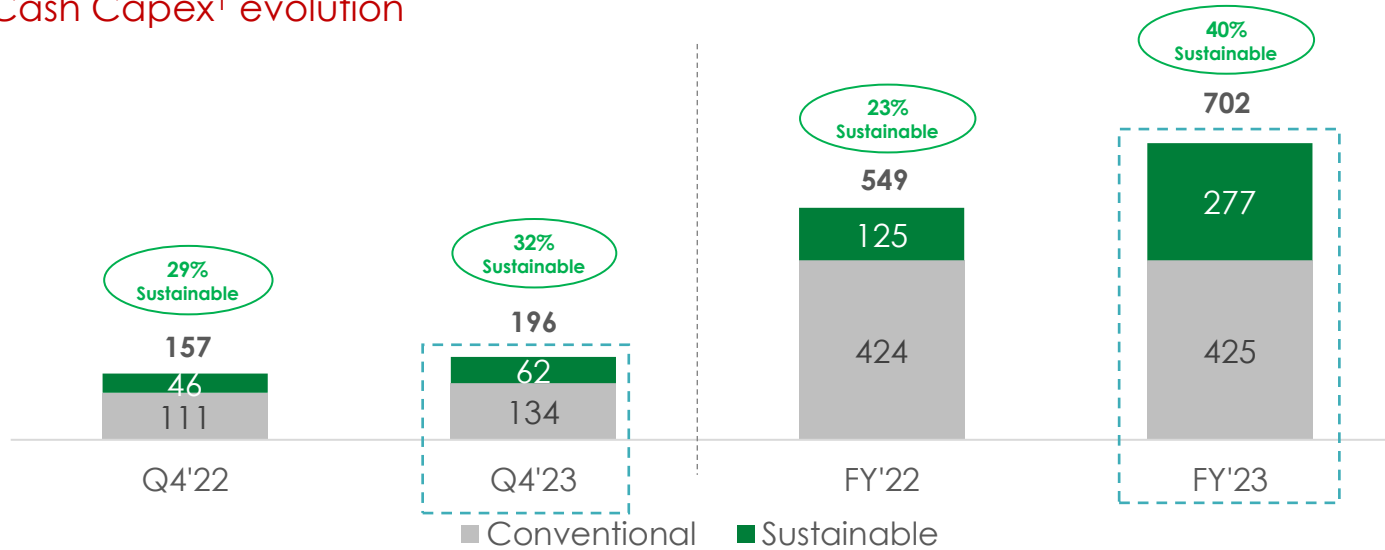
Figures on CCS basis unless otherwise stated ; 1. Including the payment of €323m related to the extraordinary tax imposed on Spanish energy companies. ; 2. Mainly related to M&A activities ; 3. Include cost of debt and operating leases ; 4. Excluding IFRS16 leases. Dividends includes extraordinary; 5. Cash and undrawn committed and uncommitted facilities.



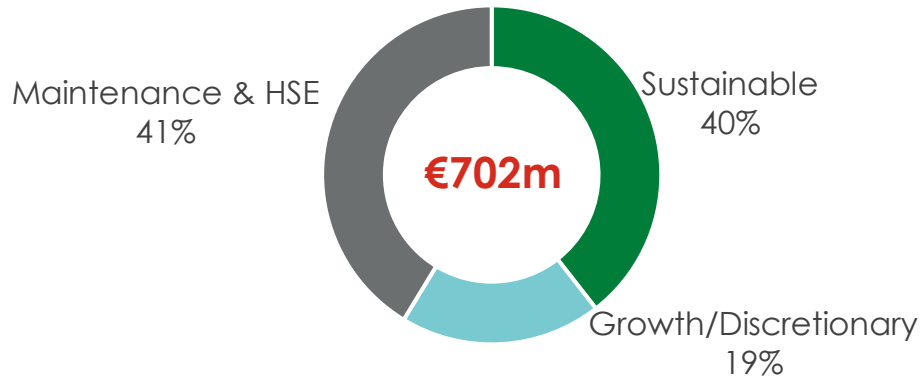
Capex evolution and breakdown

Significant growth in sustainable investments as we ramp up strategy implementation

Organic Cash Capex¹ evolution
€m



Organic Cash Capex¹ breakdown FY'23
€m



Figures on CCS basis unless otherwise stated (excluding the effect of extraordinary items and inventories) 1. Excluding M&A activities





4. Closing Remarks



Closing Remarks

Resilient performance in 2023 across all business segments after change in perimeter

WELCOME TO 

P O S I T I V E
M O T I O N

- **Strong CCS EBITDA of €1,402m during 2023** reflecting a robust performance following the strategic repositioning after the Abu Dhabi asset divestment
- **Approximately 40% of our Capex is devoted to sustainable projects** as Cepsa has reallocated capital towards investments in the energy transition
- **Significant reduction of Net Debt as of Dec'23**, standing at €2,291m at the end of this year compared to €2,756m in 2022
- **Solid liquidity position of €4.4bn¹**, covering debt maturities until 2028
- The company has made **significant strides in executing its Positive Motion strategy** and will continue to **make progress towards its goals and ESG commitments**





Cepsa

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