



Cepsa

Q4 and FY 2021 Results

March 16th, 2022

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Agenda

1. Key Highlights
2. Business Units Overview
3. Financial Results
4. Closing Remarks



Today's presenters



Carmen de Pablo

CFO



Gonzalo Sáenz

Head of Finance



1. Key Highlights

Key highlights



Improved market environment, delivery of efficiency measures and solid cash flow generation



FINANCIALS

EBITDA of €1,815m (+53% vs 2020)

Net Income of €310m vs €1m in 2020

Solid FCF ex-WC generation at €1,065m¹

Leverage at 1.6x² vs 2.7x in 2020

Strong liquidity position at €3.5bn



OPERATIONS

WI production of 73.9 kb/d vs 71.5kb/d in 2020

Refineries utilization at 81% (87% in Q4'21) close to pre-pandemic levels

Commercial volumes +10% vs 2020, although still below 2019

Successful execution of the optimization and efficiency plan



CORPORATE

Maarten Wetselaar as new CEO from 1st Jan 2022

New organization since Feb 1st to accelerate energy transition

Strategy communication scheduled on March 30th

New organization

Reinforced and seasoned management team with strong capabilities to deliver the company's transformation and capture the opportunities of the energy transition



Maarten Wetselaar
Chief Executive Officer

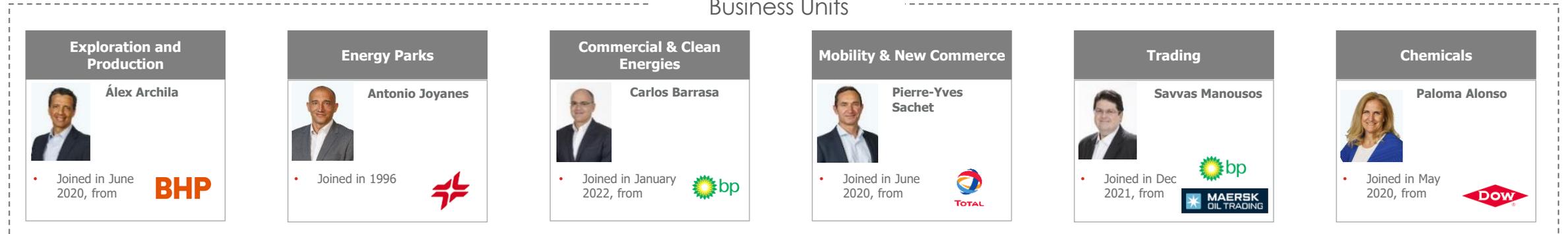
- Joined in January 2022 from Royal Dutch Shell, where he served on the Exec Committee for the last 6 years
- +25 years experience covering Renewable Energies, E-mobility, Downstream, LNG and Upstream



Business Functions



Business Units

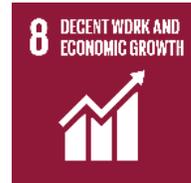




Commitment and focus on ESG

ESG strategy drives corporate and stakeholder governance best practices

Corporate priority



Prioritized SDGs¹

15-25%

ESG-linked remuneration at C-level

Recognized by third parties



1st

In the O&G sector



1st quartile

by S&P Corporate Sustainability Assessment



Climate & Water

A-

Leadership category



Leading

Energy company for diversity in Spain



Top Employer

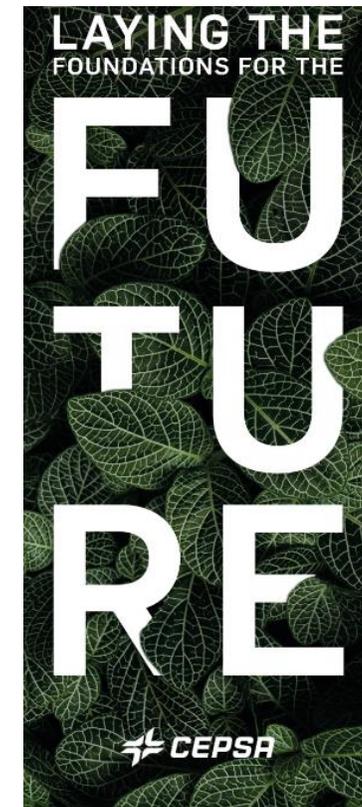
For 7th year in a row



B+

Among leaders in the energy sector

Transparent in disclosure



Since 2003



Since 2005



Since 2014



Since 2020



Since 2021

1. Sustainable Development Goals by the United Nations

Value accretive alliances

Cepsa is developing a wide network of strategic partnerships with leading companies



IBERIA  **Binter**



Strategic partnership to decarbonize large scale air transport

Agreements include research and flight testing of sustainable aviation biofuels (SAF) and cover other energy alternatives such as renewable hydrogen and electricity

endesa



Alliance to enable electric vehicle customers in Iberia to use both the public chargers that Endesa X has already built and the new ultra-fast charging network that Cepsa will begin to deploy this year

Both companies are working to develop what will be the largest ultra-fast on-the-go charging network in Iberia

Redexis 



Agreement with Redexis to create the first network-wide installation of photovoltaic power at service stations in Europe

The installation of more than 40,000 high-tech photovoltaic panels has been already started in 80 service stations

amazon 



Pioneers in Spain in the use of the new Amazon Web Services technology for predictive maintenance in industrial facilities



2. Business Units Overview

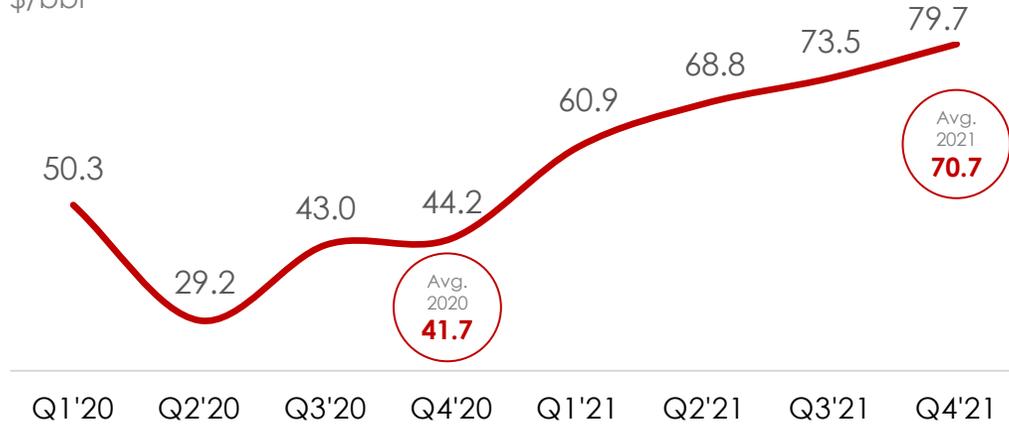


Supportive market environment

Improving of key indicators

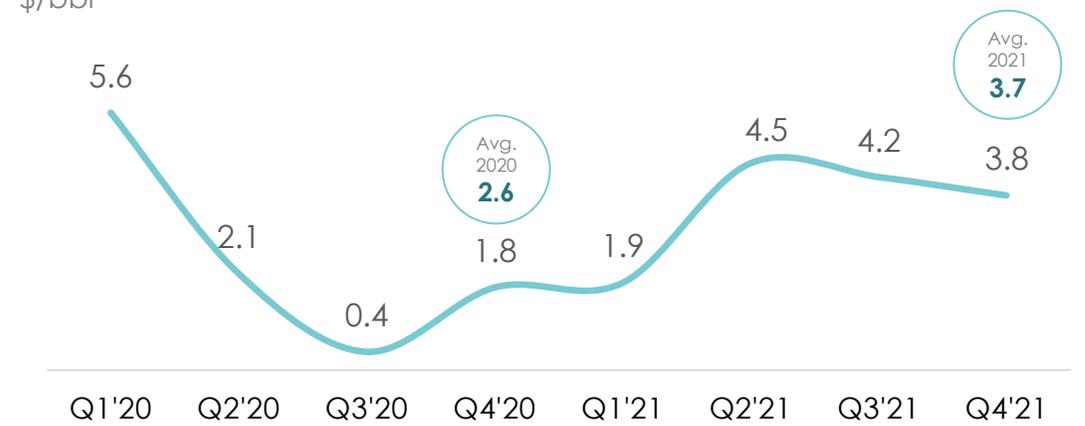
Brent

\$/bbl



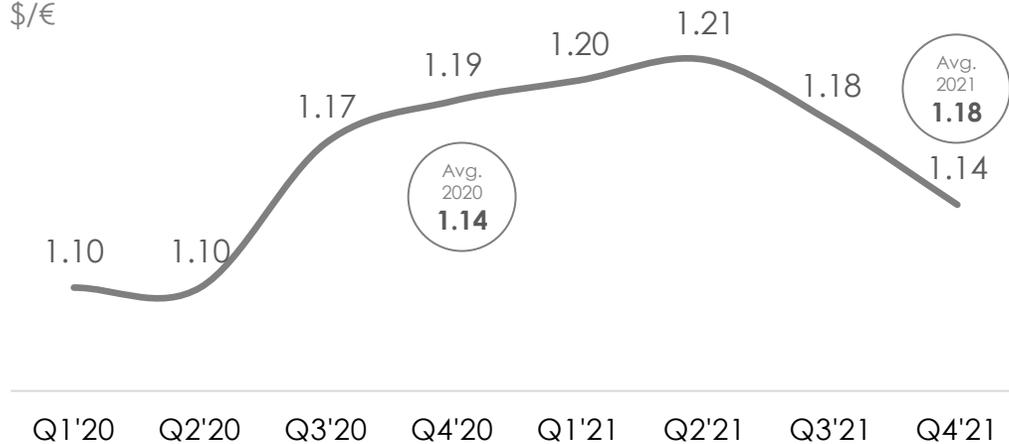
Cepsa refining margin ¹

\$/bbl



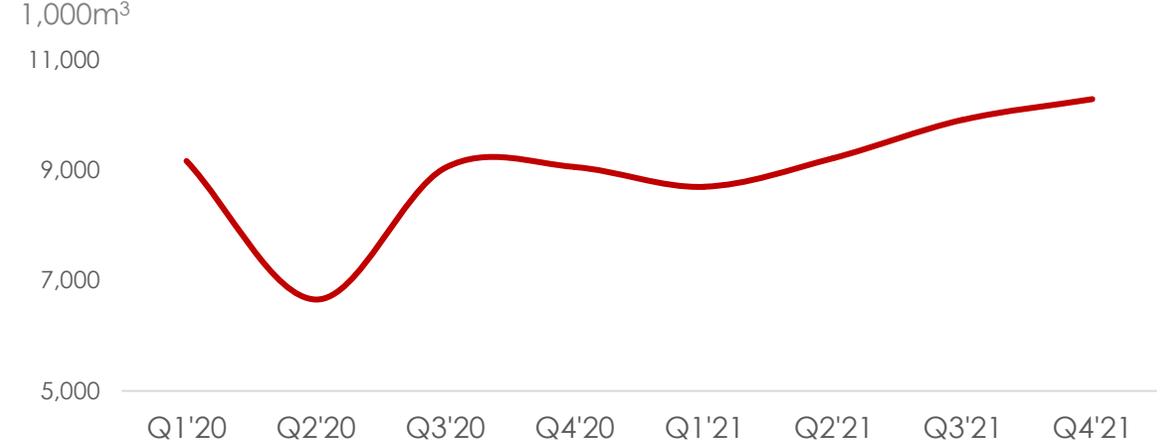
Exchange rate

\$/€



Fuel demand in Spain ²

1,000m³



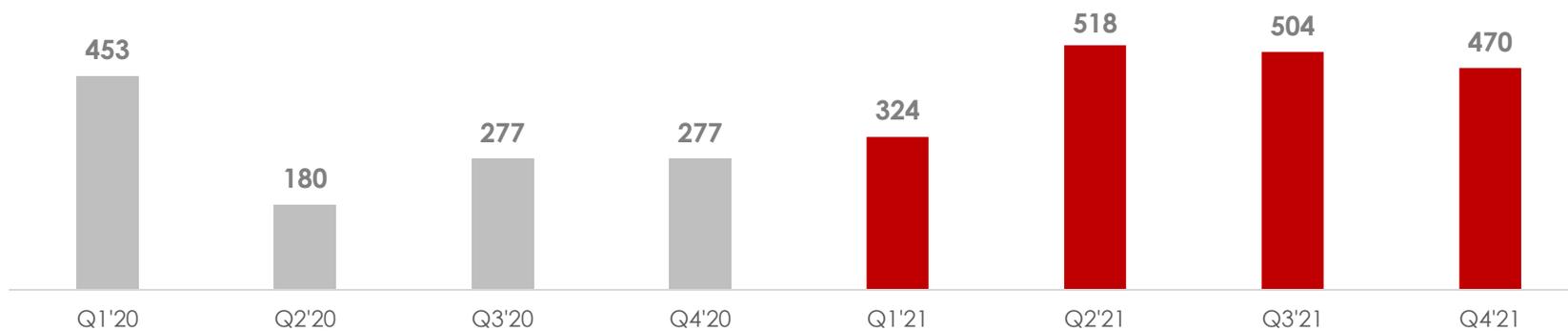
Source: Cepsa, Exolum. Average figures for each quarter. 1. Corresponds to a variable cost margin after crude differentials, freight and corporate group allocations, including natural gas costs at TTF; 2. Relates to gasoline, automotive diesel, agricultural and heating gasoil

Key financial metrics

Solid EBITDA results driven by market recovery and efficiency initiatives

Key Financial Metrics (€m)	Q4'21	Q4'20	2021	2020
CCS EBITDA	470	277	1,815	1,187
Upstream	290	122	905	458
Refining	(24)	(24)	93	10
Commercial	132	92	478	400
Chemicals	106	101	461	357
Corporate ¹	(34)	(14)	(121)	(39)

Quarterly EBITDA evolution (€m)



Figures on CCS basis unless otherwise stated 1. Since 2021, certain corporate costs are no longer being allocated to each Business Unit but registered under Corporation

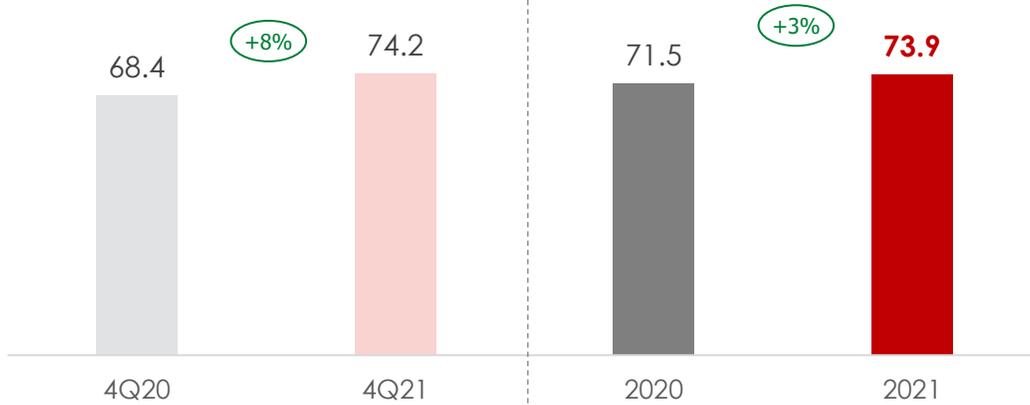




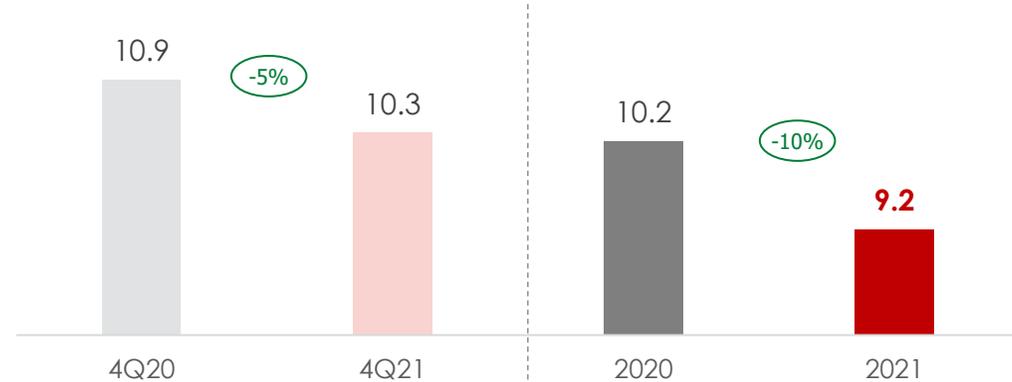
Upstream

Strong recovery boosted by higher crude prices

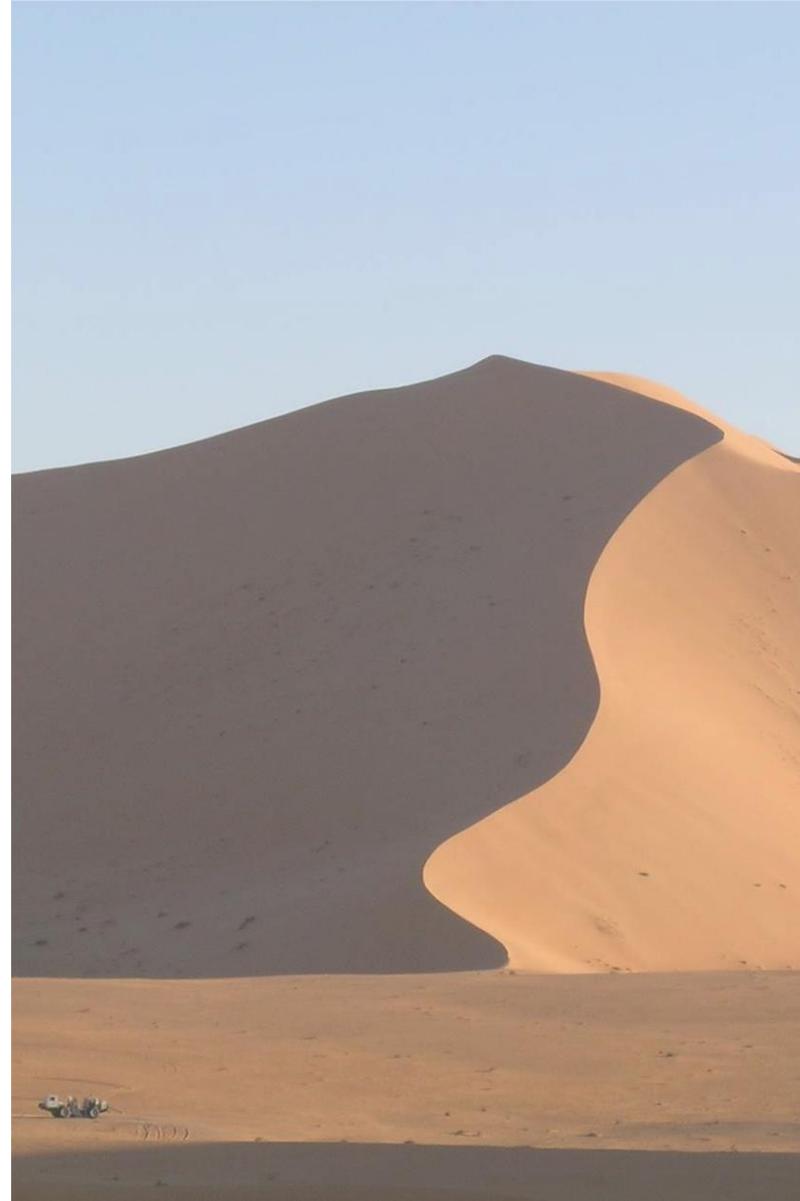
Working Interest Production kbopd



Upstream Opex \$/bbl



Figures on CCS basis unless otherwise stated



FY 2021 figures

EBITDA

€905 m

WI production

73.9 K**o**p**d**

Reserves/ Prod.

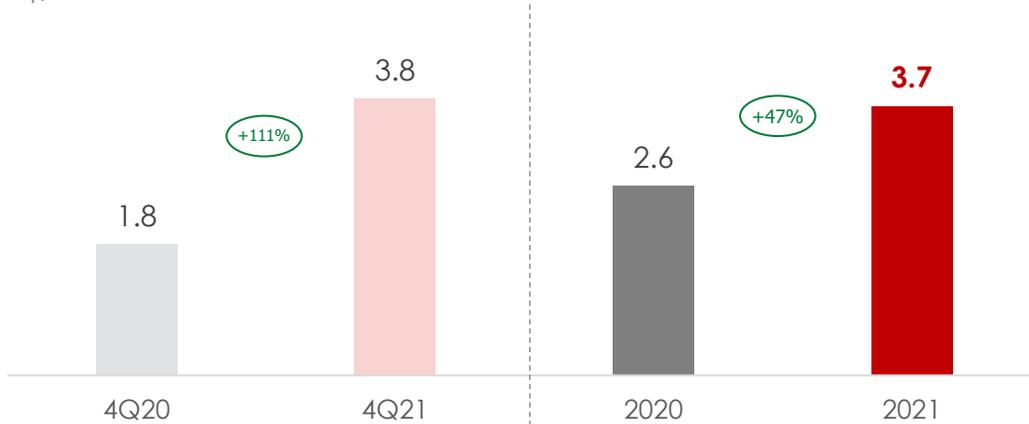
17 years



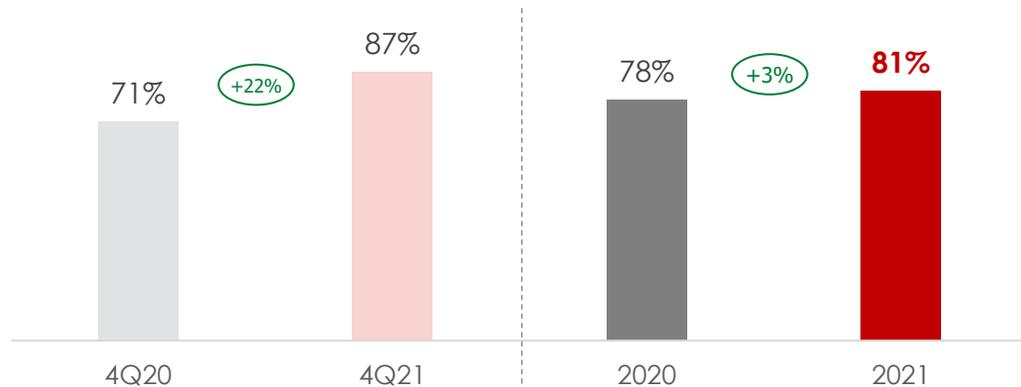
Refining

Improving refining margins and utilization rates. EBITDA impacted by higher gas prices

Refining Margin¹
\$/bbl



Utilization rate
%



FY 2021 figures

EBITDA

€93 m

Refining margin

3.7 \$/bbl

Utilization rate

81%

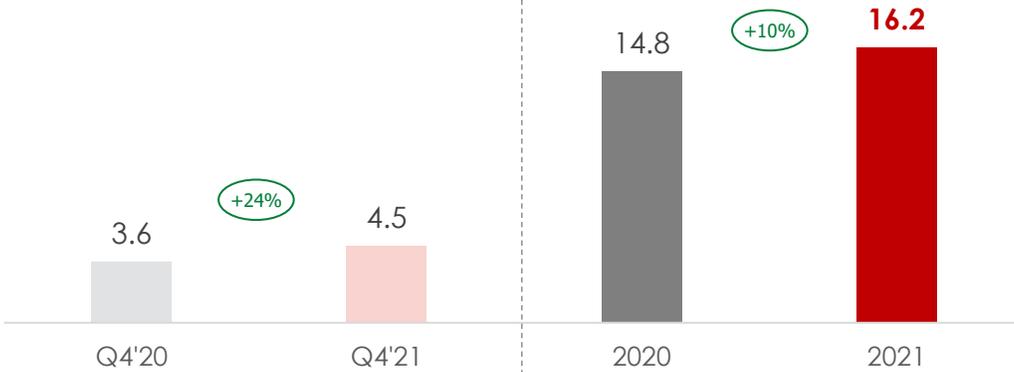
Figures on CCS basis unless otherwise stated 1. Corresponds to a variable cost margin after crude differentials, freight and corporate group allocations, including natural gas costs at TTF



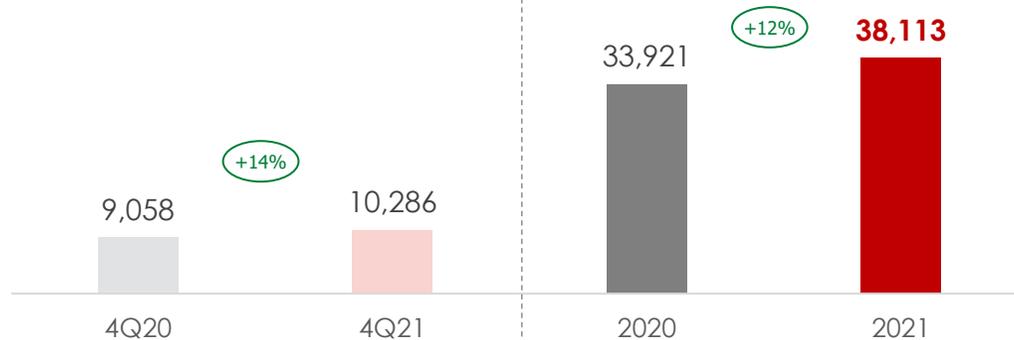
Commercial

Results boosted by demand recovery and sustained margins

Commercial Product Sales
mton



Fuel demand in Spain
1,000m³



FY 2021 figures

EBITDA

€478 m

Total sales

16.2 mton

Service stations

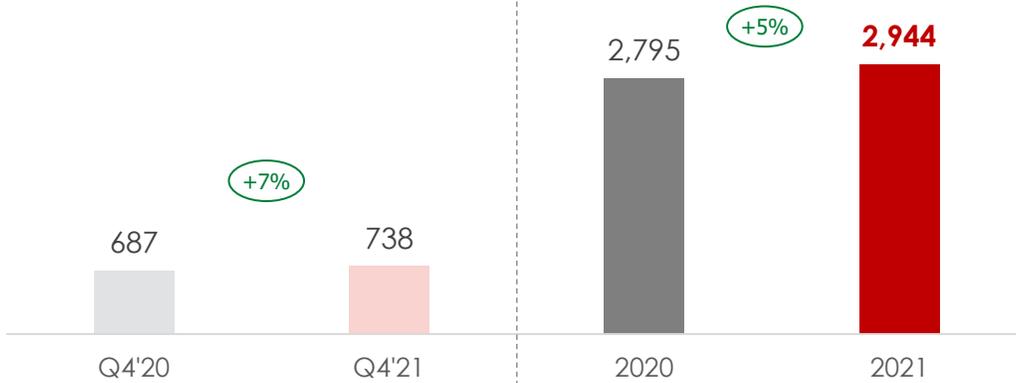
1,753



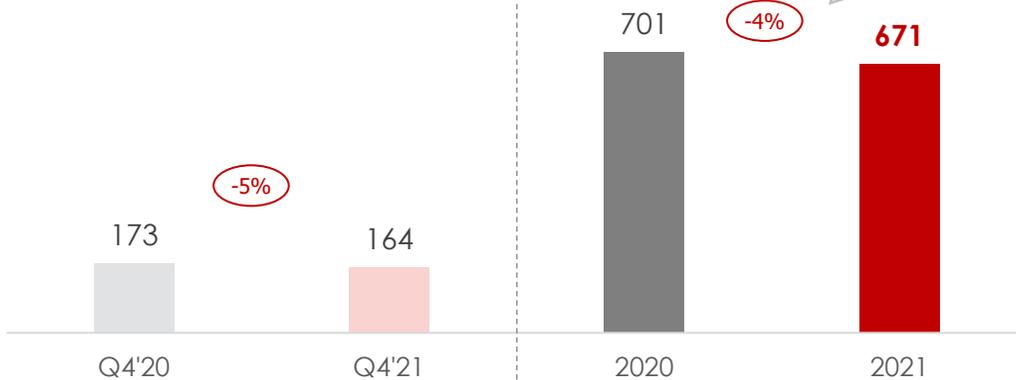
Chemicals

Another year of record results on the back of continued pricing and volume optimization initiatives

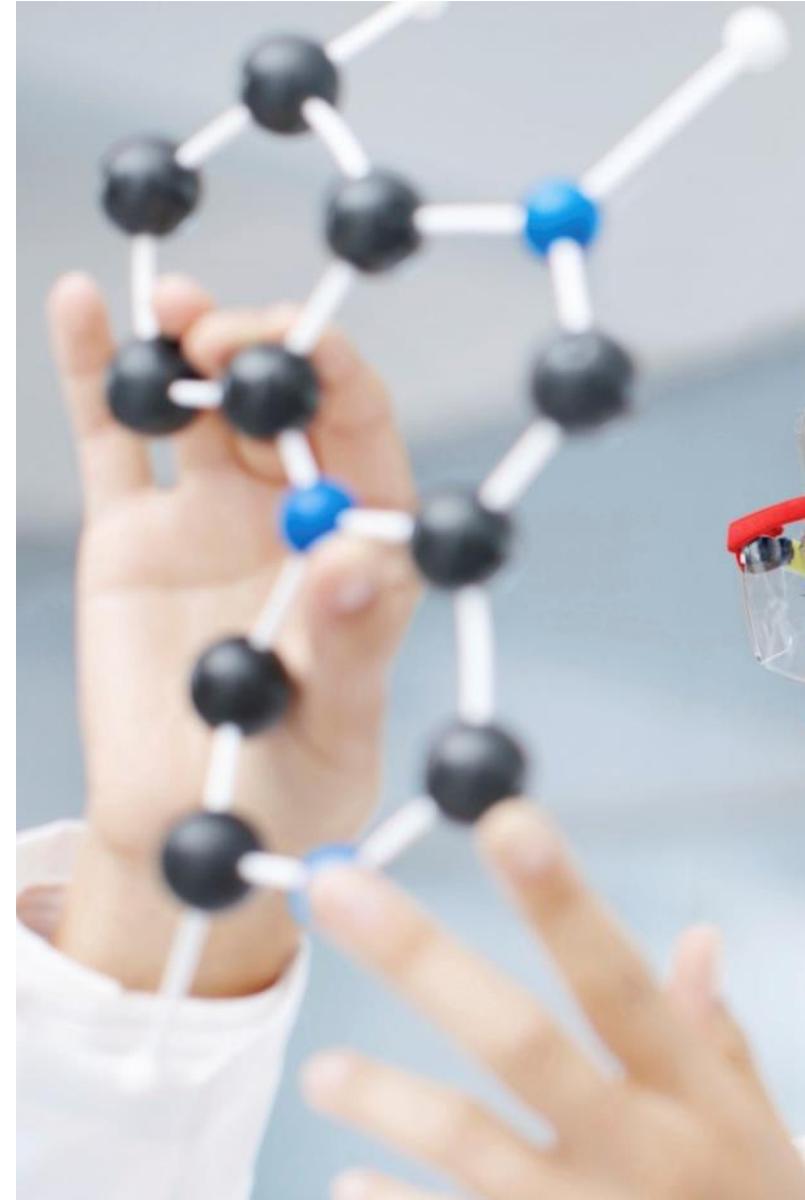
Petrochemical product sales Kton



LAB sales Kton



Figures on CCS basis unless otherwise stated



FY 2021 figures

EBITDA

€461 m

Total sales

2,944 kton

LAB sales

671 kton



3. Financial Results

Key financial metrics

Strong recovery in all KPIs vs 2020



Key Financial Metrics	FY 2021	FY 2020	Δ FY'21 / FY'20
CCS EBITDA	1,815	1,187	53%
CCS Net Income	310	1	n.a.
Capex	473	652	(27%)
Free cash flow ex-WC ¹	1,065	122	n.a.
Net Debt (excl. IFRS16)	2,759	2,825	(2%)
Total Liquidity	3,476	4,550	(24%)
Leverage (excl. IFRS16)	1.6x	2.7x	(1.1x)

Multi-year optimization program

Strong delivery of company-wide initiatives

- Group-wide, multi-year program covering all Business Units and Functional Areas and with a new organization structure fully devoted to its delivery
- 700+ individuals involved and 1,700+ initiatives across all different business units monitored closely by senior management to ensure:
 - ✓ Improving gross margin through optimization actions and commercial enhancement actions
 - ✓ Capturing operating costs savings, and
 - ✓ Rationalizing Capex
- Sustainable optimization initiatives, including commercial strategy enhancements & cost savings have had a significant positive impact in EBITDA.



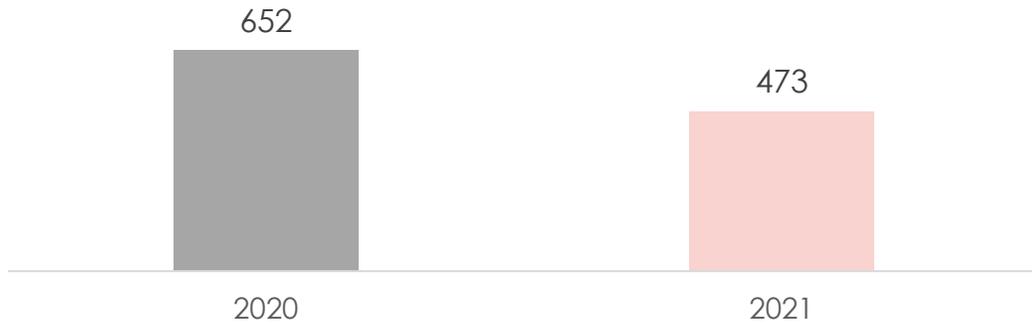
€450m
in optimization initiatives



Capex evolution and breakdown

Significant Capex reduction to support free cash flow generation, whilst continuing to invest to preserve operational integrity of assets and growth

Capex evolution
€m



Maintenance/Growth Capex
€m





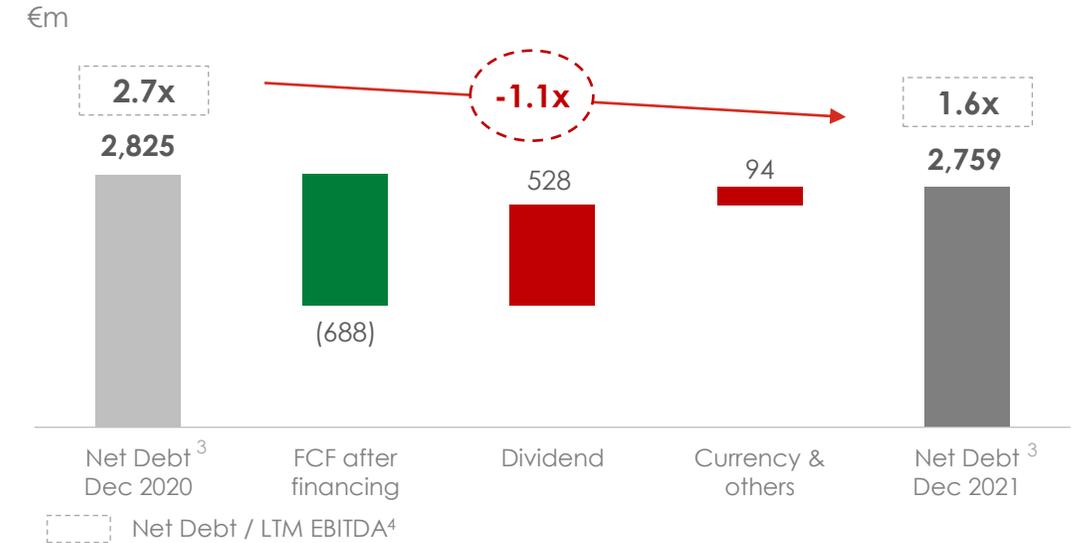
Cash flow generation and Debt overview

Solid cash flow generation allowed Cepsa to continue deleveraging

Cash Flow generation

€m		2021	2020
+	EBITDA	1,815	1,187
+/-	Working capital variation	-150	+138
-	Taxes, dividends from associates, and other adjustments to EBITDA	-360	-306
=	Cash flow from operations	1,306	1,019
-	Net Capex ¹	-391	-759
=	Free cash flow	915	260
-	Financing activities ²	-227	-233
=	FCF before dividends	688	27

Net Debt evolution Dec 20 – Dec 21



Solid Liquidity Position



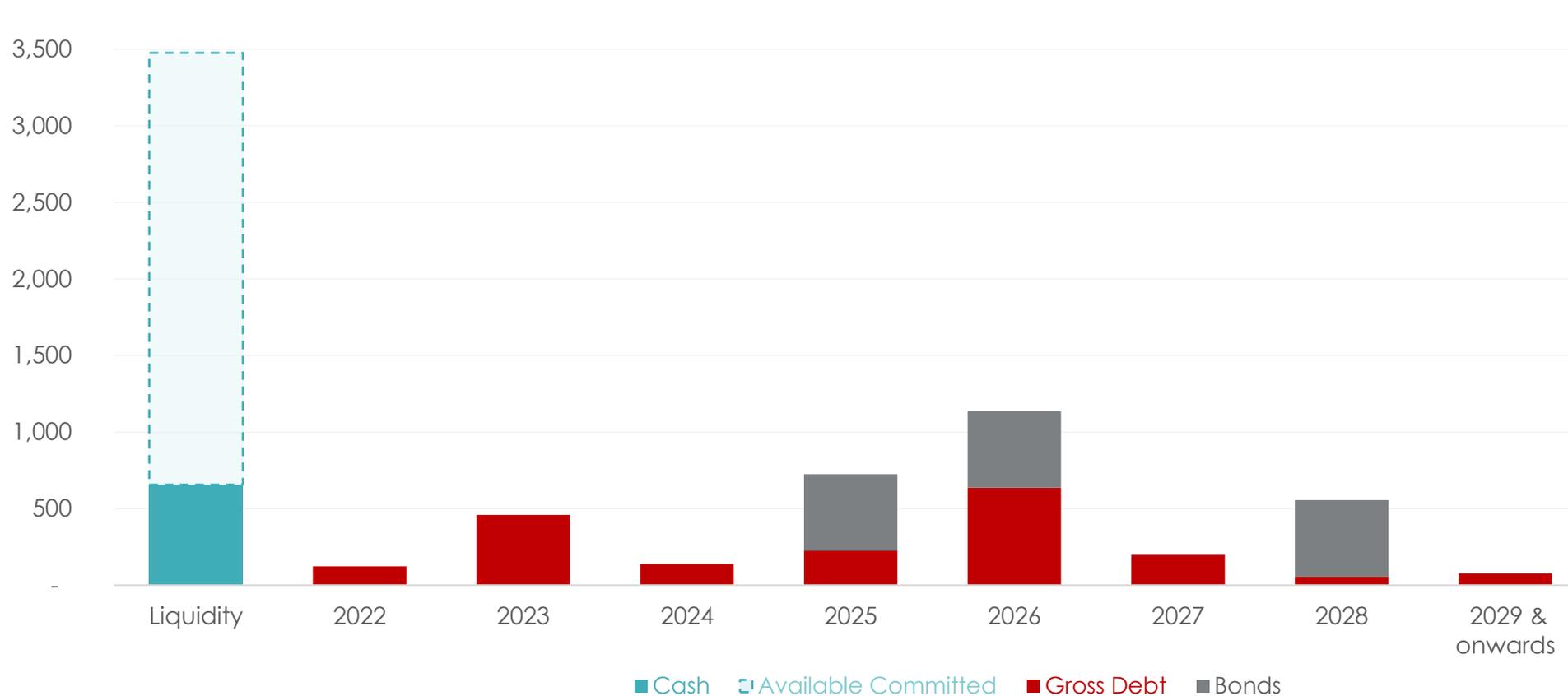
Figures on CCS basis unless otherwise stated 1. 2021 Net Capex includes €110m of divestments; 2. Include cost of debt and operating leases; 3. Excluding IFRS16 leases; 4. Total Net Debt over EBITDA (excluding IFRS-16)



Debt maturity profile

Long-dated average maturity of ~4 years with no significant debt maturities in the coming years

Figures in €m



Debt avg maturity

3.9 Yrs

Cash position

€0.7 Bn

Liquidity¹

€3.5 Bn

1. Cash plus available committed facilities

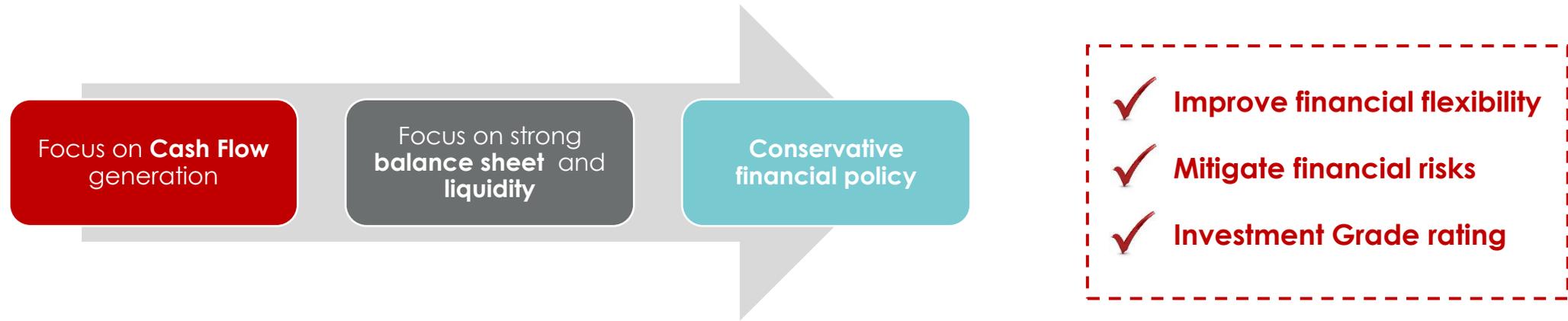
- **NO financial covenants** in any debt facilities
- Liquidity covers 4.5 years of debt maturities



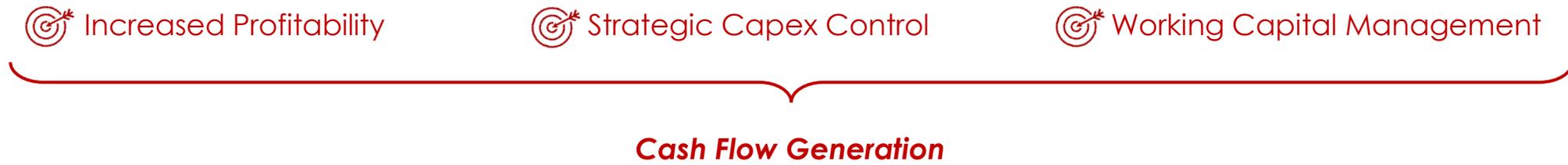
Financial policy

Continued focus on maintaining a conservative financial profile

Financial strategy key premises



Financial priorities



Clearly defined path to sustainable CF generation together with cash allocation strategy



4. Closing Remarks

Closing Remarks

Significant improvement as recovery continues

Solid 2021 Performance

- EBITDA increase of 53% driven by improved market conditions and optimization initiatives.
- Free cash flow ex-WC of €1,065m¹, almost a tenfold increase versus 2020.
- Significant reduction in leverage² to 1.6x from 2.7x, below the management target of 2.0x.
- Strong liquidity position of €3.5bn, covering 4.5 years of debt maturities.
- Transformation underway, with ESG as the cornerstone, underpinned by recent partnerships to decarbonize our and our customers' business



EBITDA of
€1,815m
vs. €1,187m of 2020

Net Income of
€310m
vs. €1m of 2020

FCF ex-WC¹
of €1,065m
vs. €122m of 2020

Leverage²
of 1.6x
vs. 2.7x of 2020

Liquidity
of €3.5 bn
vs. €4.6bn of 2020

SAVE THE DATE

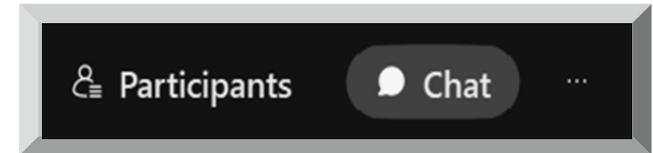


Cepsa Strategy presentation March 30th

Ask your questions online



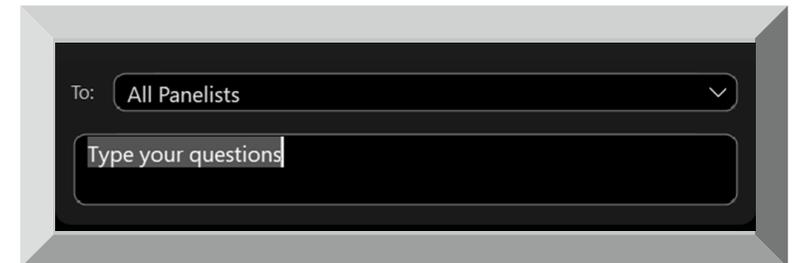
1. Event chat is located at the bottom right-hand side of the screen



2. Change field "To" from "Organizer" to "All panelists"



3. Once the addressee is changed to "All panelists", you may ask your questions





Thank you



pwc

CEPSA