



1Q20 RESULTS

April 27
2020

An integrated energy player developing
profitable and sustainable businesses



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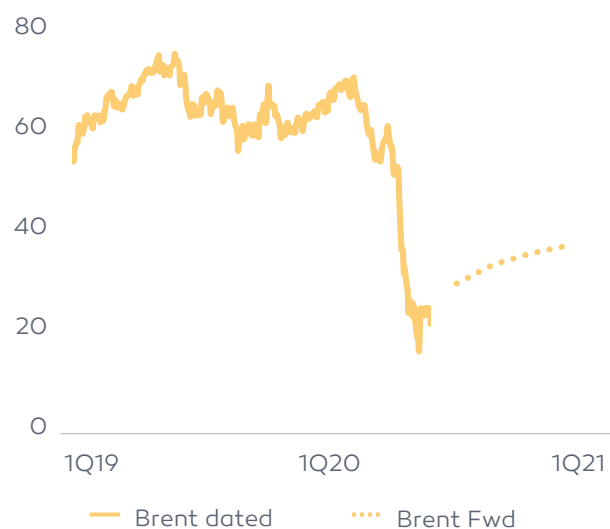
RECENT DEVELOPMENTS AND OUTLOOK

Carlos Gomes da Silva, CEO

DETERIORATING MARKET CONDITIONS

CAUSED BY COVID-19 AND LOWER COMMODITY PRICES

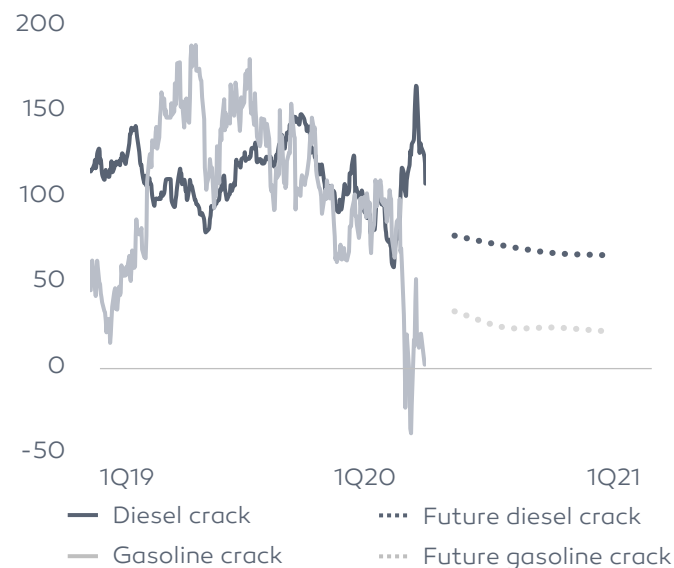
Brent Price (\$/bbl)



1Q20 oil price down 21% QoQ, with significant impact on upstream results

Oil prices consensus for the remaining quarters of 2020 now standing at sub-\$40/bbl

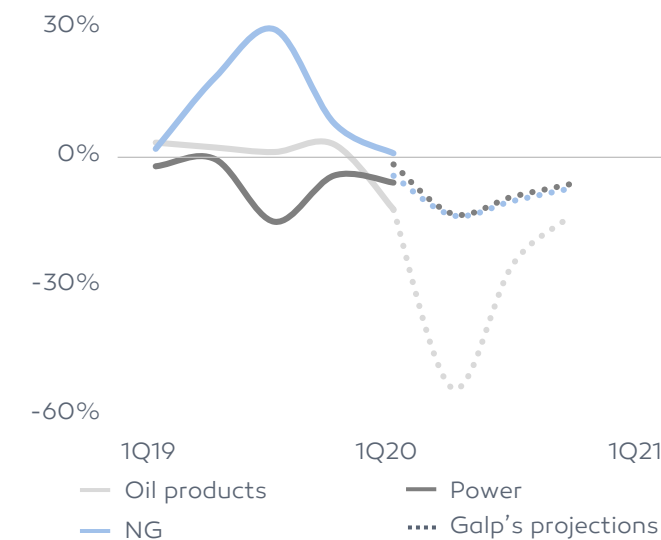
Oil products cracks (\$/ton)



Galp refining margin down to \$1.9/boe in 1Q20, already reflecting lower demand and oil product cracks

Weak global demand and inventory levels creating a challenging refining and gas trading environment

Iberian demand (YoY, %)

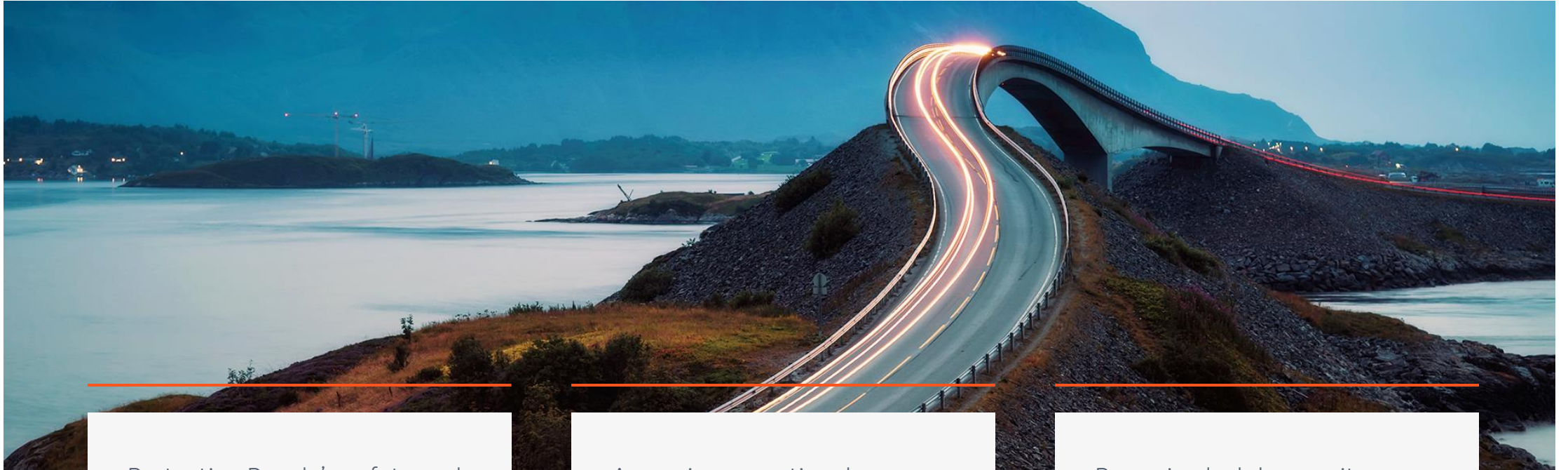


Lockdowns causing severe regional demand drops, notably in oil products

Uncertainty on the outbreak evolution and what could be the regional and global economic impact

ENSURING A TIMELY RESPONSE

TO UNPRECEDENTED CONDITIONS



Protecting People's safety and health

Ensuring business continuity and asset integrity

Assessing operational flexibility

Adapting activities to current and expected macro conditions

Preparing lockdown exit strategies

Define businesses' adaptation to a "new normal"

PROMPT MITIGATION MEASURES

TO INCREASE RESILIENCE AND PROTECT FINANCIAL STRENGTH

Context

Sharp demand decrease

Low commodity price environment

Economic downturn

High uncertainty and volatility

Response

Adapted business and operations

High impact short term cash saving initiatives

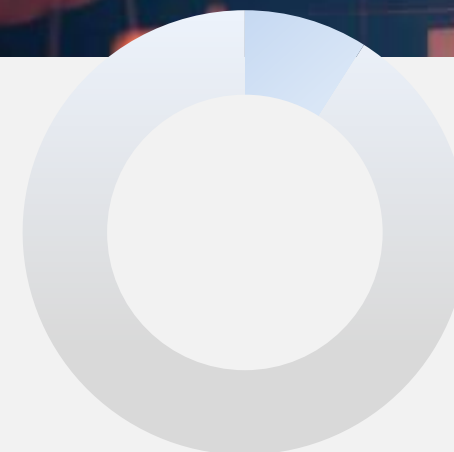
Portfolio management

FCF¹ neutral

@ Brent c. \$20/bbl

>€500 m

Annual Capex + Opex reduction

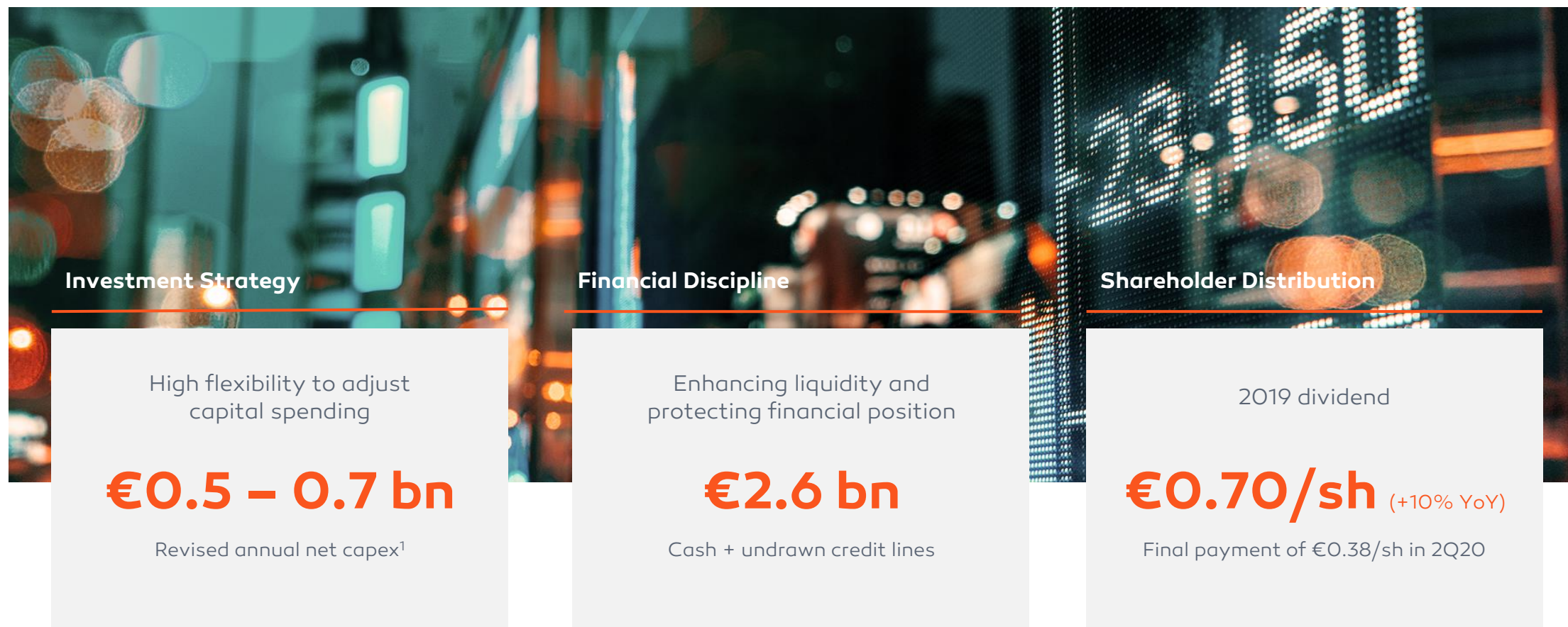


Capex

Opex

CAPITAL ALLOCATION GUIDELINES

ADJUSTING THE SHORT TERM WHILE KEEPING LONG TERM STRATEGY AMBITION



¹ Considers cash spending reduction initiatives to adjust to current market conditions, from previous guidance of €1.0 - 1.2 bn p.a. on average, which could be resumed subject to the pace of market recovery. Corresponds to equity capex, net of potential divestments.

SHORT TERM OUTLOOK

EXPECTED MACRO VOLATILITY AND CURRENT COVID-19 TO IMPACT 2Q20 PERFORMANCE



Upstream

Adapting operations and maintenance activities



Refining & Midstream

Low demand and high inventory levels leading to refining slowdown



Commercial

Commercial activities impacted by demand constraints



Renewables & New Businesses

Closing of solar PV acquisition in Spain and partnership expected during 2Q20

Uncertain recovery profile from 3Q20 onwards. Prepared to adapt quickly if that is to happen sooner and stronger than expected.



02



1Q20 RESULTS

Filipe Silva, CFO

GROUP EBITDA OF €469 M

REFLECTING MACRO ENVIRONMENT DETERIORATION

€m	1Q19	4Q19	1Q20
RCA Ebitda	494	653	469
Upstream	374	500	286
Refining & Midstream	27	52	90
Commercial	90	102	90
Renewables & New Businesses	0	-5	-1
RCA Ebit	278	354	217
Associates	36	21	19
Financial results	1	43	-60
Taxes ¹	-173	-215	-146
Non-controlling interests	-39	-46	-1
RCA Net Income	103	157	29
IFRS Net Income	-8	106	-257

Upstream impacted by lower WI production QoQ, due to planned maintenance, lower realisations and underlifting adjustments

Refining & Midstream supported by a swing in pricing lag effects from the sharp drop in commodity prices, despite HCC maintenance

Commercial with a resilient contribution despite Iberia's lockdown in March

Financial results driven by negative non-cash FX losses and MTM, offsetting positive cash contribution from Brent derivatives

RCA Net income of €29 m. IFRS net income negative at -€257 m, reflecting a significant accounting inventory effect (-€278 m)

CASH GENERATION

INVENTORY EFFECT DRIVING WORKING CAPITAL RELEASE

CFFO of €244 m

IFRS Ebitda impacted by inventory effect, partially compensated by working capital release. Tax payments related to previous periods

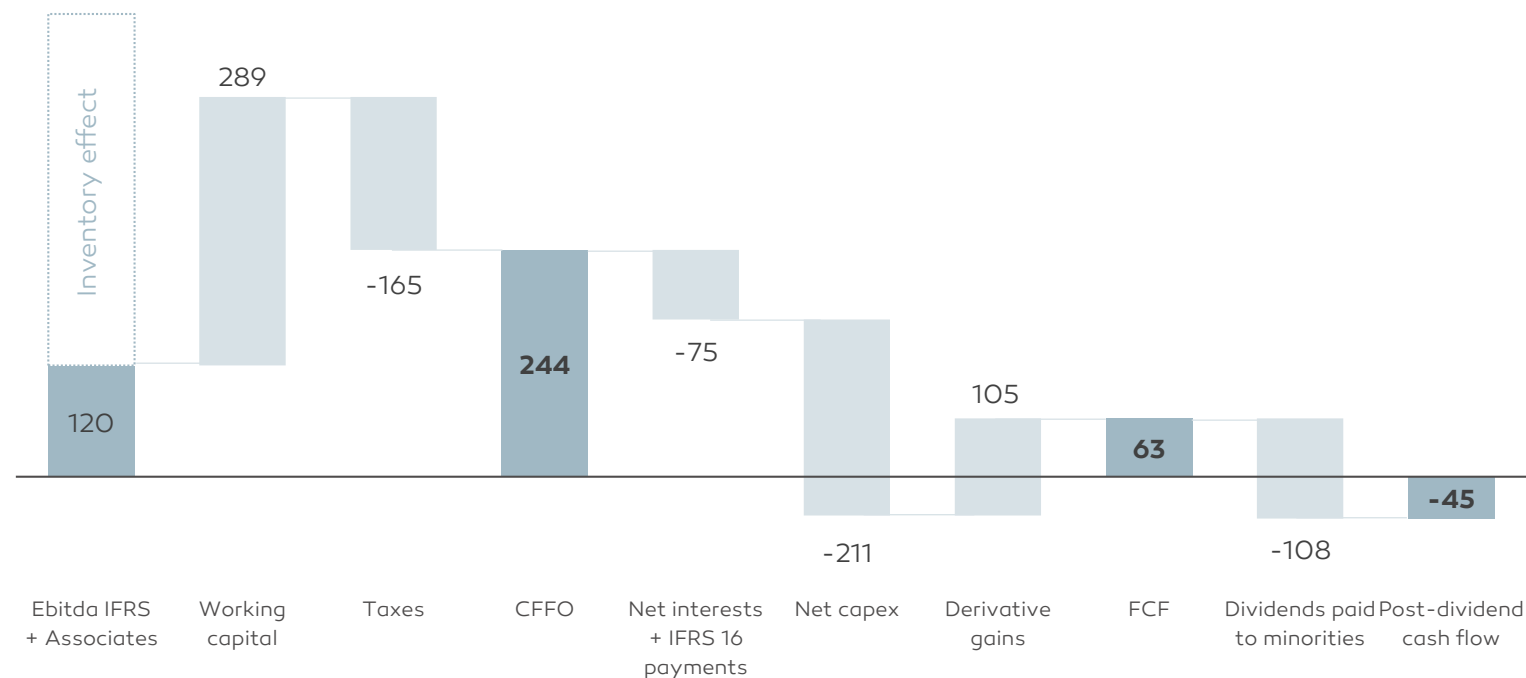
Investment and financial cash flow

Net capex of €211 m, mostly allocated to Brazil and Mozambique. Derivative gains of €105 m from monetisation of Brent put options

FCF of €63 m

Post-dividend cash flow of -€45 m, including dividends paid to minorities in Brazil of €108 m

FCF 1Q20 (€m)



SOLID FINANCIAL POSITION

AS A BASIS TO HANDLE UNCERTAINTY

€m	31 Mar., 2019	31 Dec., 2019	31 Mar., 2020
Net fixed assets	7,380	7,358	7,439
Rights of use (IFRS 16)	1,209	1,167	1,171
Working capital	811	952	663
Other assets/liabilities	-704	-1,161	-1,184
Capital employed	8,696	8,316	8,089
Net debt	1,603	1,435	1,496
Operating leases (IFRS 16)	1,230	1,223	1,232
Equity	5,862	5,657	5,360
Equity, net debt and op. leases	8,696	8,316	8,089

Debt

Stable debt position and extending average debt maturity, following a €200 m reduction of 2020 redemptions

Net debt to Ebitda

Ratio stable versus YE2019 at 0.7x¹



Appendix

1Q20 UPSTREAM

CONTRIBUTION IMPACTED BY OIL PRICE ENVIRONMENT

		1Q19	4Q19	1Q20
Working interest production	kboepd	112.6	136.9	131.4
Oil production	kbpd	99.5	121.8	118.1
Net entitlement production	kboepd	110.8	135.1	129.6
Angola	kbpd	8.7	13.3	14.1
Brazil	kboepd	102.1	121.8	115.6
Oil and gas realisations - Dif. to Brent	USD/boe	-8.9	-6.3	-5.8
Production costs	USD/boe	3.8	2.7	2.4
DD&A	USD/boe	13.5	15.2	13.1
RCA Ebitda	€ m	374	500	286
RCA Ebit	€ m	256	332	145
Net Income from Upstream Associates	€ m	16	0	-1
Capex	€ m	132	184	104

WI production slightly down QoQ, with the continued ramp-up of FPSOs Lula North and Berbigão/Sururu offset by planned stoppages

Ebitda impacted by lower realisations and underlifting adjustments in a period of steep oil price decline

DD&A benefiting from the reserves' 2020 upward revision in Angola

1Q20 REFINING & MIDSTREAM

EBITDA REFLECTING MACRO ENVIRONMENT VOLATILITY

		1Q19	4Q19	1Q20
Raw materials processed	mmboe	22.8	26.5	26.8
Galp refining margin	USD/boe	2.3	3.3	1.9
Oil products supply ¹	mton	3.6	4.2	4.1
NG/LNG supply & trading volumes ¹	GWh	22,925	23,232	17,705
Trading	GWh	9,501	8,960	5,303
Sales of electricity to the grid	GWh	339	354	339
RCA Ebitda	€ m	27	52	90
RCA Ebit	€ m	-48	-44	9
Net Income from Ref. & Midstream Associates	€ m	19	21	24
Capex	€ m	5	60	14

Refining performance impacted by the harsh macro environment and planned maintenance activities performed in Sines' HCC unit

NG/LNG supply & trading volumes down, reflecting the Iberian market contraction and lower gas trading volumes

Ebitda up both YoY and QoQ, despite weak refining, due to the swing in lag effects in the supply pricing formulas

1Q20 COMMERCIAL

RESILIENT CONTRIBUTION DESPITE DEMAND WEAKNESS

		1Q19	4Q19	1Q20
Commercial sales to clients				
Oil products	mton	2.1	2.0	1.8
Natural gas	GWh	8,863	7,762	6,728
Electricity	GWh	841	808	900
RCA Ebitda	€ m	90	102	90
RCA Ebit	€ m	70	69	68
Net Income from Commercial Associates	€ m	2	0	-3
Capex	€ m	2	34	24

Lower oil and gas sales to direct clients, already reflecting the impact from Iberian lockdowns during March

Sales of electricity supported by increased customer base

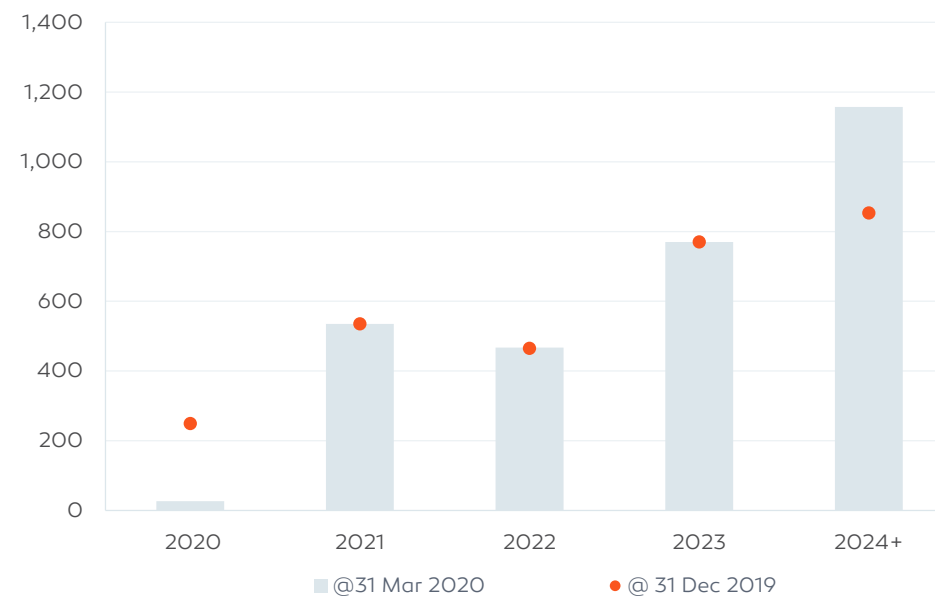
Stable results YoY supported by a stronger contribution from the Spanish activities

DEBT INDICATORS

Debt indicators

€m	31 Dec., 2019	31 Mar., 2020
Cash and cash equivalents	1,460	1,485
Undrawn credit facilities	1,163	1,164
Gross debt	2,895	2,981
Net debt	1,435	1,496
Operating leases (IFRS 16)	1,223	1,232
Net debt to RCA Ebitda	0.7x	0.7x
Undrawn credit facilities	1,163	1,164
% Debt at fixed rate	41%	40%

Debt reimbursement (€m)





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