

Investor Presentation



An integrated energy
player developing profitable
and sustainable businesses

November
2019



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Galp key takeaways



Unique
asset base

Selective
growth

Attractive
Returns

Increase **portfolio resilience** and competitiveness

Investment for growth along the energy value chain

Focus on **project returns** and **financial discipline**

Balance net investments with competitive **shareholder returns**

Capture opportunities from the **energy transition** while reducing carbon intensity

Positioning Galp for the
next growth cycle and
for **the future of energy**

MEMBER OF
**Dow Jones
Sustainability Indices**
In collaboration with **SAM**

MSCI
ESG RATINGS

AAA



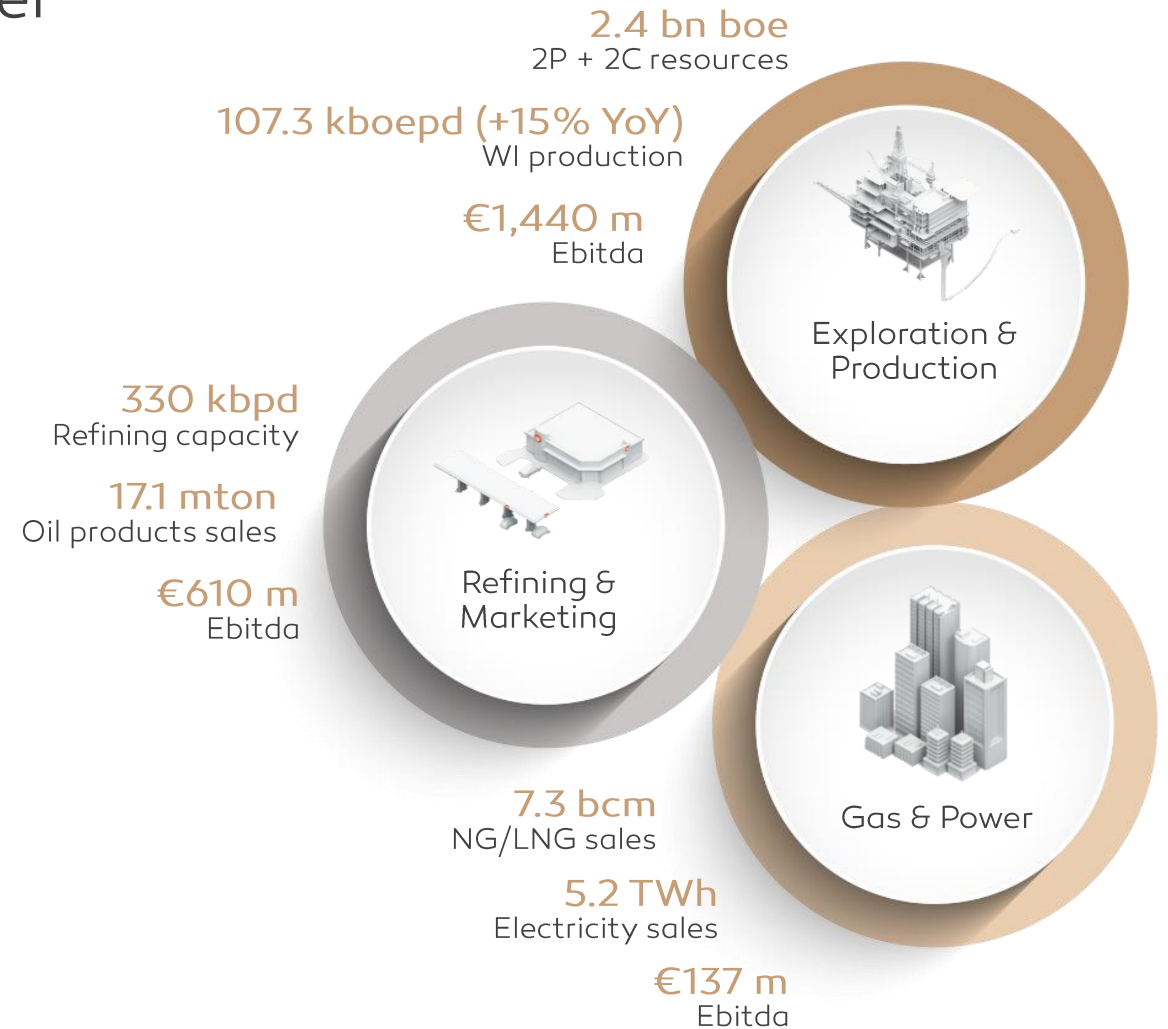
FTSE4Good



Galp

A fast growing integrated energy player

>	€11.9 bn	Market Cap.
>	€2.2 bn (+24% YoY)	Ebitda
>	€1.6 bn (+8% YoY)	CFFO
>	c.6,400	Employees



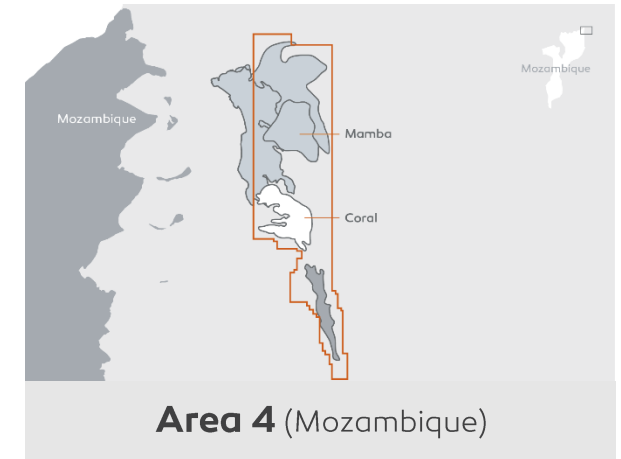
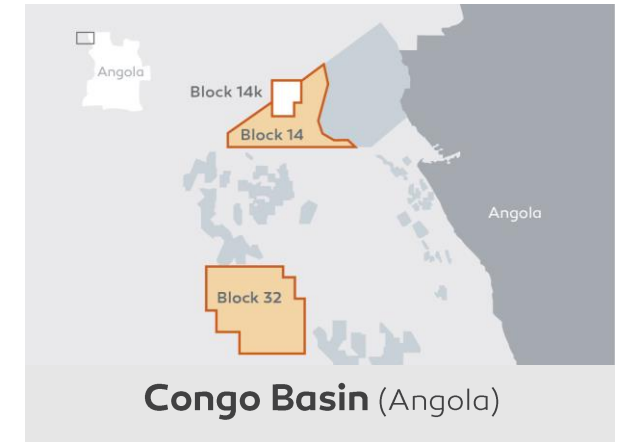
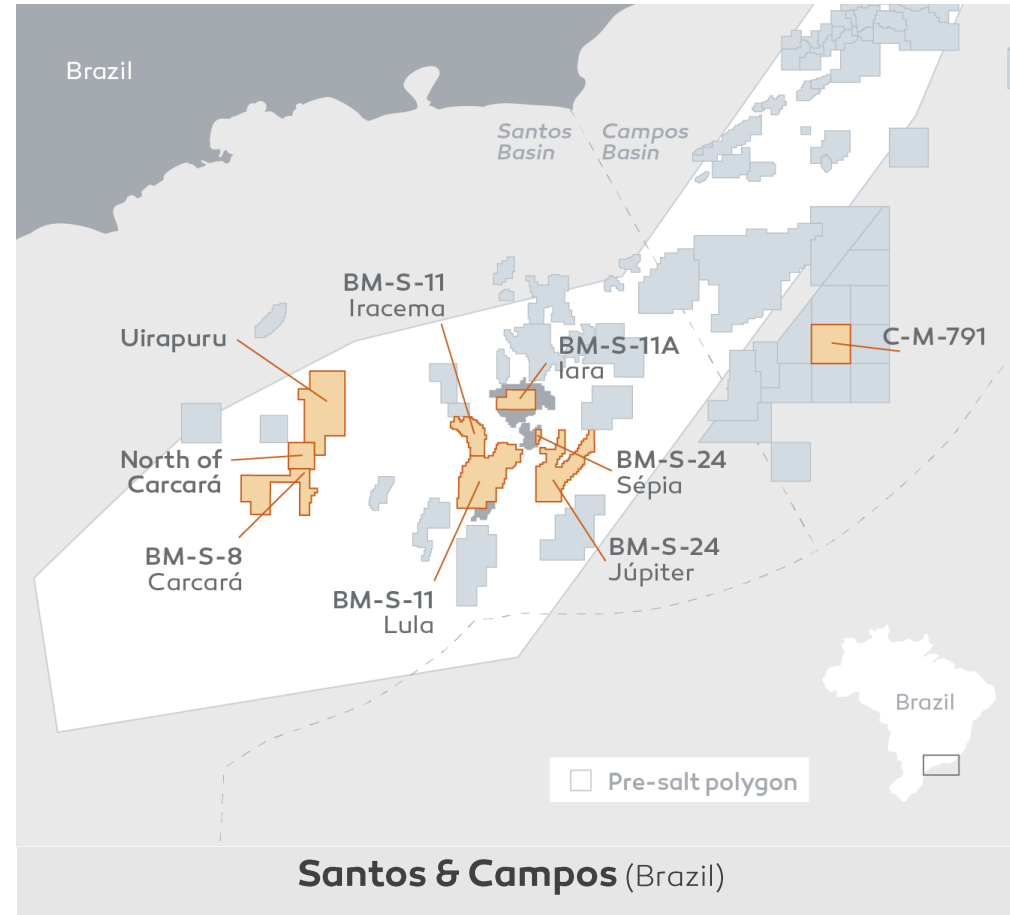
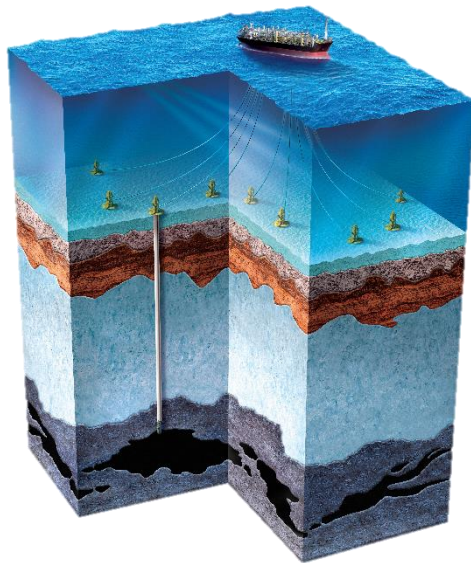
A man wearing a white hard hat, safety glasses, and an orange high-visibility shirt is looking off to the side. The background shows an industrial oil field with various structures and pipes under a blue sky with clouds. A large, semi-transparent circular graphic is overlaid on the image, containing the word "Upstream".

Upstream

Developing three core areas in our upstream portfolio

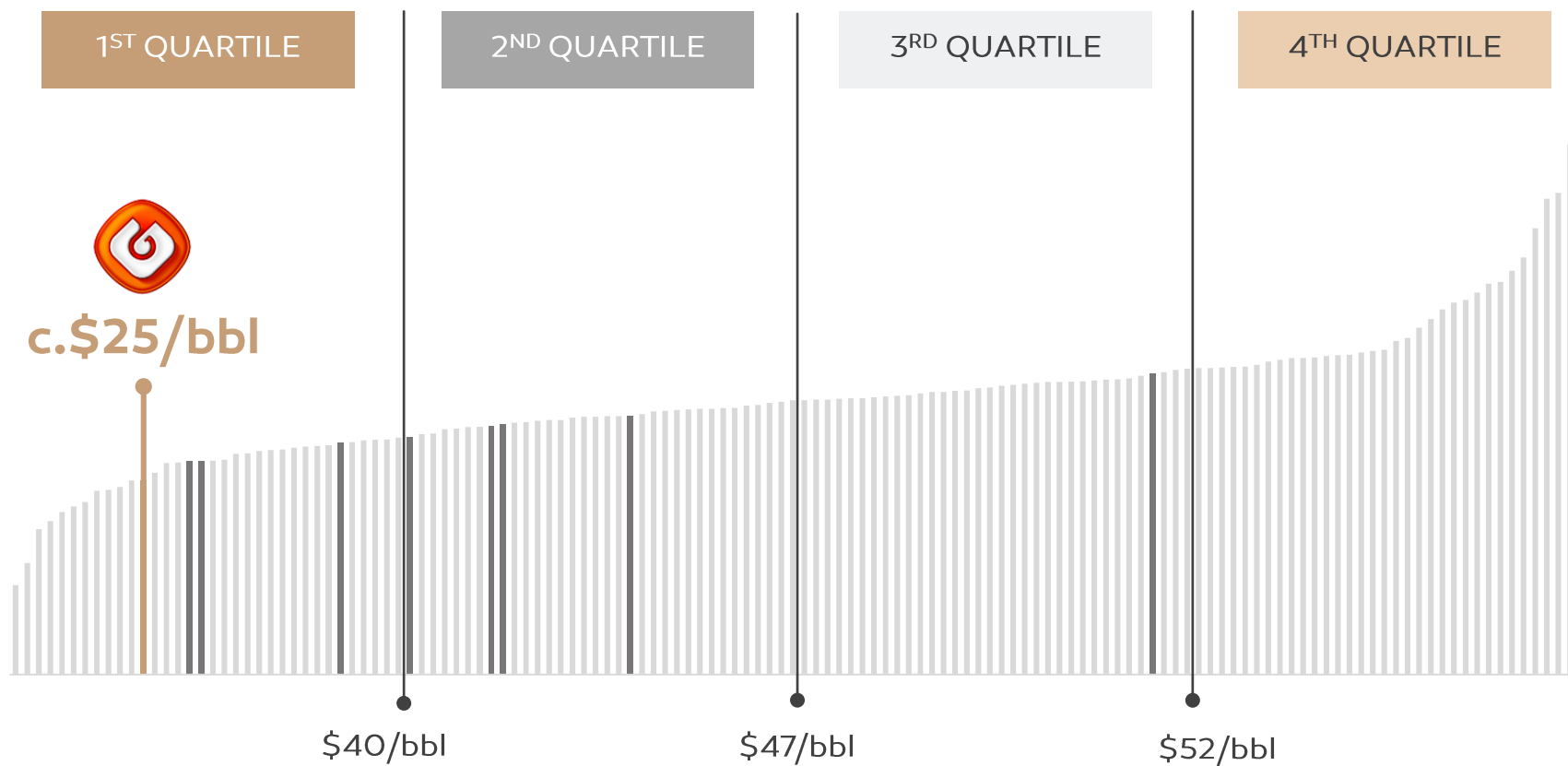
World class
deep water portfolio

Unique exposure to the
Brazilian pre-salt



Top quartile upstream portfolio

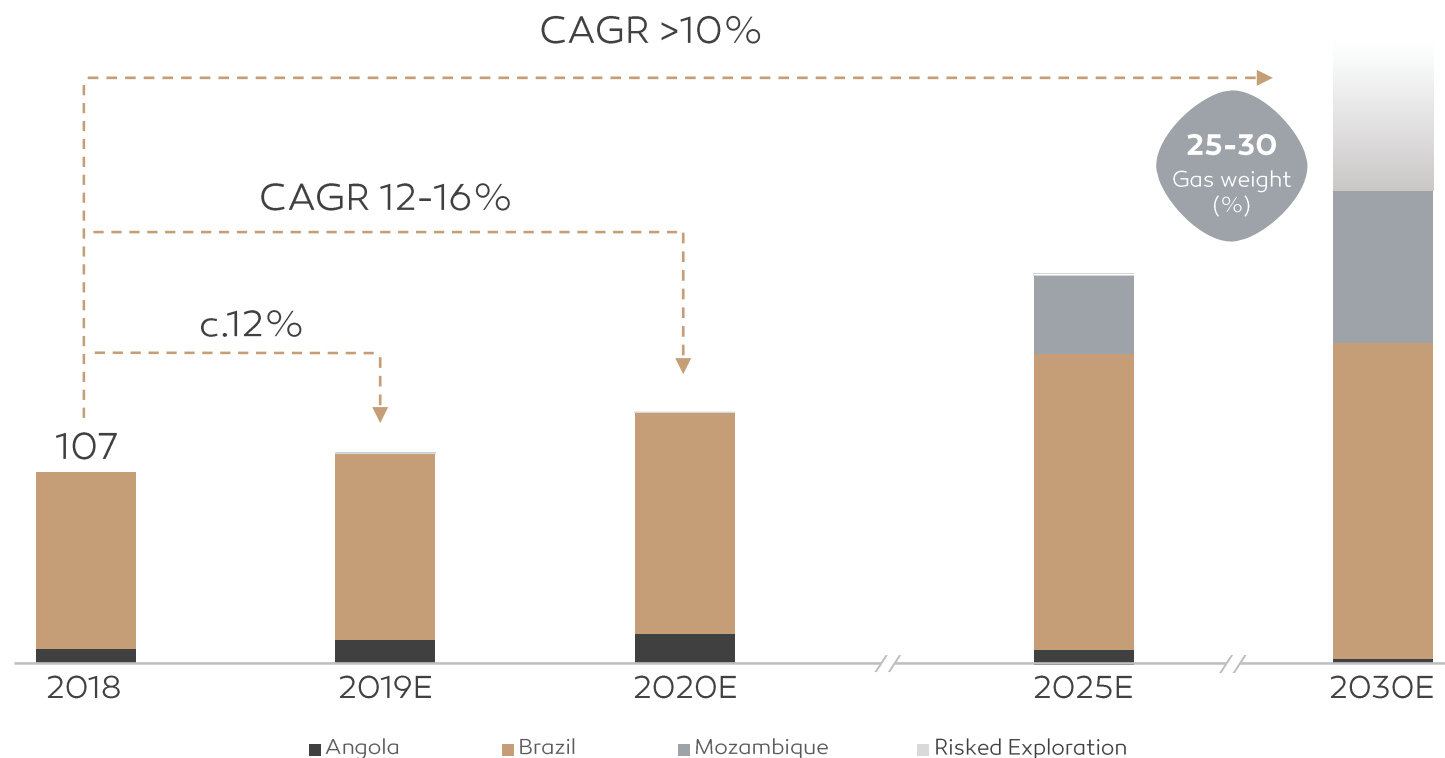
Upstream portfolio breakeven (\$/bbl)



- Lowest upstream portfolio breakeven amongst integrated peers, from a unique world class asset base
- Maintain portfolio resilience and competitiveness

Increasing potential of long-term production growth

WI production from existing portfolio (kboepd)



2019/20

2020+

- Lula North ✓
- Berbigão/Sururu
- Atapu 1
- Kaombo South ✓

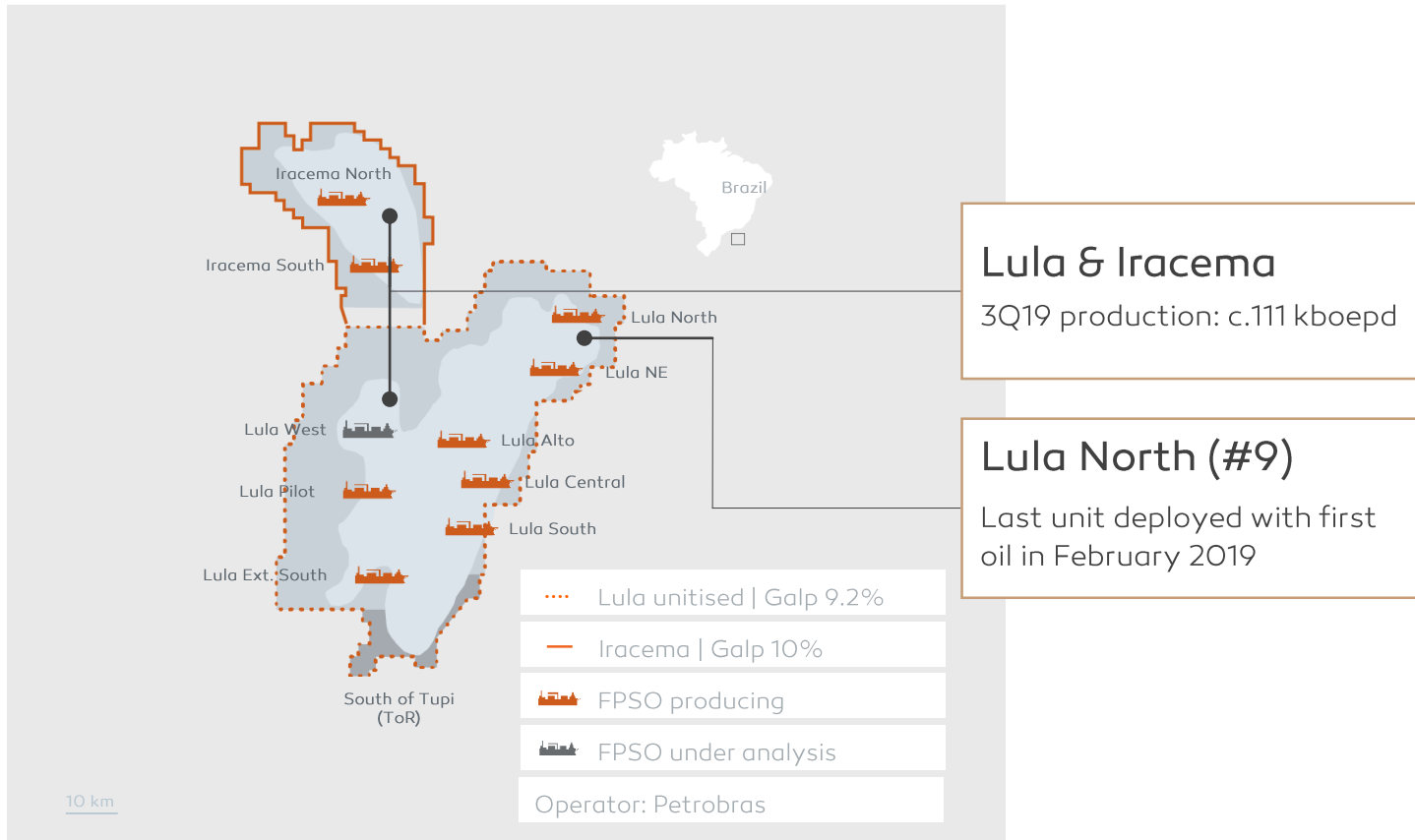
- Sépia East
- Coral South
- Greater Carcará
- Rovuma LNG
- Lula West
- Atapu 2
- Júpiter
- Exploration

Additional upside

- Optimise developments
- New ventures

Lula & Iracema

Delivering and improving large scale projects



BM-S-11 | Lula & Iracema

- Completing initial development phase: 9 FPSOs deployed with c.1.3 mmbpd total installed capacity
- Plateau periods now expected at 4.5 years on average
- Current recovery factor estimate at 31% and long term goal of 40%
- Unitisation of the Lula accumulation effective as of April 1, 2019, with Galp's stake at 9.2%

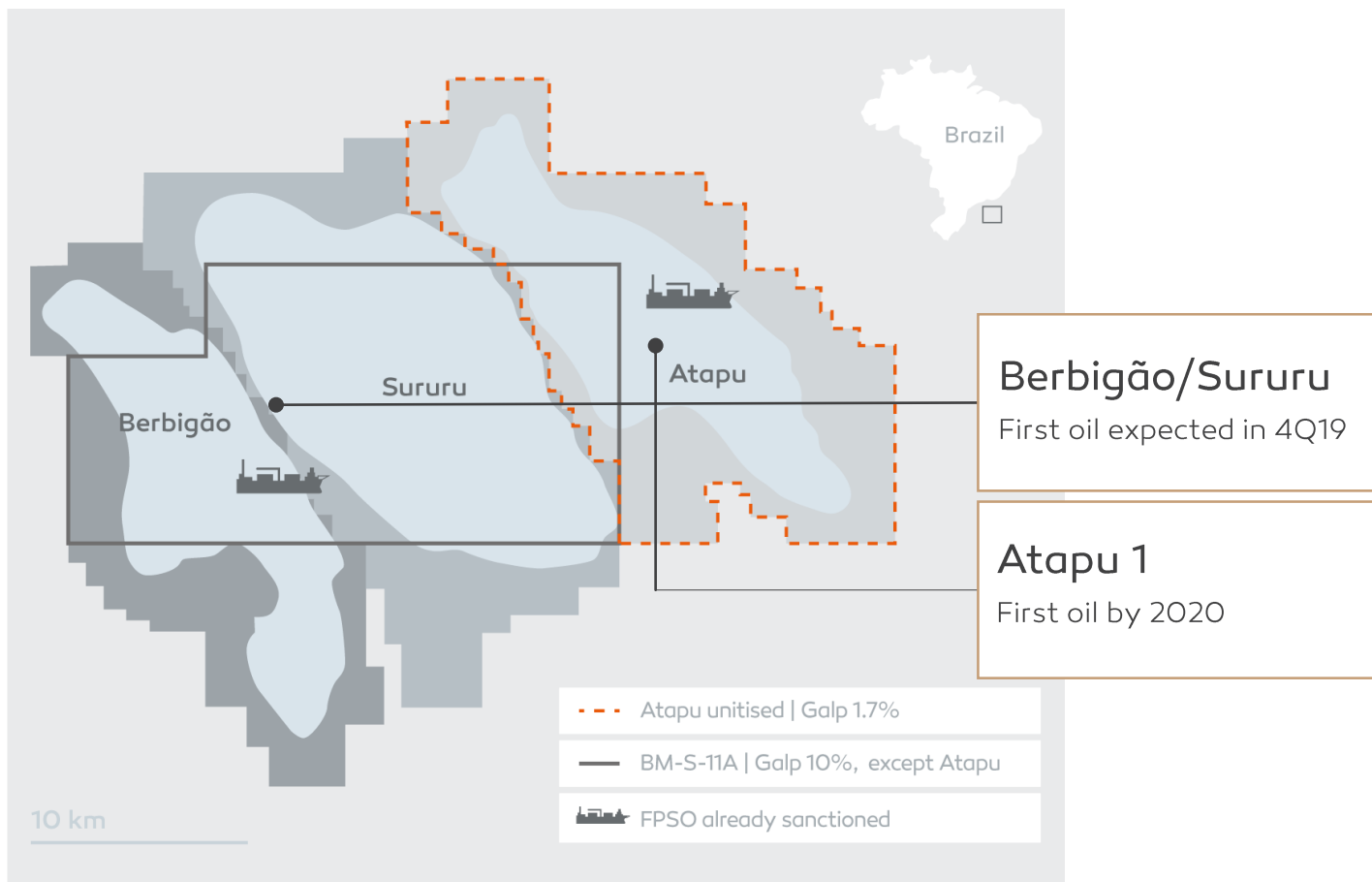
Iara

The next high-quality pre-salt growth project



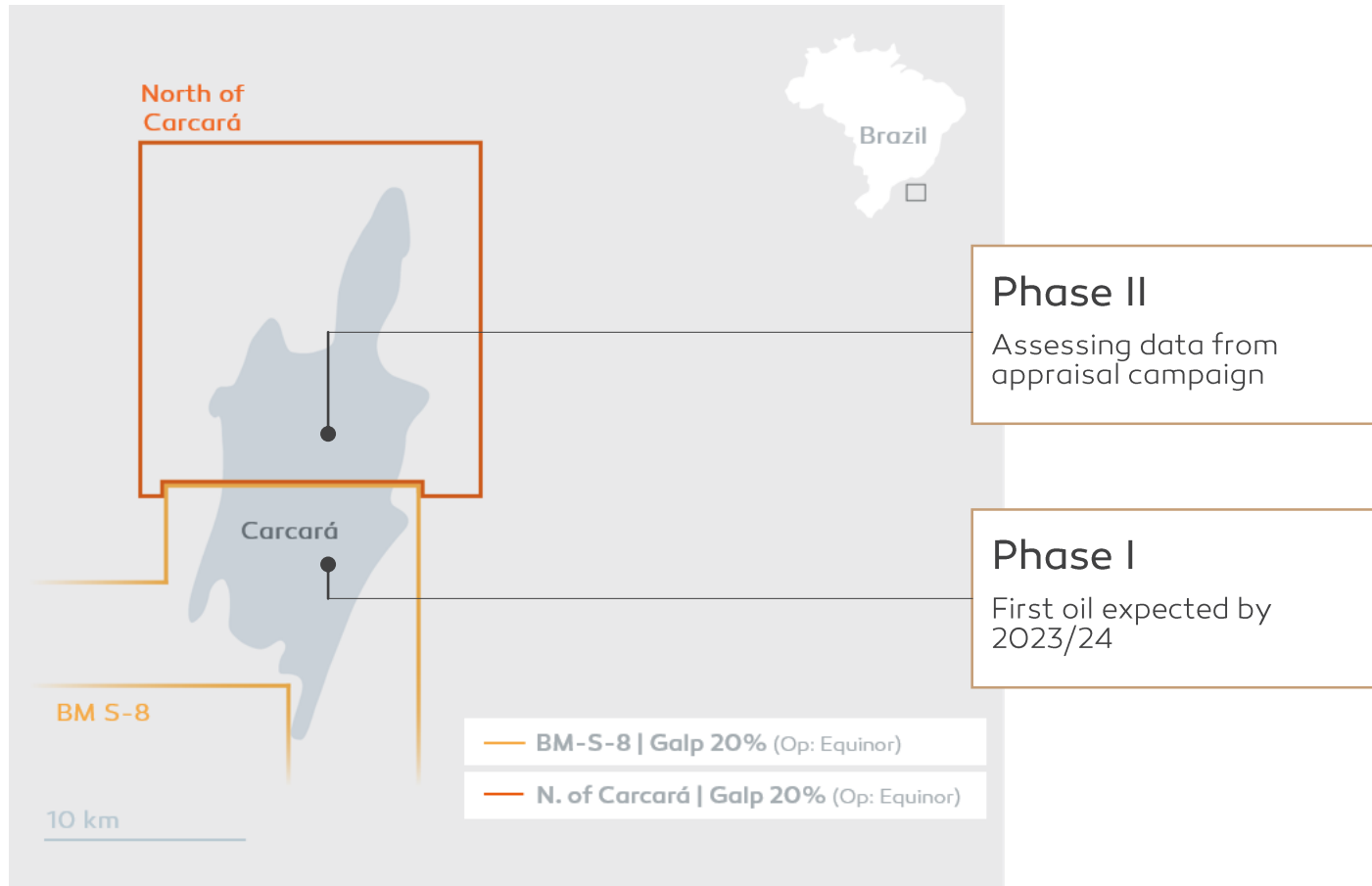
BM-S-11A | Greater Iara

- Berbigão/Sururu FPSO already at final location
- Ongoing drilling campaign and optimising PoD for the three different accumulations
- Supportive results from ongoing Sururu appraisal campaign
- Atapu unitisation effective as of September 1, 2019, with Galp's stake at 1.7%. Berbigão and Sururu processes ongoing.



Greater Carcará

High potential to drive 2020+ growth

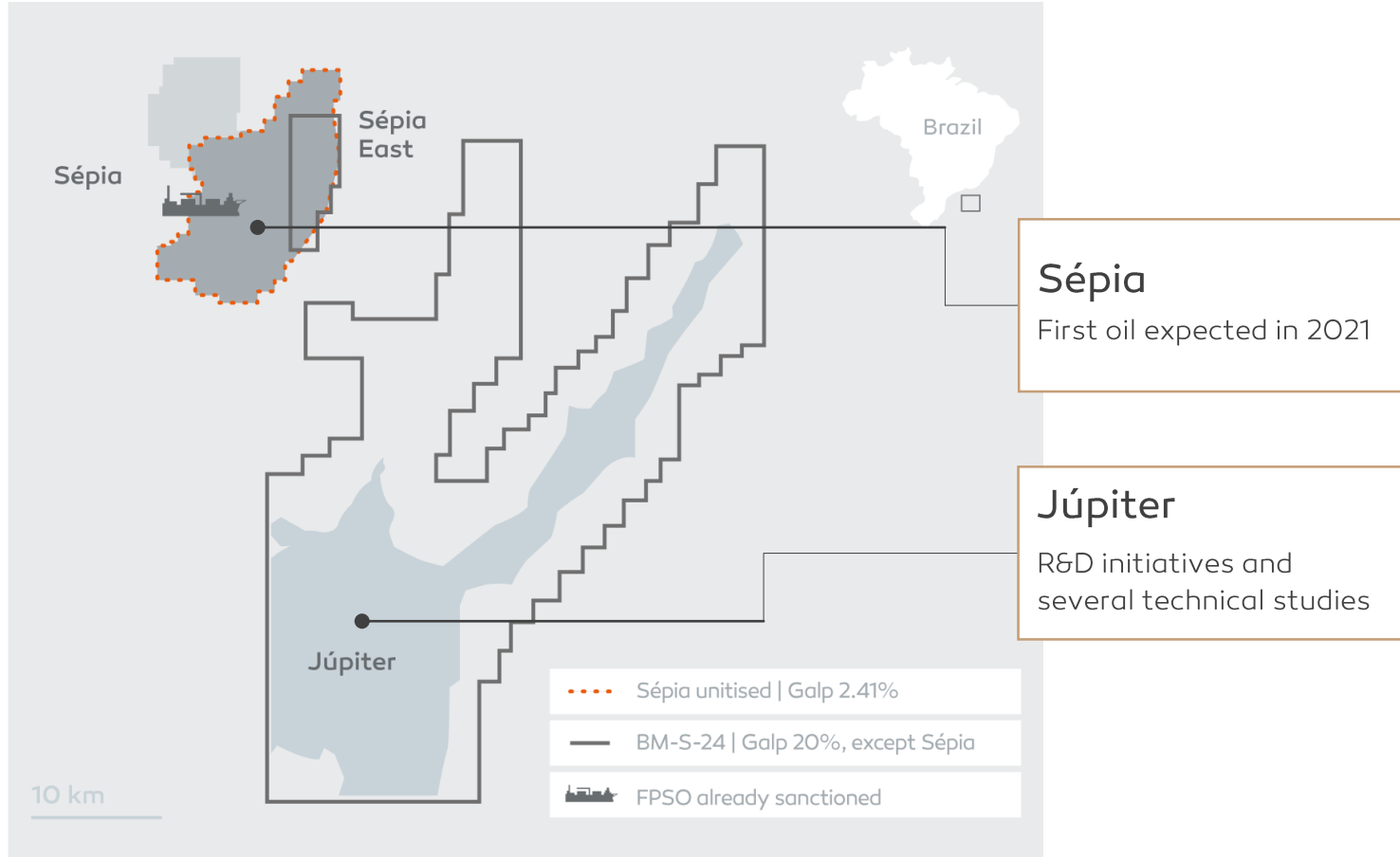


BM-S-8 and North of Carcará

- Carcará reservoir quality to exceed Santos basin average performance with breakeven <\$40/bbl
- Phase I considering a 220 kbpd FPSO and full gas re-injection concept
- Two well appraisal campaign completed in North of Carcará to support Phase II analysis

Sépia and Júpiter

Additional 2020+ pre-salt contribution

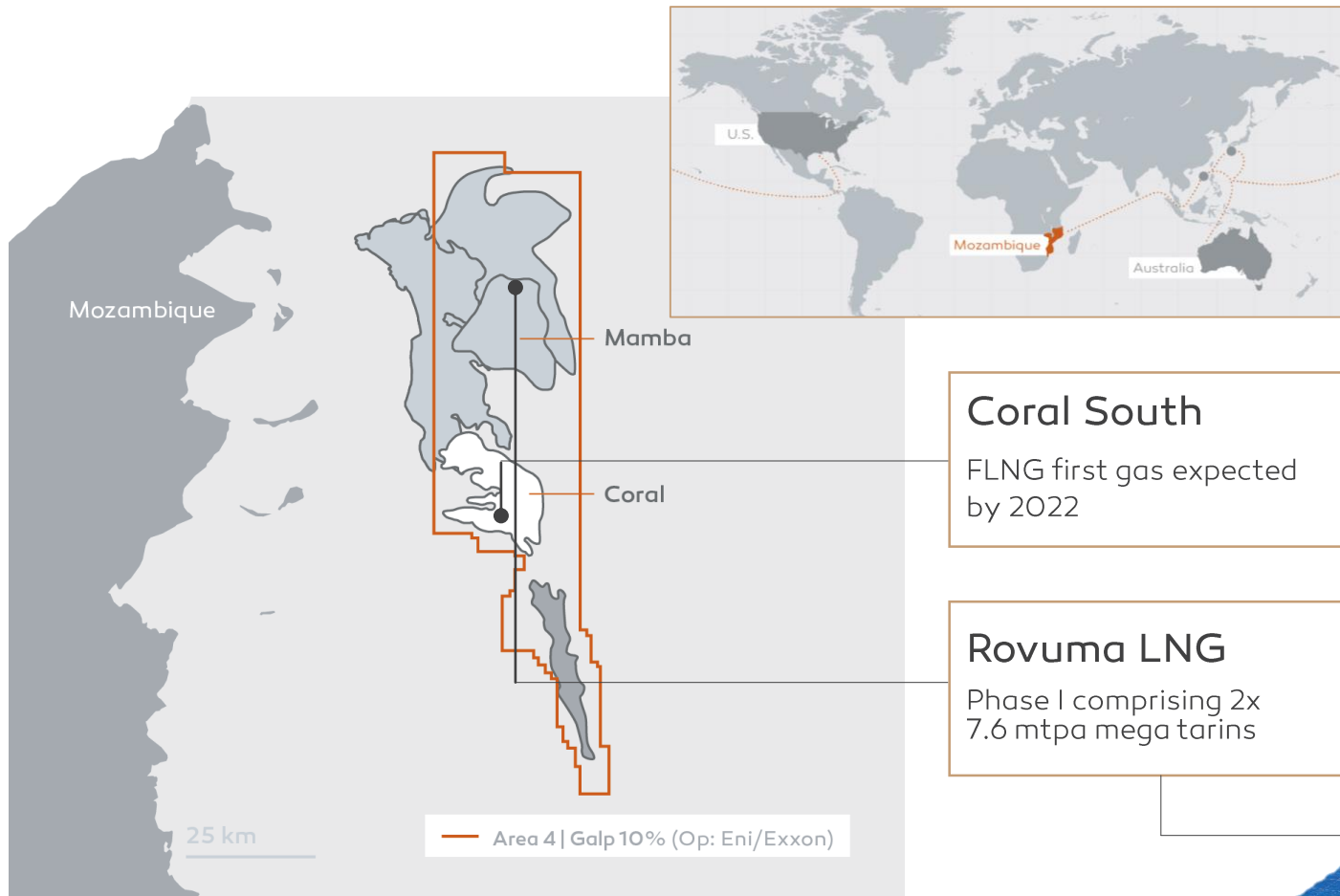


BM-S-24 | Sépia East and Júpiter

- 180 kbpd FPSO already awarded for the Sépia project
- Unitisation of Sépia East and Sépia effective as of September 1, 2019, with Galp's stake at 2.4%
- Maturing large scale Júpiter discovery development concept and technological feasible solutions

Mozambique Area 4

Fast tracking phased LNG developments



- Mozambique to become a major LNG supplier, leveraging quality and scalability of gas discoveries
- Favorable time to market to meet LNG demand
- Coral South: 3.4 mtpa FLNG under execution
- EPC awards for Rovuma LNG, with FID expected in 2020 and first gas in 2025

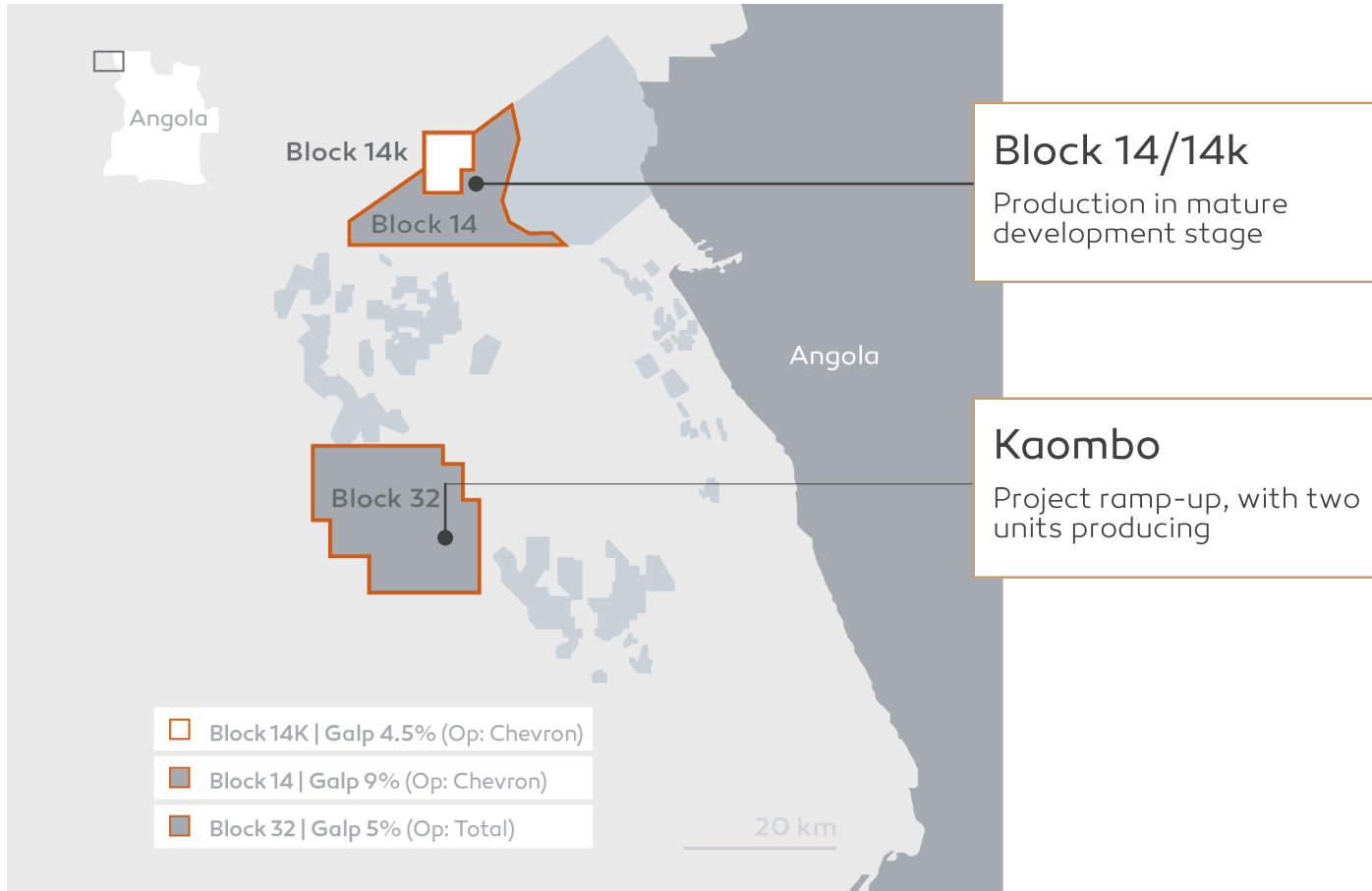
Angola

Contribution increasing with Kaombo ramp-up



Block 14/14k and Block 32

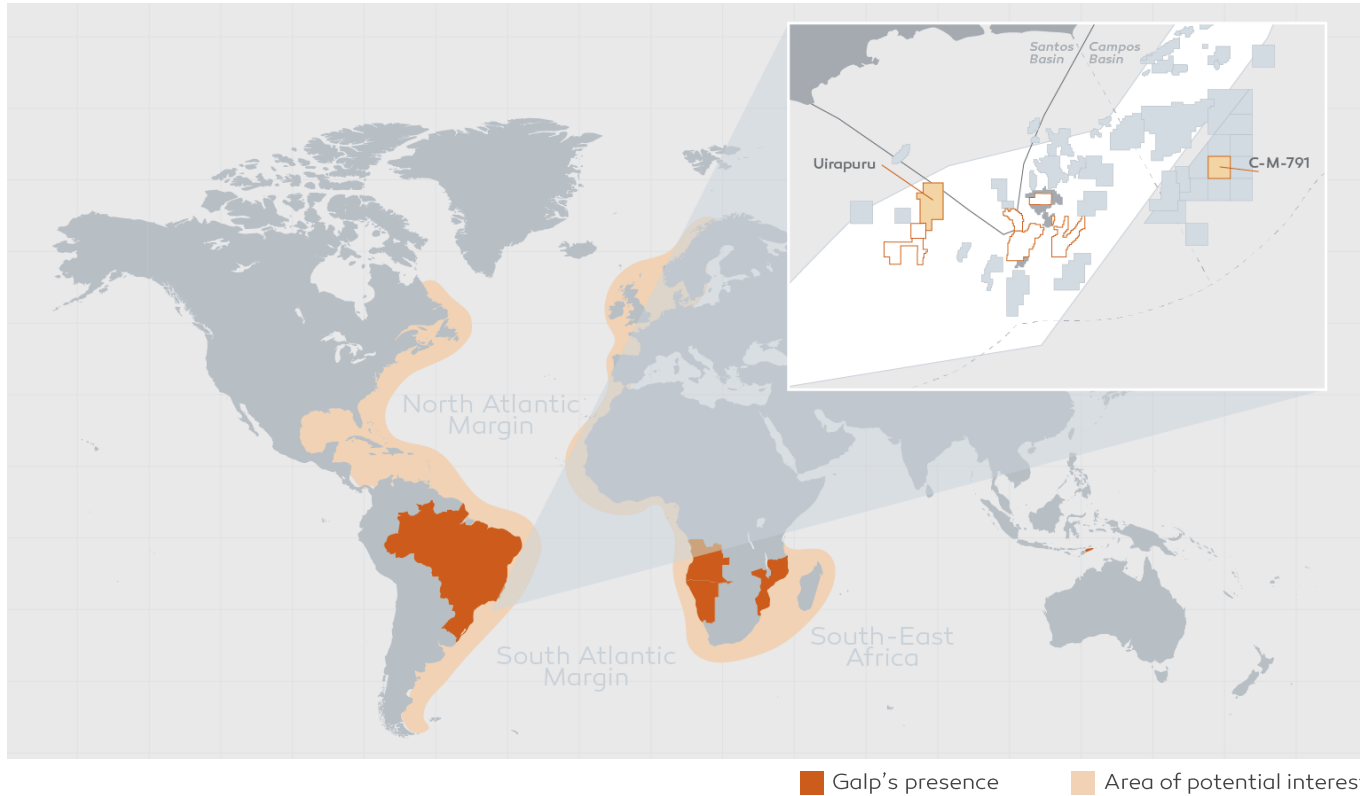
- 2 FPSOs deployed in Block 32, with total installed capacity of 130 kbpd
- Focused on efficiency and cost enhancements to extend Block 14 economic limit



Selectively accessing new opportunities

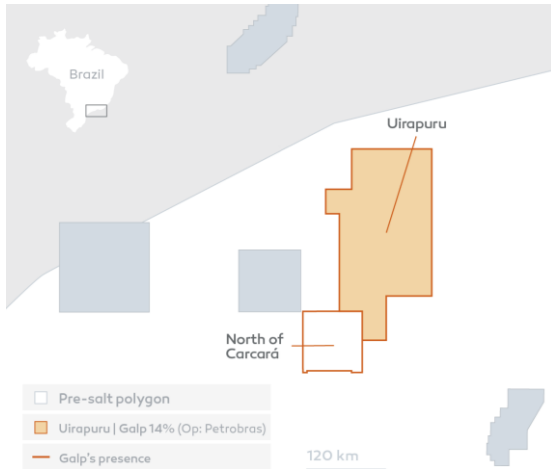


Regional focused exploration strategy



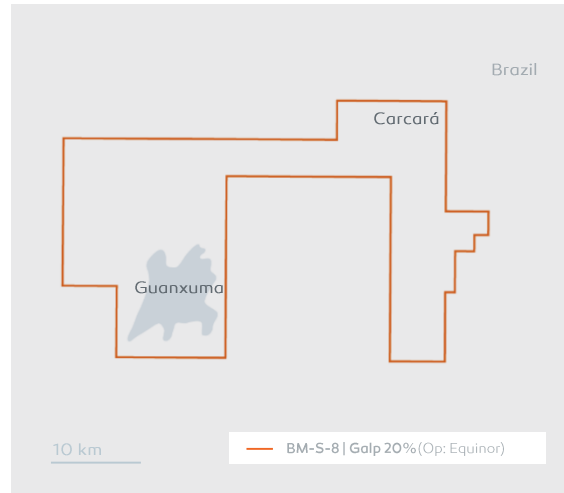
- New high potential assets in Brazil: Uirapuru in Santos Basin and C-M-791 in Campos Basin
- Developing competitive advantages and synergies with current portfolio
- Leveraging presence in Brazilian pre-salt top tier acreage
- New ventures to include both selected DRO and exploration assets

Exploration activities



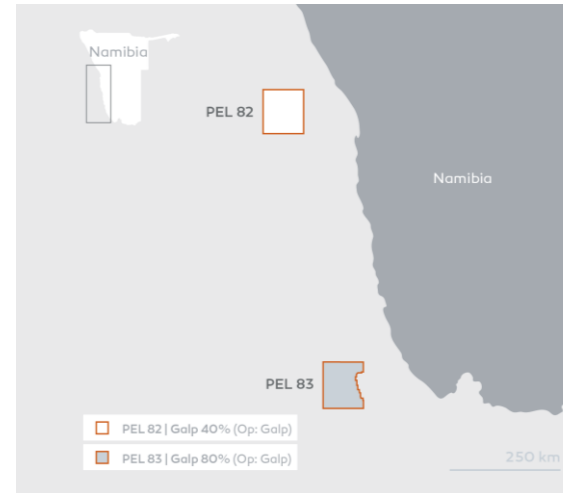
Uirapuru (Brazil)

- Targeting first exploration well by YE19



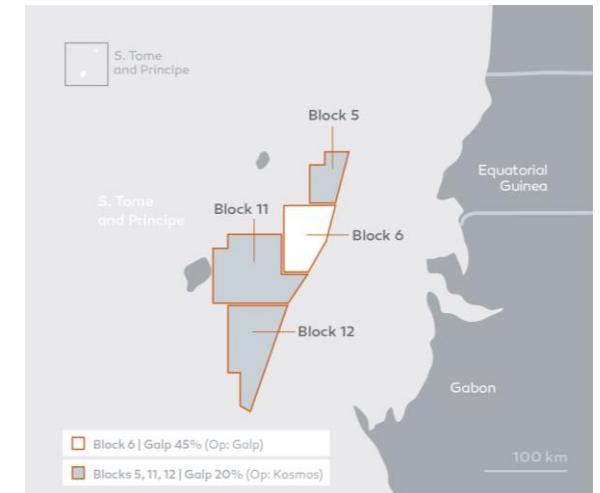
Guanxuma (Brazil)

- DST performed to further appraise oil discovery



PEL 82 & PEL 83 (Namibia)

- Concluded 3D seismic in PEL 82
- Processing 3D seismic acquisition in PEL 83



Blocks 5, 6, 11 & 12 (São Tomé and Príncipe)

- Working to spud Block 6 in 2020/21

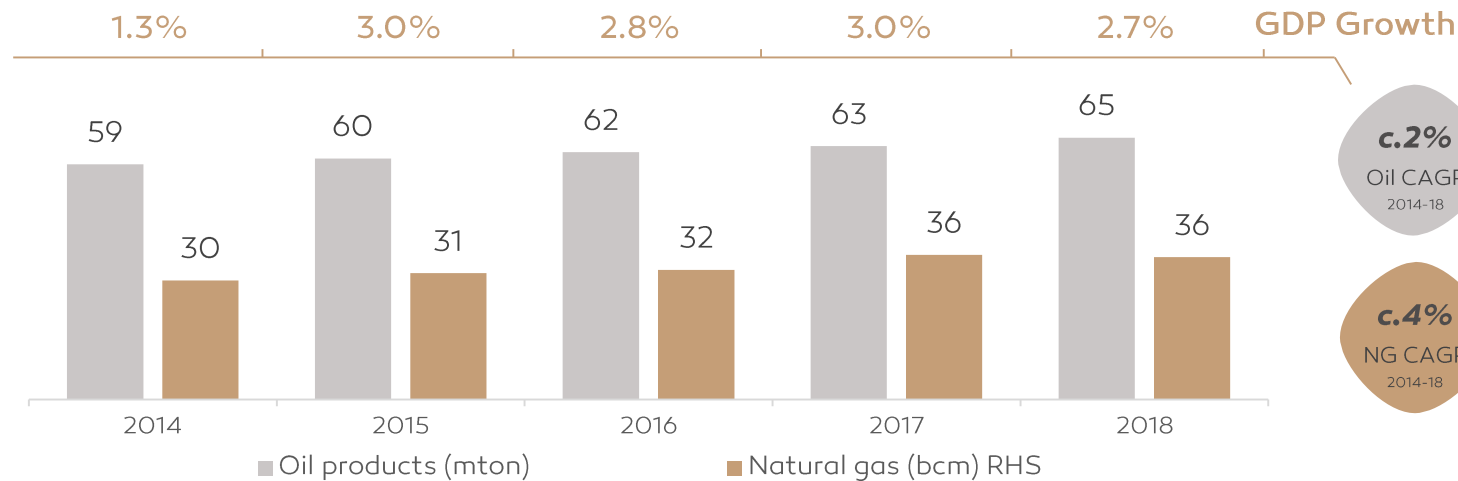
An aerial photograph of a large industrial complex, possibly a refinery or chemical plant, featuring numerous storage tanks, distillation columns, and a dense network of pipes and walkways. The image is overlaid with a semi-transparent circular graphic that has a thin black outline and a light gray fill. Inside this circle, the word "Downstream" is written in a bold, black, sans-serif font. Two short orange lines are also present: one pointing towards the top-left and another pointing towards the bottom-right, both originating from the central text area.

Downstream

Downstream activities

focused on selected clusters

Iberian oil products and NG demand



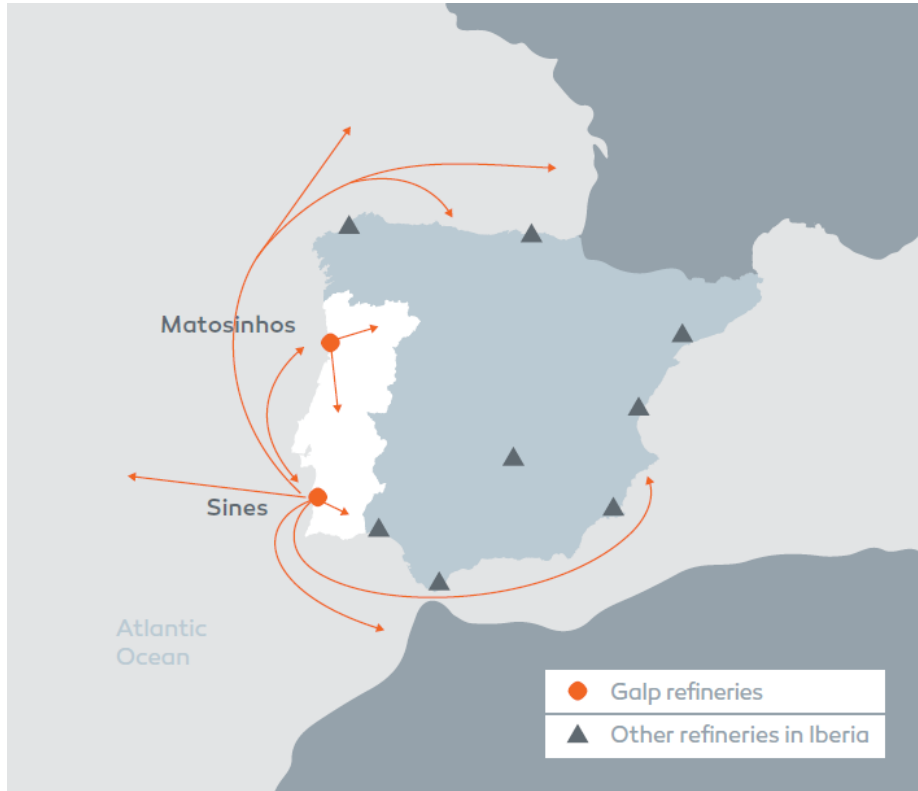
Economic recovery supporting oil and natural gas markets in Iberia

Present in five African countries, leveraging expected market growth

Adapting downstream businesses to market trends

R&M: Refining

Competitive and flexible refining system



Adapt refining system, increasing asset competitiveness and resilience

Completing “+\$1/boe” initiatives, focused on maximising energy efficiency and enhancing conversion

Leveraging refineries’ location (SW Europe), namely competitiveness in the North American East Coast

Oil product sales of 17.1 mton in 2018 (c.70% placed in Iberia)



IMO 2020

Integrated profile providing hedge to demand specs changes

Upstream (€m)¹



Benefiting from sweeter crudes expected market price appreciation

Galp's production also to benefit from increased mid-gravity crude type global demand

Downstream (€m)¹



Current refining configuration allows for feasible sulphur specs offer

Ready to produce compliant fuel, with supplies to start from November 2019

R&M: Marketing

Leading player in core regions



New organizational structure to allow integrated value maximisation from commercial activities

High quality retail network located in Iberia and selected African clusters

Enhancing efficiency of operations and strengthening regional presence

Launching new services while improving fuel and non-fuel offering

Service stations

1,459

Africa
176

Convenience stores

836



Building a sustainable integrated business

Strengthening gas and electricity commercial position in Portugal and Spain

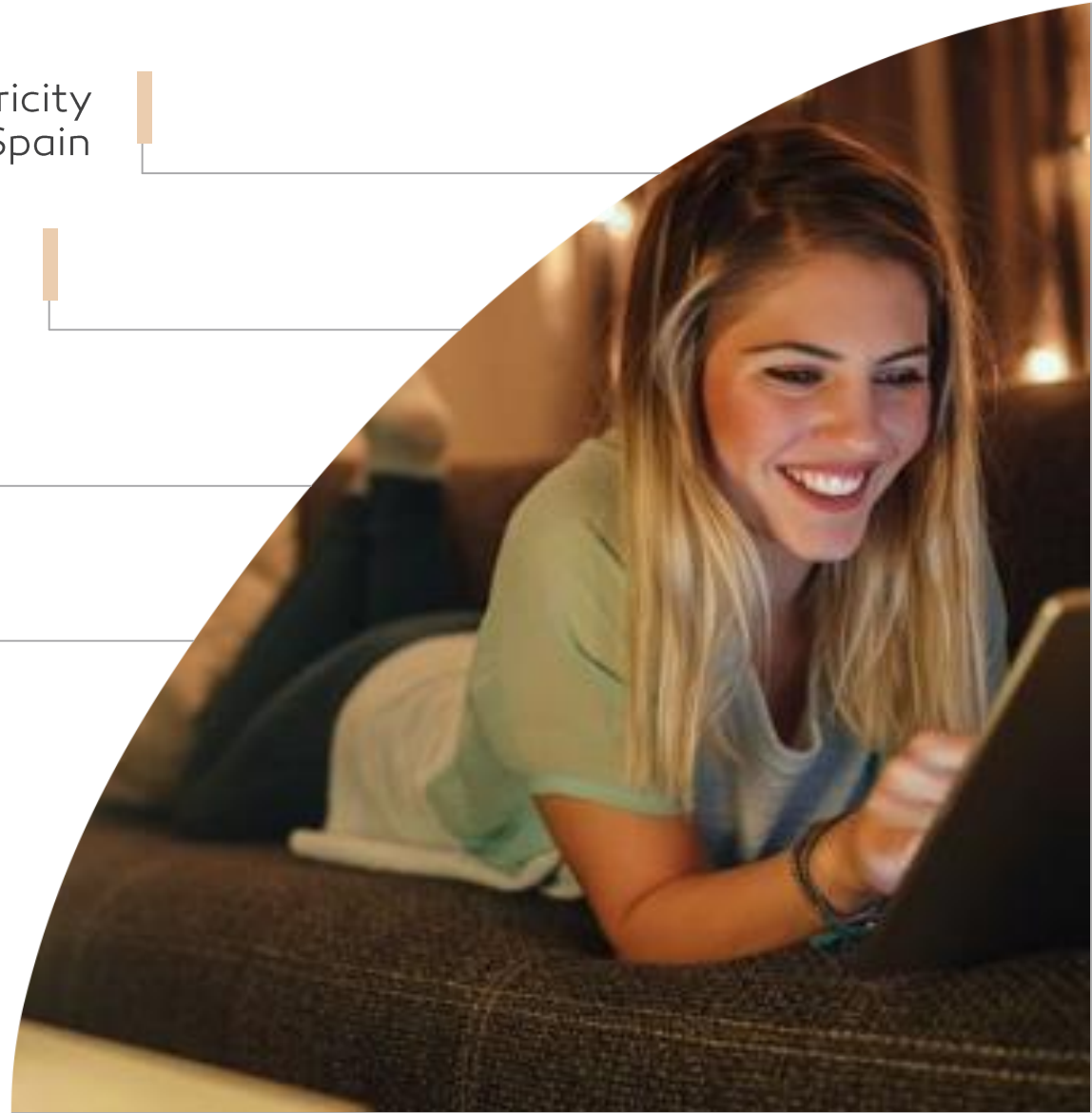
Leveraging integration with remaining downstream businesses

Building new NG/LNG sourcing basket

Strengthen renewable electric offering through a solar PPA of 358 GWh (10% of clients sales)

Ebitda
€100-150 m
p.a.

Associates¹
€90-100 m
p.a.



Building portfolio optionality

Low carbon solutions

Developing a sustainable portfolio of renewable power generation
Preparing integration with current electrical commercial offer

New business models


Developing alternative mobility services, including an electric offer
Provide customer-centred solutions

Innovation & digitalisation

Leverage on digitalisation and data analytics
Foster innovation agenda

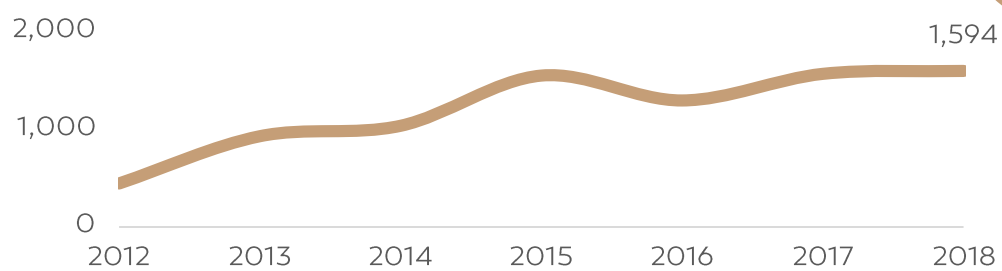


Financials

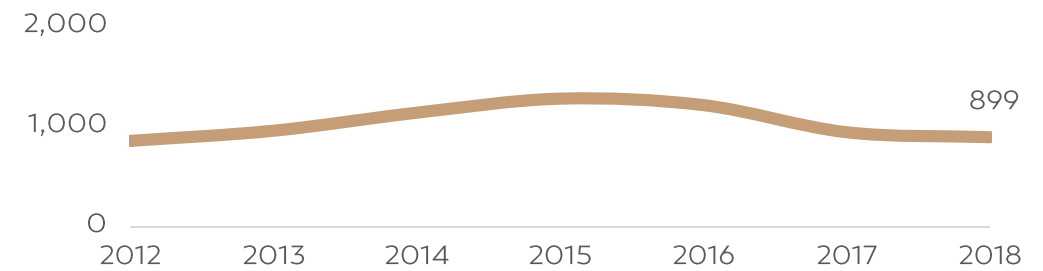
galp 

Solid financial track record

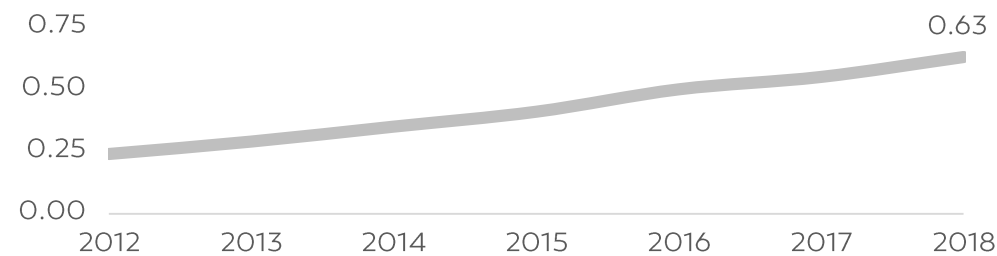
CFFO (€m)



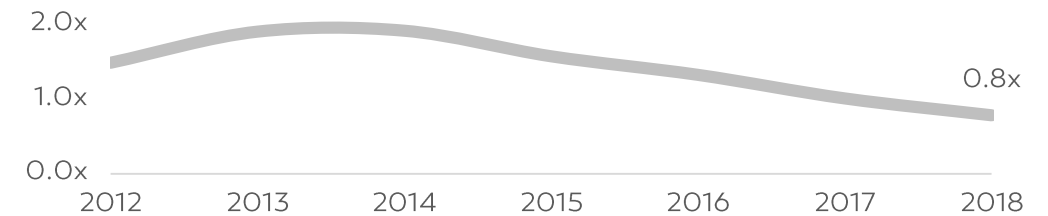
Capex (€m)



Dividends (€/sh)



Net debt to Ebitda RCA



2019E Ebitda¹ | >€2.2 bn

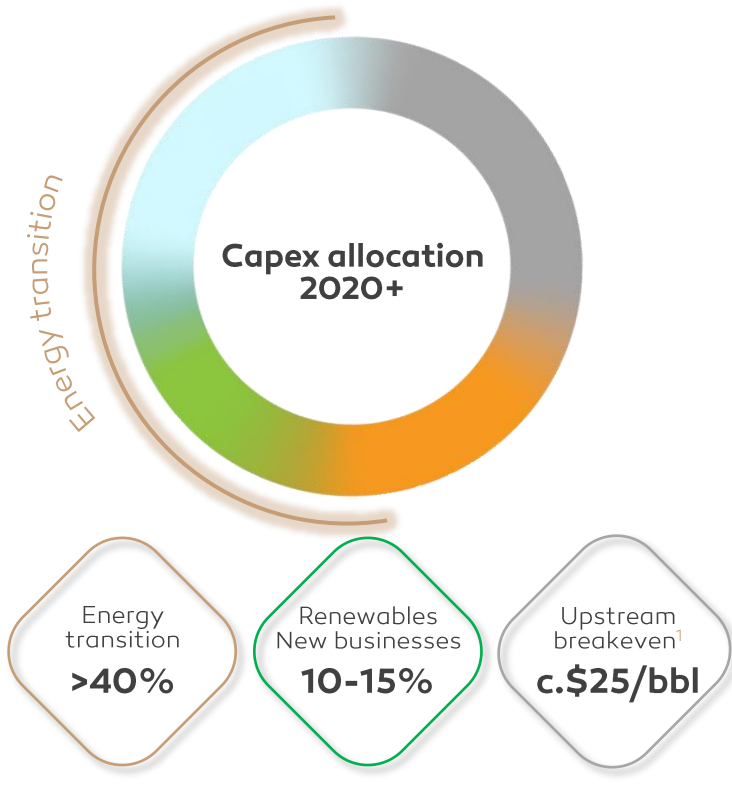
2019E Capex¹ | <€0.9 bn

Capital allocation guidelines

Balanced investments supporting long-term value creation

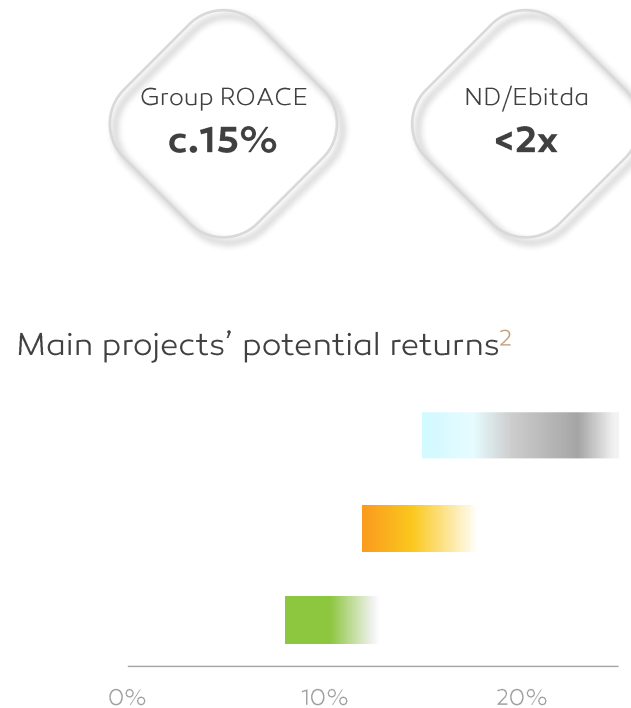
Investment strategy

Investing in sustainable growth across the energy value chain



Financial discipline

Adding value while maintaining a strong balance sheet



Shareholder distribution

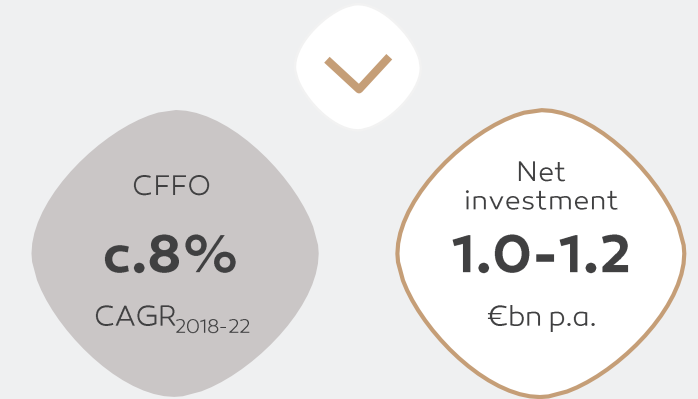
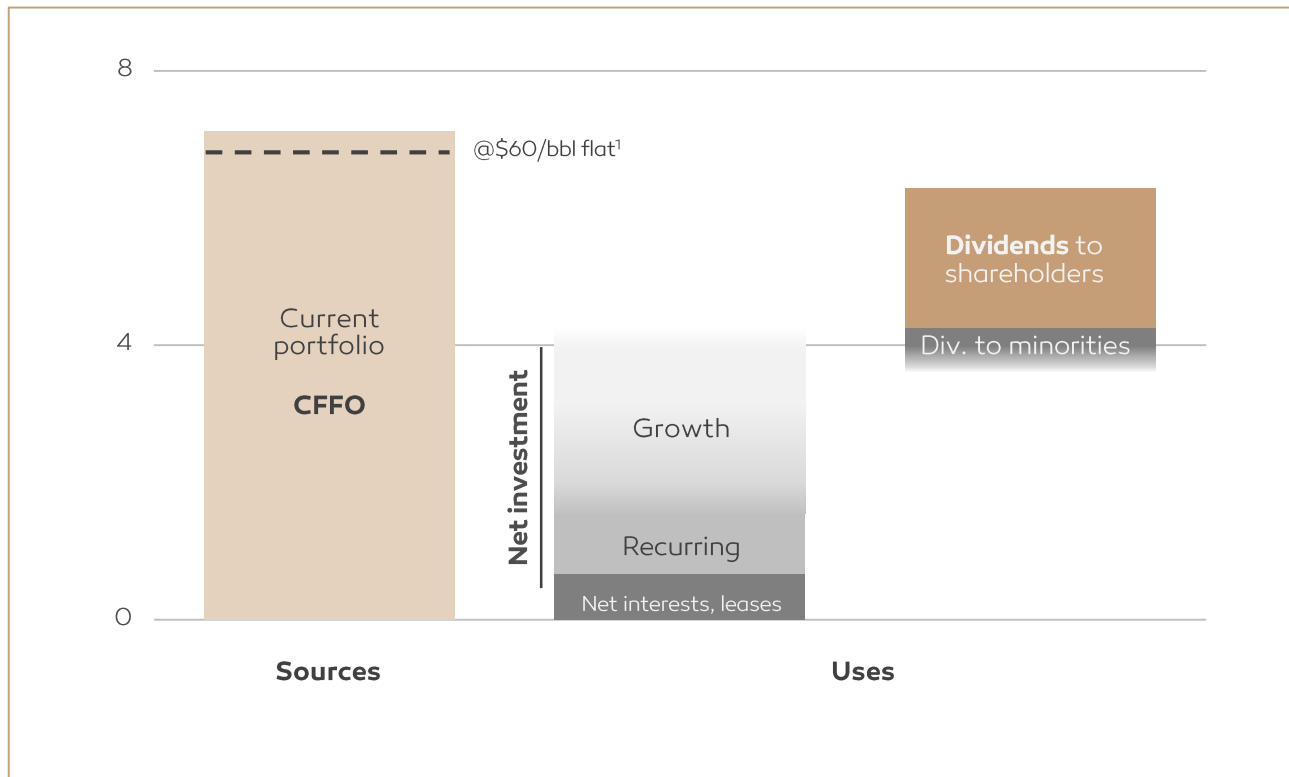
Commitment to progressive dividend policy



Operational cash cycle

to support further growth and distributions

Sources and Uses 2020-22 (€bn)



- Operational resilient contribution to support growth plan
- Group Ebitda expected above €3 bn from 2020 onwards
- Net investments to remain on average at €1.0 – 1.2 bn, including both organic and potential additional projects' equity needs
- c.70% of total investments to support future growth

Strengthening portfolio for **resilience and long-term growth**



- Develop **upstream** business for value
- Adapt **refining** system, increasing asset competitiveness and resilience
- Build a sustainable and flexible **NG/LNG** portfolio
- Maximise value from **commercialisation**
- Develop an integrated **power** business based on low carbon generation



**Key data &
backup info**

Macro assumptions

and sensitivities

Galp assumptions		2020 - 2022E		
Brent price (\$/bbl)		65 – 70		
Galp refining margin (\$/boe)		5.5 – 6.0		
EUR:USD		1.15		

		Ebitda	CFFO	FCF ¹
Sensitivities (€m)	Change	2020 – 22E	2020 – 22E	2020 – 22E
Brent price	\$5/bbl	185 – 200	90 – 95	70 – 75
Refining margin	\$1/boe	c.100	70 – 100	70 – 100
EUR:USD	0.05	(110) – (120)	(60) – (65)	(15) – (30)

Galp reserves

and resources

Reserves (mmboe)	2017	2018	Chg.
1P	383	389	2%
2P	748	755	1%
3P	965	985	2%
Contingent resources (mmboe)	2017	2018	Chg.
1C	296	425	43%
2C	1,352	1,658	23%
3C	3,297	3,671	11%
Prospective resources (mmboe)	2017	2018	Chg.
Unrisked	3,835	4,303	12%
Risked	566	623	10%

Results

supported by strong operational performance

Profit & Loss (€m)

	2017	2018	YoY	9M19 (IFRS 16)	YoY (comparable)
RCA Ebitda	1,786	2,218	24%	1,728	(8%)
E&P	850	1,440	69%	1,251	4%
R&M	774	610	(21%)	317	(43%)
G&P	132	137	4%	141	27%
RCA Ebit	1,032	1,518	47%	1,033	(18%)
Associates	150	137	(8%)	114	1%
Financial results	(34)	(70)	n.m.	(97)	n.m.
Taxes	(483)	(726)	50%	(543)	(4%)
Non-controlling interests	(88)	(151)	72%	(104)	(2%)
RCA Net Income	577	707	23%	403	(26%)
Net Income IFRS	597	741	24%	283	(54%)

Balance sheet (€m)

	Dec.17	Dec.18	YoY	Set.19	vs. Dec.18
Net fixed assets	7,231	7,340	109	7,437	98
Rights of use (IFRS 16)	-	-	-	1,202	1,202
Working capital	584	814	230	837	23
Loan to Sinopec	459	176	(283)	0	(176)
Other assets (liabilities)	(609)	(546)	63	(879)	(333)
Capital employed	7,665	7,784	118	8,597	814
Net debt	1,886	1,737	(149)	1,645	(92)
Operating leases (IFRS 16)	-	-	-	1,274	1,274
Equity	5,779	6,047	268	5,678	(369)
Net Debt + Op. Leases + Equity	7,665	7,784	118	8,597	814

Upstream

Key operational indicators

Exploration & Production¹

		2017	2018	YoY	9M19 (IFRS 16)	YoY (comparable)
Working interest production ²	kboepd	93.4	107.3	15%	116.7	11%
Oil production	kbpd	81.6	94.8	16%	103	11%
Net entitlement production ²	kboepd	91.5	105.9	16%	114.9	11%
Angola	kbpd	6.0	6.8	14%	11.2	84%
Brazil	kbpd	85.5	99.1	16%	103.7	6%
Oil and gas realisations – Dif. to Brent	USD/boe	(6.6)	(8.7)	32%	(7.8)	(14%)
Production costs	USD/boe	8.2	8.2	0%	3.9	(12%)

Downstream

Key operational indicators

Refining & Marketing

		2017	2018	YoY	9M19	YoY
Galp refining margin	USD/boe	5.8	5.0	(14%)	3.0	(40%)
Refining cost ¹	USD/boe	1.7	2.6	50%	2.6	20%
Raw materials processed	mmboe	114.2	100.4	(12%)	69.3	(16%)
Total oil products sales	mton	18.3	16.8	(8%)	12.0	(9%)
Sales to direct clients	mton	8.7	8.6	(2%)	6.6	3%

Gas & Power

		2017	2018	YoY	9M19	YoY
NG/LNG total sales volumes	mm ³	7,348	7,616	4%	5,654	(4%)
Sales to direct clients	mm ³	4,374	4,740	8%	3,485	(2%)
Trading	mm ³	2,974	2,875	(3%)	2,169	(7%)
Sales of electricity to direct clients	GWh	3,625	3,865	7%	2,391	(20%)
Sales of electricity to the grid	GWh	1,386	1,296	(7%)	972	(5%)

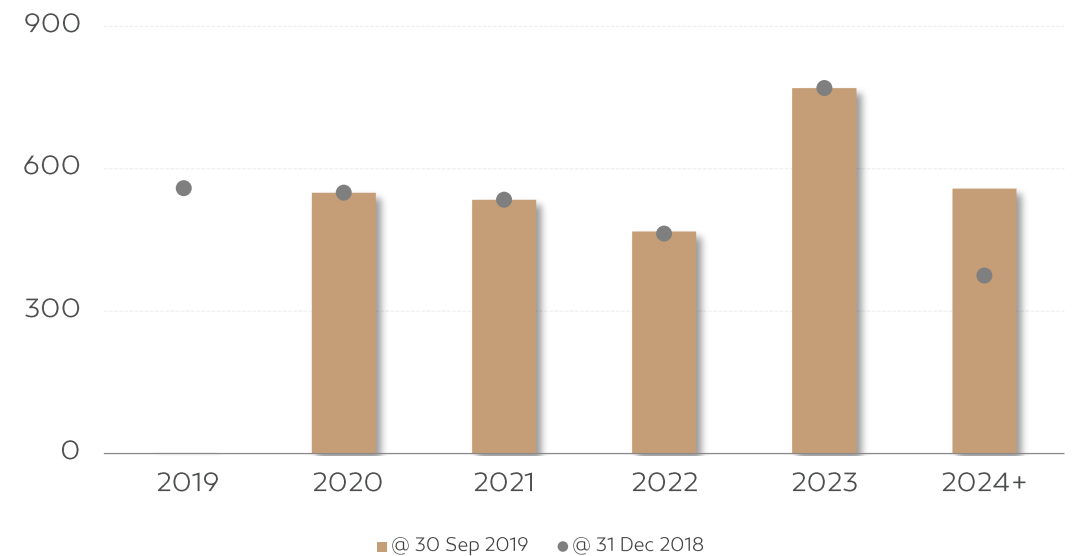
Key indicators

Galp's debt

Debt indicators

	31 Dec. 2017	31 Dec. 2018	30 Sep. 2019
Gross Debt	3,083	3,245	2,892
Cash and equivalents	1,197	1,508	1,246
Net debt	1,886	1,737	1,645
Operating leases (IFRS 16)	-	-	1,274
Net Debt to Ebitda ¹	1.1x	0.8x	0.8x
Available credit lines	€1.3 bn	€1.4 bn	€1.4 bn
% Debt at a fixed rate	60%	52%	40%

Debt reimbursement (€m)



Debt Structure



IFRS 16

Impacts on Galp's reporting principles

Balance sheet

All leases on balance sheet

Leased FPSOs and subsea equipment account for c.70% of operational leases

Fixed assets

c.€1.2 bn



Liabilities

c.€1.2 bn



Cash Flow

Leases subject to depreciation and interest

Opex



DD&A



Financials



Taxes



CFFO

c.€170 m



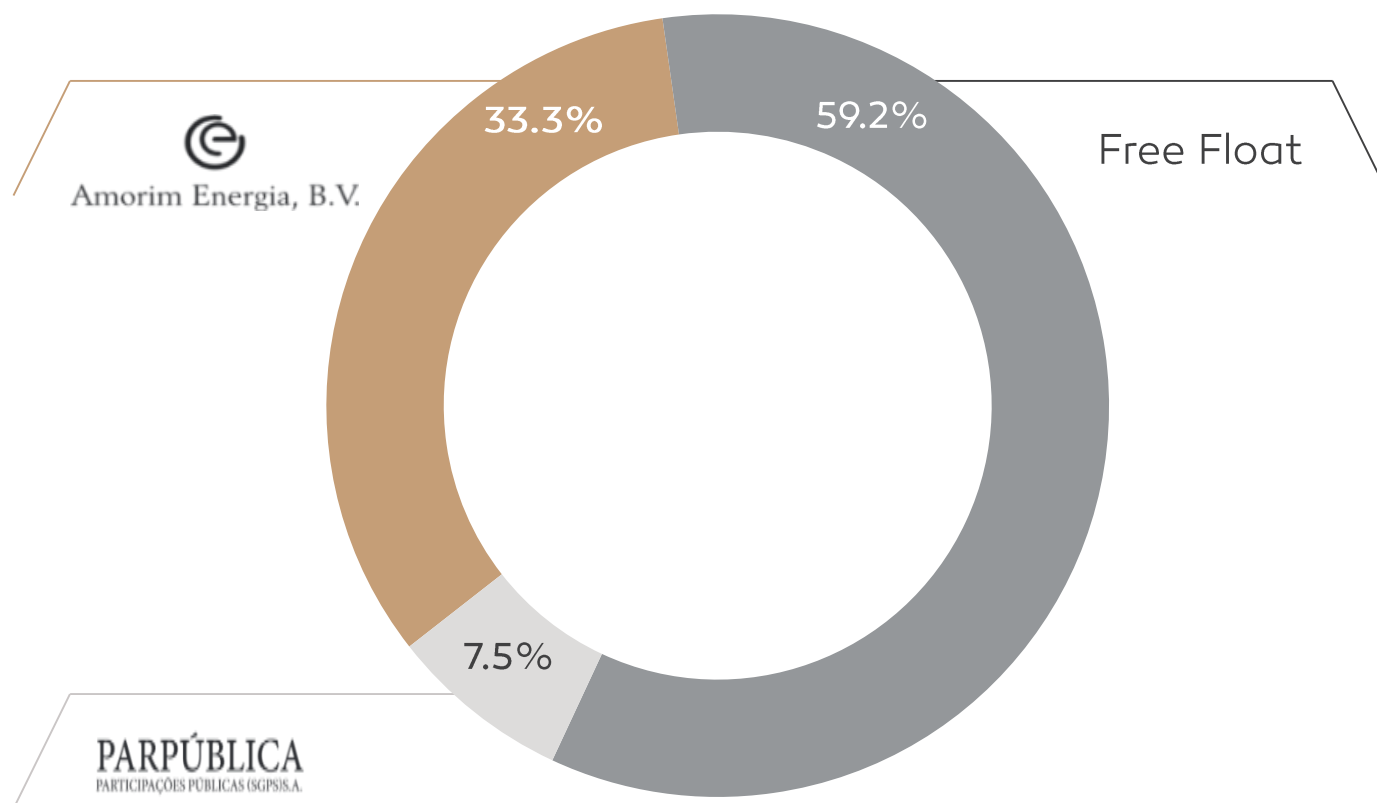
FCF

€0 m



No changes on receivables / payments → No impact on FCF

Shareholding structure



Institutional investors account for 83% of Galp's free float¹, o.w.:

61% Europe

34% North America

5% Rest of the world

A committed and experienced team

Galp's Executive Committee



CEO

Carlos Gomes da Silva

Over 25 years of experience in Oil & Gas and a Galp Board member since 2007. Former Board executive for more than 12 years in the energy and beverage industries.



CFO

Filipe Silva

Over 25 years of experience in the banking sector. Galp Board member since 2012. Former Deutsche Bank CEO in Portugal.



COO Upstream

Thore E. Kristiansen

Over 30 years of experience in Oil & Gas and Galp Board member since 2014. Held senior executive roles in Equinor for South America.



COO Midstream

Carlos Silva

Over 30 years of experience in the automotive, tourism and Oil & Gas industries. Galp Board member since 2012.



COO Commercial

Sofia Tenreiro

Over 18 years of experience in the personal care, telecommunications, media and technology industries. Galp board member since 2019.



**COO Renewables
& New businesses**

Susana Quintana-Plaza

Over 21 years of experience in the aerospace and energy sectors, having also held roles in venture capital arms. Galp Board member since 2019.



COO Infrastructure

Carlos Costa Pina

Over 17 years of experience in public senior level functions in capital markets, finance and insurance. Galp Board member since 2012.

Acronyms

#	Number	DD&A	Depreciation, Depletion and Amortisation	mton	Million tonnes
\$ (or USD)	Dollar	DRO	Discovered Resources Opportunities	mtpa	Million tonnes per annum
%	Percentage	E	Expected	NG	Natural Gas
&	And	E&P	Exploration and Production	NPV	Net Present Value
@	At	Ebitda	Earnings before interest and taxes, depreciation and amortisation	o.w.	Of which
€ (or EUR)	Euro	EC	European Commission	Op.	Operator
+	Plus	EIB	European Investment Bank	Opex	Operational expenditure
<	Below	EMTN	Euro Medium Term Note	p.a.	Per annum
>	Above	EPC	Engineering, Procurement and Construction	PoD	Plan of Development
1C; 2C; 3C	Contingent resources	ESG	Environment Social and Governance	PV	Photovoltaic
1P	Proved reserves	EU	European Union	R&D	Research & Development
2P	Proved and probable reserves	FCF	Free Cash Flow	R&M	Refining and Marketing
3D	Three dimensional	FID	Final Investment Decision	RCA	Replacement Cost Adjusted
3P	Proved, probable and possible reserves	FLNG	Floating Liquefied Natural Gas	ROACE	Return on Average Capital Employed
bbl	Barrel	FPSO	Floating Production Storage Offloading	sh	Share
BBLT	Benguela, Belize, Lobito and Tomboco	G&P	Gas and Power	SW	South West
bcm	Billion cubic metres	GDP	Gross Domestic Product	TL	Tômbua-Lândana
bn	Billion	GGND	Galp Gás Natural Distribuição, S.A.	Ton	Tonne
boe	Barrel of oil equivalent	GWh	Gigawatt-hour	ToR	Transfer of rights
c.	Circa	IFRS	International Financial Reporting Standards	TSR	Total Shareholder Return
CAGR	Compound Annual Growth Rate	IMO	International Maritime Organisation	TWh	Terawatt-hour
Capex	Capital expenditure	IPO	Initial public offering	U.S.	United States of America
CCO	Chief Corporate Officer	kboepd	Thousand barrels of oil equivalent per day	vs.	Versus
CDP	Carbon Disclosure Project	kbpd	Thousand barrels of oil per day	x	Times
CEO	Chief Executive Officer	LNG	Liquefied Natural Gas		
CFFO	Cash flow from operations	m	Million		
CFO	Chief Financial Officer	mm³	Million cubic metres		
Chg.	Change	mmboe	Million barrels of oil equivalent		
CO₂	Carbon dioxide	mmbpd	Million barrels of oil per day		
COO	Chief Operating Officer	mmbtu	Million British Thermal Units		



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