

1Q19 Results

April 29, 2019



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1Q19 Key Highlights



Upstream

- First oil in FPSO #9 (Lula North) and in Kaombo South (Angola) in April
- Second oil discovery in Carcará North
- Solid contribution despite stable production QoQ and lower oil price

Downstream

- Weaker refining performance impacted by lower refining margins and operational constraints
- Strong G&P supported by the gas and electricity commercial business in Iberia

Financials

- CFFO up 44% YoY (ex-IFRS 16), driven by production growth and despite lower refining contribution
- FCF of €159 m

The background features a hand holding a globe, with a city skyline visible in the background under a sunset sky. The scene is overlaid with a large, semi-transparent circular graphic. The text 'Operational performance' is centered within this circle. There are also two small orange diagonal lines, one above and one below the text.

Operational performance

Executing world-class upstream developments

1Q Overview



WI Production of 113 kboepd, given planned maintenance in Brazil

First oil in FPSO #9 in Lula North

Approval of Lula unitisation, with stake of 9.2% from April 1¹

Start-up of Kaombo South FPSO in April

Conclusion of 3D seismic acquisition in PEL 83, in Namibia

Outlook



Continuing development activities in Iara towards first oil in 2H19, and awaiting unitisation approval

Proceeding with appraisal works in Carcará North

Working towards FID on Rovuma LNG during 2019

Maintaining FY2019 production guidance of 8-12% growth YoY



Challenging refining

and strong G&P performance



1Q
Overview



Outlook

Refining & Marketing

Refining performance impacted by gasoline cracks and operational restrictions

Supportive sales to direct clients

Expecting stronger refining environment in Q2 and normalised utilisation rates

Gas & Power

Robust performance from the sales of NG and electricity to direct clients

Network trading activity continuing to deliver NG volumes growth

Strengthening Galp's commercial position in Iberia and negotiating a competitive NG/LNG sourcing basket



Financial
performance

galp



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Stable Ebitda YoY

at €450 m (ex-IFRS 16)

Profit & Loss (€m)

	1Q18	4Q18	1Q19	1Q19 w/o IFRS 16
RCA Ebitda	455	493	494	450
E&P	293	339	374	341
R&M	122	118	70	59
G&P	34	25	47	47
RCA Ebit	278	313	278	264
Associates	39	24	36	36
Financial results	(9)	(64)	1	37
Taxes ¹	(143)	(132)	(173)	(181)
Non-controlling interests	(29)	(31)	(39)	(43)
RCA Net Income	135	109	103	114
IFRS Net Income	130	44	(8)	3

Upstream Ebitda up YoY supported by production growth, although stable QoQ

Downstream impacted by a low contribution from refining despite supportive G&P

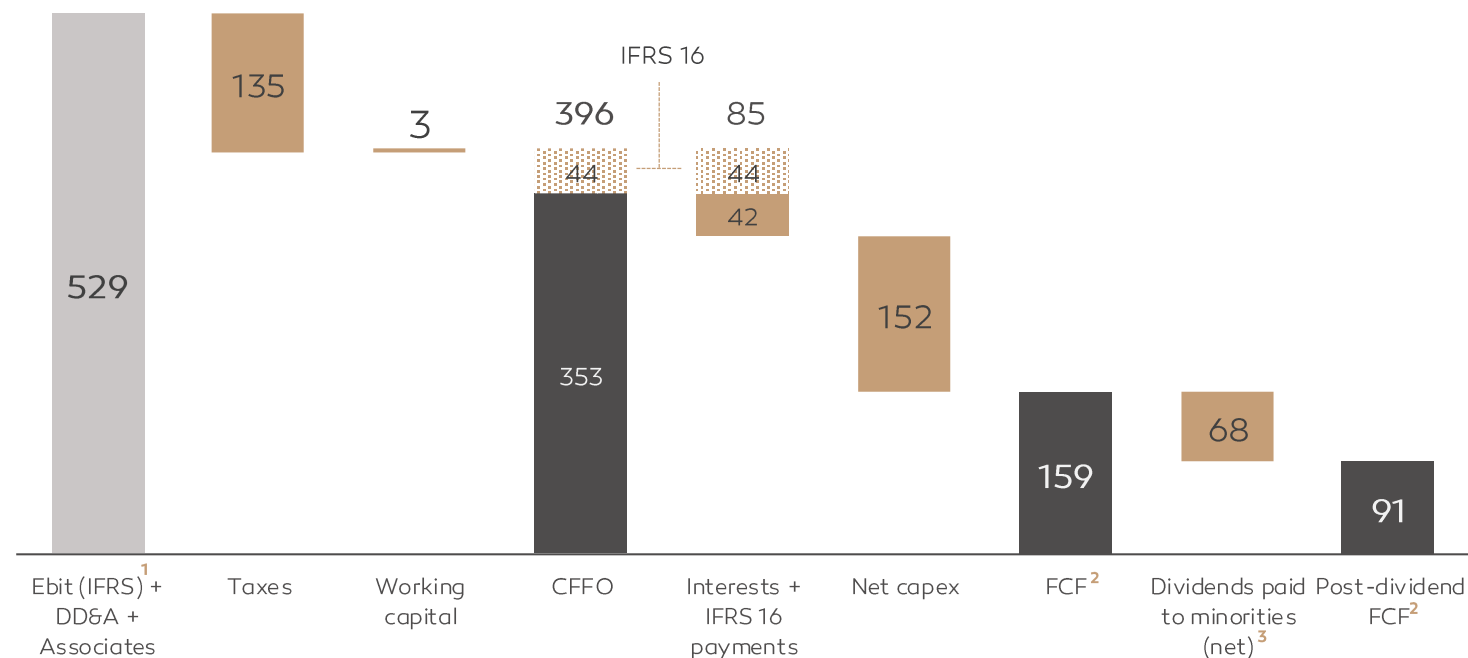
Positive financial results, mainly driven by a reversal of MTM of derivatives

IFRS net income includes non-recurring items of €126 m, mostly related to the Lula unitisation

Solid cash generation

despite challenging operational environment

FCF 1Q19 (€m)



CFFO of €353 m (ex-IFRS 16), up €108 m YoY

Adjusted by working capital and IFRS 16, CFFO would be up QoQ, despite the still low refining contribution

FCF of €159 m, not affected by IFRS 16²

	Ebit (IFRS) + DD&A + Associates	Taxes	Working capital	CFFO	Interests + IFRS 16 payments	Net capex	FCF ²	Dividends paid to minorities (net) ³	Post-dividend FCF ²
4Q18	441	(195)	156	402	1	(282)	121	(1)	120
1Q18	496	(92)	(159)	245	(47)	(169)	29	0	29

Maintaining a strong financial position

Balance sheet (€m)

	31 Dec. 2018	31 Mar. 2019	Var. vs 31 Dec. 2018
Net fixed assets	7,340	7,380	41
Rights of use (IFRS 16)	0	1,209	1,209
Working capital	814	811	(3)
Loan to Sinopec	176	0	(176)
Other assets/liabilities	(546)	(704)	(159)
Capital employed	7,784	8,696	912
Net debt	1,737	1,603	(134)
Operating leases (IFRS 16)	0	1,230	1,230
Equity	6,047	5,862	(184)
Equity, net debt and op. leases	7,784	8,696	912

Sinopec loan

fully reimbursed against a capital reduction in Galp's Sinopec JV

Net debt

of €1,603 m. Net debt to Ebitda of 0.7x¹

Unitisation

of the Lula field impacting other assets and liabilities

A photograph of a person in a dark sweater plugging a white charging cable into the port of an electric vehicle. The scene is set at night with blurred city lights in the background. A large, semi-transparent graphic of a stylized arrow points upwards and to the right, overlaid on the image. In the center of this arrow is a white circle containing the word "Appendix" in a bold, white, sans-serif font. There are also some small orange and red lines within the circle.

Appendix

1Q19 E&P

Stable production QoQ

Main E&P data

		1Q18	4Q18	1Q19	1Q19 w/o IFRS
Working interest production	kboepd	104.1	113.1	112.6	
Oil production	kbpd	91.6	99.8	99.5	
Net entitlement production	kboepd	102.6	111.7	110.8	
Angola	kbpd	5.6	8.9	8.7	
Brazil	kboepd	97.1	102.9	102.1	
Oil and gas realisations - Dif. to Brent	USD/boe	(8.7)	(7.8)	(8.9)	
Production costs	USD/boe	9.2	7.0	3.8	7.6
DD&A	USD/boe	11.0	8.8	13.5	11.0
RCA Ebitda	€ m	293	339	374	341
RCA Ebit	€ m	210	260	256	244
Net Income from E&P Associates	€ m	13	12	16	16
Capex	€ m	117	141	132	

Production in line QoQ, with FPSO #9 start-up and ramp-up of #8 in Brazil offset by planned maintenance

Opex and DD&A impacted by the application of IFRS 16

RCA Ebitda up 16% YoY (ex-IFRS 16), with higher production and stronger USD offsetting lower oil prices

Stable RCA Ebitda QoQ, after negative underlifting adjustments during 4Q18

1Q19 R&M

Weak quarter impacted by a lower refining contribution

Main R&M data

		1Q18	4Q18	1Q19	1Q19 w/o IFRS 16
Galp refining margin	USD/boe	3.3	4.3	2.3	
Refining cost	USD/boe	2.2	4.3	2.4	
Hedging impact on Ebitda	USD/boe	0.6	0.3	0.2	
Raw materials processed	mmboe	25.2	19.3	22.6	
Total oil product sales	mton	4.1	3.6	3.6	
Sales to direct clients	mton	2.0	2.2	2.1	
RCA Ebitda	€ m	122	118	70	59
RCA Ebit	€ m	33	24	(21)	(23)
Net Income from R&M Associates	€ m	1	(8)	(2)	(2)
Capex	€ m	28	149	15	

Raw materials processed down 10% YoY and refining margin of \$2.3/boe driven by the operational restrictions

RCA Ebitda impacted by a lower contribution from refining, despite supportive sales to direct clients

1Q19 G&P

Robust results on a stronger commercial business

Main G&P data

		1Q18	4Q18	1Q19	1Q19 w/o IFRS 16
NG/LNG total sales volumes	mm ³	1,975	1,725	1,971	
Sales to direct clients	mm ³	1,225	1,181	1,157	
Trading	mm ³	750	544	814	
Sales of electricity to direct clients	GWh	1,077	879	841	
Sales of electricity to the grid	GWh	353	272	339	
RCA Ebitda	€ m	34	25	47	47
RCA Ebit	€ m	28	20	42	42
Net Income from G&P Associates	€ m	24	20	23	23
Capex	€ m	1	2	1	

NG/LNG volumes stable YoY on a stronger network activity and lower gas sales to the electric segment

RCA Ebitda up €14 m YoY, reflecting a strong performance from the NG and electricity commercial activity in Iberia



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