

galp



# 4Q23 & FY23 Results Short-term Outlook

12 February 2024



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Results



# 2023 key performance indicators

Strong operating performance...

**122** kboepd (+6% YoY)

Upstream WI production  
(Excluding Angola)

**79** mboe (-10% YoY)

Refining throughput  
Extensive 2023 planned maintenance

**2.3** TWh (+21% YoY)

Renewable power generation

**393** k TJ (-7% YoY)

Total energy sales to direct clients

...translating into sound financial delivery...

**€3.6** bn

Ebitda RCA

**€2.3** bn

OCF

**€0.9** bn

Net capex

**€1.4** bn

FCF

... and supporting a healthy balance sheet and the delivery of competitive distributions

**€1.4** bn

Net debt

**0.4** x

Net debt to Ebitda

**€0.54** /sh

Cash dividend  
Final €0.27/sh payment  
after 2024 AGM

**€350** m

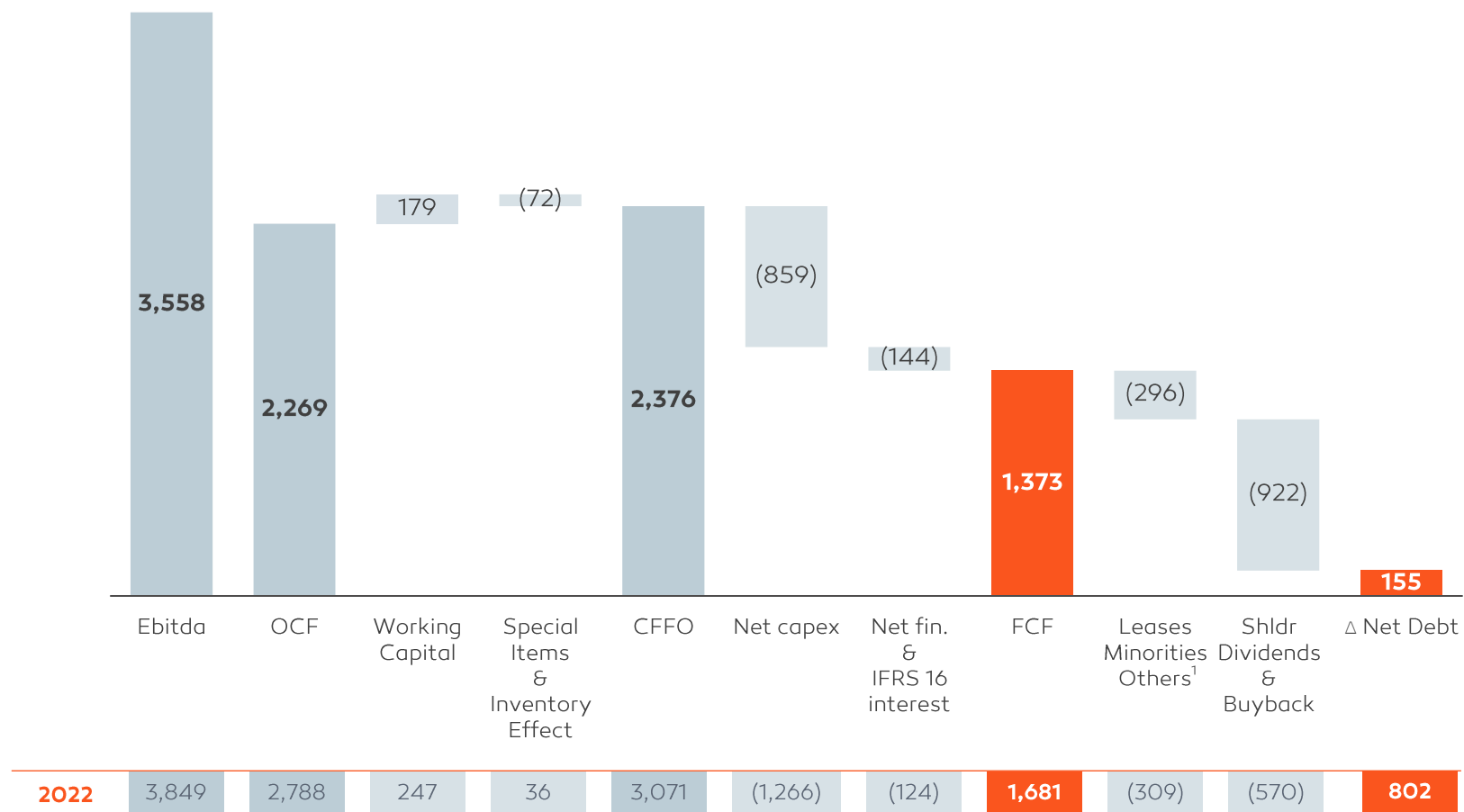
Buybacks<sup>1</sup>  
To be executed  
during 2024



# FY2023: Strong free cash flow

supporting a solid financial position and our growth plan

FY23 Cash flow (€ m)



**Ebitda** of €3.6 bn and **OCF** of €2.3 bn supported by strong operating delivery across the board

**Net capex** of €0.9 bn, considering €209 m related to Angola upstream disposal

**FCF** of €1.4 bn comfortably covering dividends to minorities & shareholders and share buybacks

**Net debt** reduced by €0.2 bn with net debt to RCA Ebitda at 0.4x

# 4Q23 robust earnings

Closing the year with continued strong operating performance

## 4Q23 RCA Ebitda

### Upstream

Increased production partially offset by lower oil prices and downward revaluation of underlifting positions

€599 m

### Renewables & NB

Contribution reflecting seasonally lower solar yield despite increased capacity online

€21 m

### Industrial & Midstream

Refining impacted by large planned turnaround (Oct. and Nov.), more than offset by Midstream strong performance

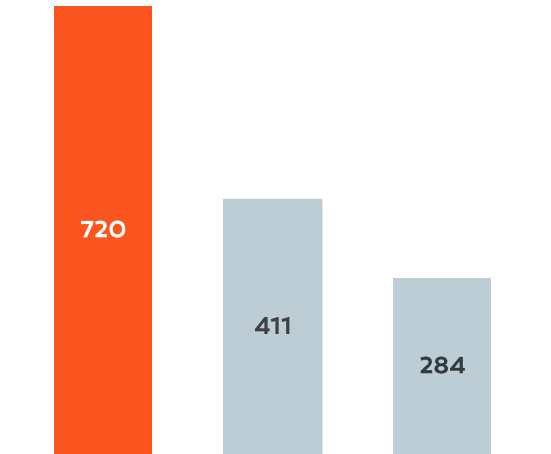
€63 m

### Commercial

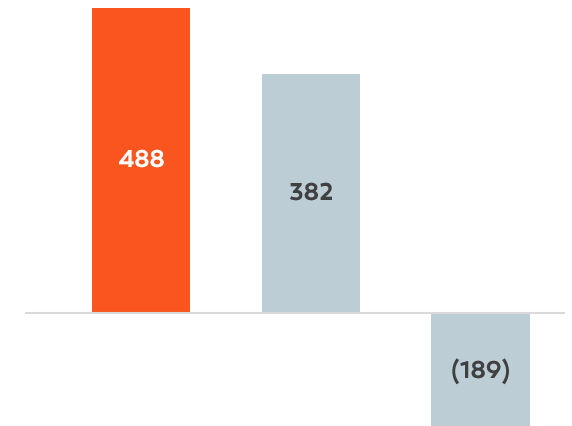
Seasonally lower retail contribution, albeit supportive signs of continued increase from low carbon contribution

€54 m

## 4Q23 P&L (€ m)



## 4Q23 Cash Flow (€ m)



	RCA Ebitda	RCA Ebit	Net Income
3Q23	1,057	741	210
4Q22	951	475	273

	OCF	Net capex	Δ Net Debt
3Q23	716	(161)	152
4Q22	701	(342)	541

A large, golden monument with a relief of people and a statue of a woman, set against a cityscape and a harbor with many sailboats. The monument is the main focus, with a cityscape in the background and a harbor with many sailboats in the foreground. The scene is captured during sunset or sunrise, with a warm, golden light. The number '2' is overlaid on the monument in a white circle.

2

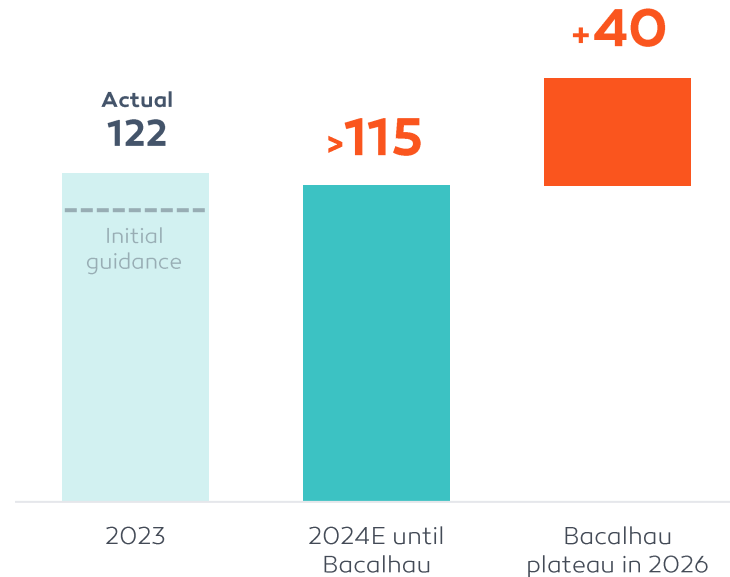
Outlook



# Upstream growth and value extraction

sustaining production from low cost & low carbon intensity portfolio

**WI production** (operating & sanctioned projects)  
kboepd



... maturing 2025+ potential

- ✓ Tupi PoD update (Brazil)
- ✓ Sépia II & Atapu II (Brazil)
- ✓ Bacalhau upside (Brazil)
- ✓ Mozambique

+ exploration upside

**c.3 \$/boe**  
Production costs  
2023-25

**<20 \$/bbl**  
Cash breakeven  
Operating projects 2023-25

**2.3 bn boe**  
2P + 2C

## Brazil producing blocks

Production from highly resilient & efficient projects

Tupi PoD update targeting further value extraction & license extension

Tendering FPSOs for Atapu II and Sépia II

## Bacalhau (Brazil)

FPSO topsides integration and D&C plan ongoing

Bacalhau on track for first oil by mid-2025

## Area 4 (Mozambique)

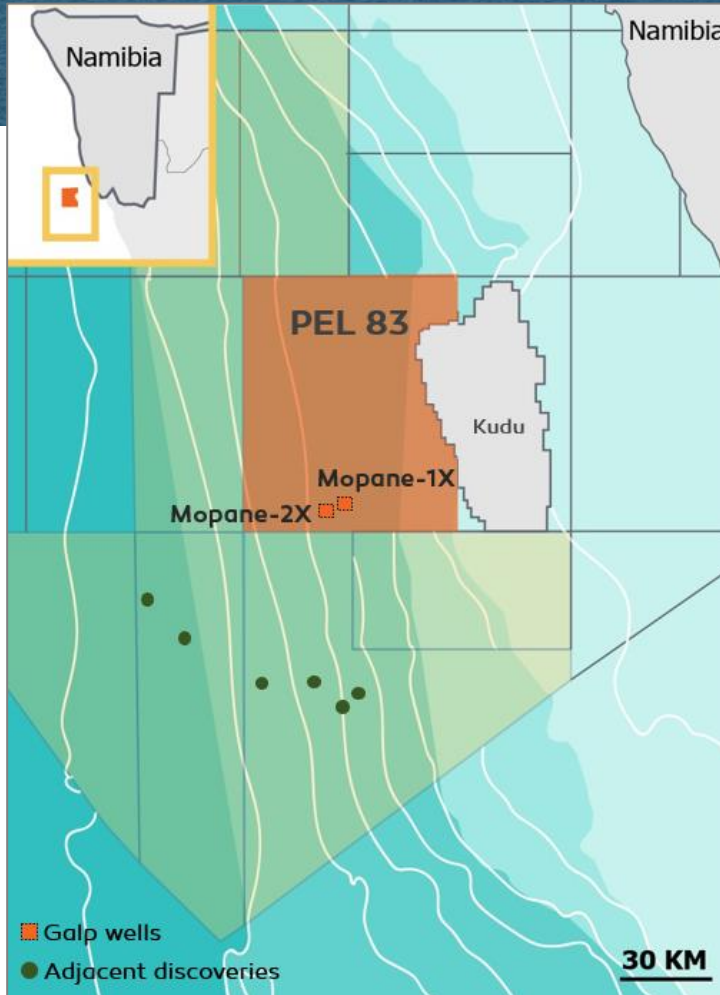
Coral South FLNG at plateau

Working towards Rovuma LNG FID (18 mtpa phase 1 modular approach)

Assessing potential for 2<sup>nd</sup> FLNG in Coral



# Tapping Namibia and S. Tomé potential



## Namibia

**80%**  
in PEL 83

Two **significant light oil columns** in **Mopane-1X** well in reservoir bearing sands of high quality

Drilling **Mopane-2X** for exploration and assess extension

**DST** to evaluate **commerciality & recovery**

## S. Tomé & Príncipe

**45%** in block 6  
**20%** in block 11  
**41%** in block 12

Previously drilled well (Jaca in block 6) proving **existence of working petroleum system**

Assessing **new exploration options for 2024+**



# Transforming Industrial asset base

whilst Midstream captures improved energy management capabilities

2024 refining to benefit from **increased flexibility & normalised operations**

**>80 mboe**

Raw materials processed

**c.\$8 /boe**

Refining margin forecast

**Flexibility**

Crude conversion & bios co-processing

**c.\$3 /boe**

Refining cash costs

**Large scale industrial projects with first start up in 2025**

**270 ktpa**

Advanced HVO/SAF unit capacity

**c.€550 m**

Total capex to Galp in 2023-25

**100 MW**

Electrolysers for green hydrogen production



**Midstream to maintain robust contribution**

**c.€300 m**

Midstream Ebitda 2024

Trading improved performance across oil-gas-power

Assuming no U.S. Venture Global LNG volumes in 2024



# Reshaping Commercial business

to maintain a strong position in Iberia

**1,463**

Service stations  
in Iberia and Africa by YE23

**c.170**

Service stations  
remodelled in 2023

**#1** player

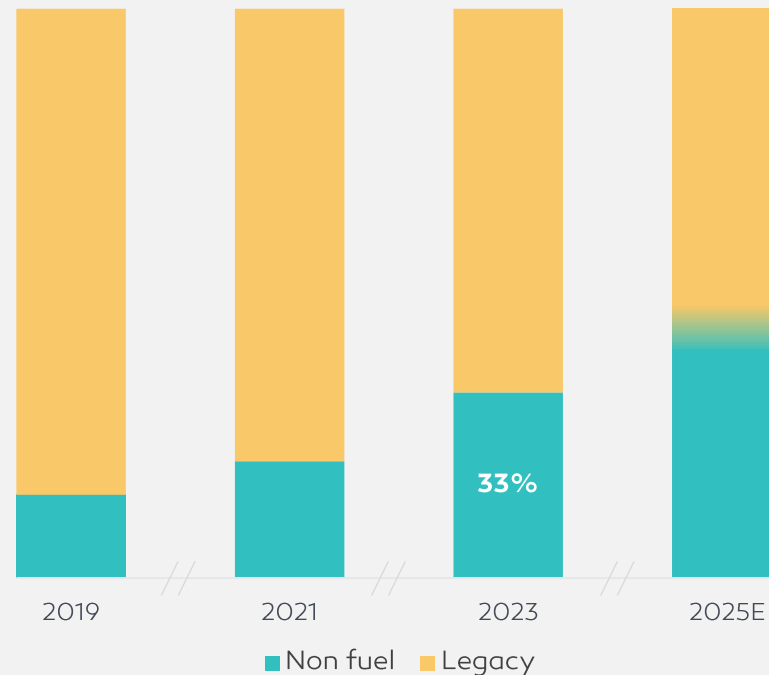
EV charging player  
in Portugal

**c.1 million**

EV charging sessions  
in 2023

## Expanding non-fuel & low carbon contribution to sustain a stable cash engine

**Non-fuel + low carbon Ebitda contribution 2019-2025**  
% (expected for 2024-25)



**c.€300 m**

**Commercial Ebitda**

in 2024

+

**2025+ upside**

by accelerating  
**non-fuel & low carbon penetration**



# Renewables growth

to support integration across the energy value chain

## Developing the Iberian pipeline

**c.14 %**

LTM OCF/ Invested Capital  
(operating assets)

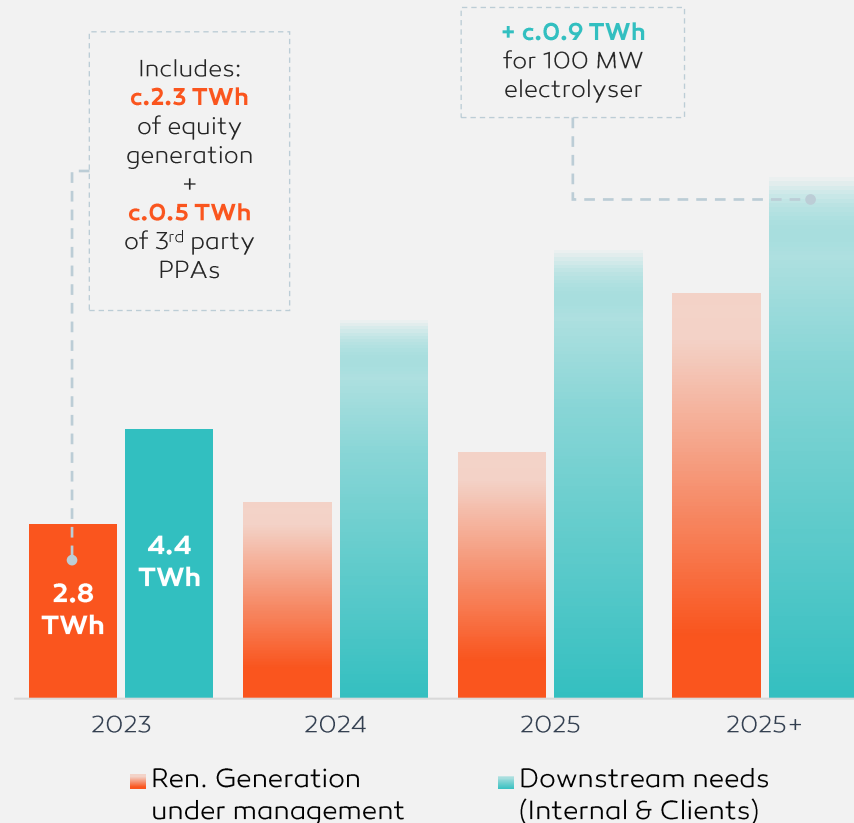
**1.4 GW**

Capacity in operation  
by YE23

**0.2 GW**

Capacity entering  
operation in 2024

## Organic portfolio build-up



Capacity build up to support **integration** whilst dependent on **market conditions** & **project returns**

Targeting **technology hybridisation** and **diversification of generation mix**

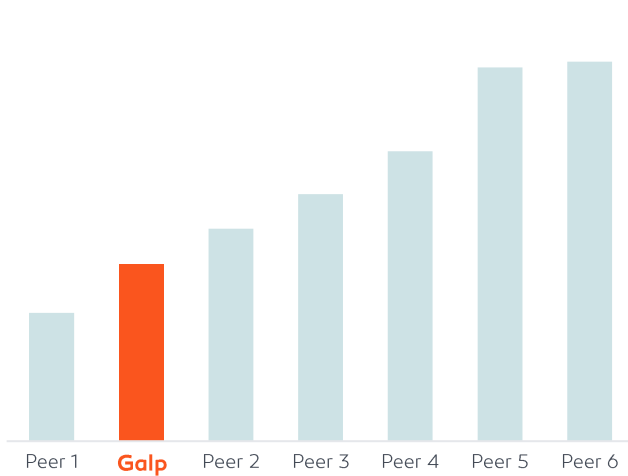
**Merchant exposure**, energy management and partnerships as **value levers** to increase returns

# A recognised energy transition strategy

from one of today's most efficient integrated energy portfolios'

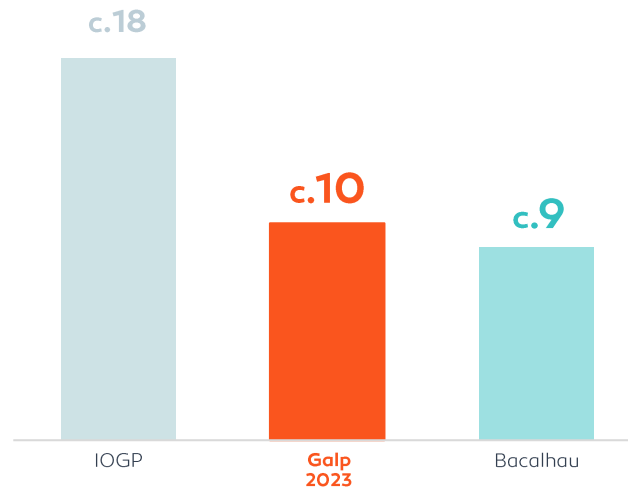
## One of the lowest carbon intensity players...

Carbon intensity<sup>1</sup>



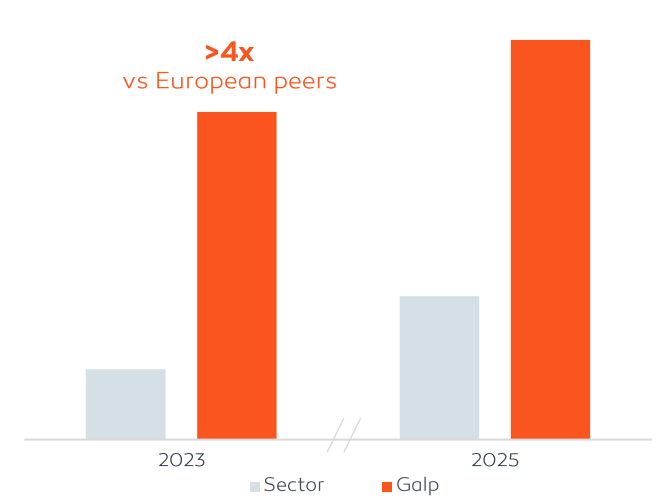
## ...growing a sector leading low carbon Upstream portfolio...

Upstream portfolio carbon intensity<sup>2</sup>(kgCO<sub>2</sub>e/boe)



## ...and holding the largest integration of renewable generation (in relative terms)

Renewables generation vs hydrocarbon production<sup>3</sup>



**Highest Grade**

Out of 30 Integrated Energy



**Top Quartile**

Out of 307 Integrated Energy



**SUSTAINALYTICS**

<sup>1</sup> Source: TPI methodology sales approach (inc. scope 3); Reference year: 2022; Peers considered include bp, Eni, Equinor, Repsol, Shell and Total.  
<sup>2</sup> Source: Last published average of the IOGP (International Association of Oil & Gas Producers); Galp's 2023 internal carbon intensity assessment.  
<sup>3</sup> Source: Galp internal analysis; Estimates based on Visible Alpha consensus dated 7<sup>th</sup> February 2024.



# Financial outlook

2024 to benefit from portfolio resilience and operating momentum

c.€3.1 bn

Ebitda

c.€2.0 bn

OCF

## Upstream

Ebitda c.€2.1 bn supported by robust production levels

## Industrial & Midstream

Ebitda >€700 m, with normalised refining operations and supportive macro, whilst considering c.€300 m from Midstream

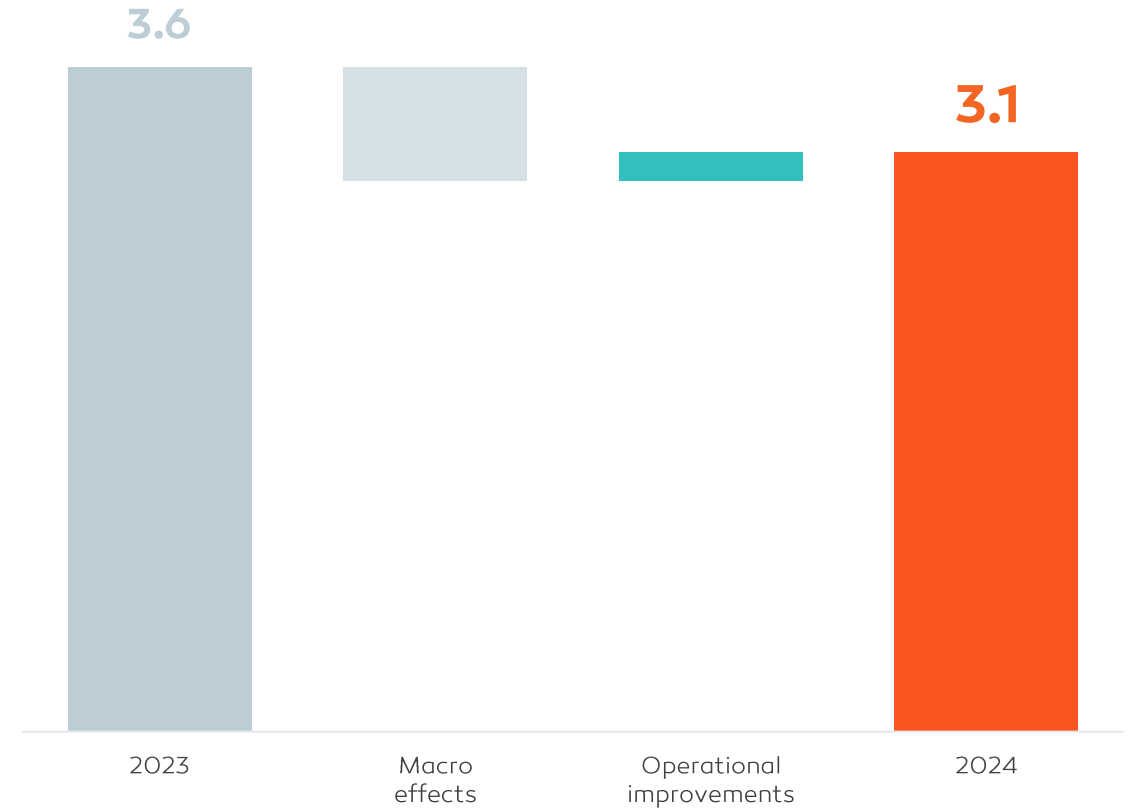
## Commercial

Ebitda stable contribution at c.€300 m whilst benefiting from increasing convenience & low carbon

## Renewables & New Businesses

Ebitda c.€60 m reflecting the capacity build-up and lower merchant prices assumed

Group Ebitda evolution 2023 vs. 2024  
(€ bn)



Brent \$80/bbl | Ref. margin \$8/boe | PVB €30/MWh | Iberian solar price €50/MWh | EUR:USD 1.10

# Disciplined investment plan

enabling growth and portfolio transformation

## Investments weight 2023-25



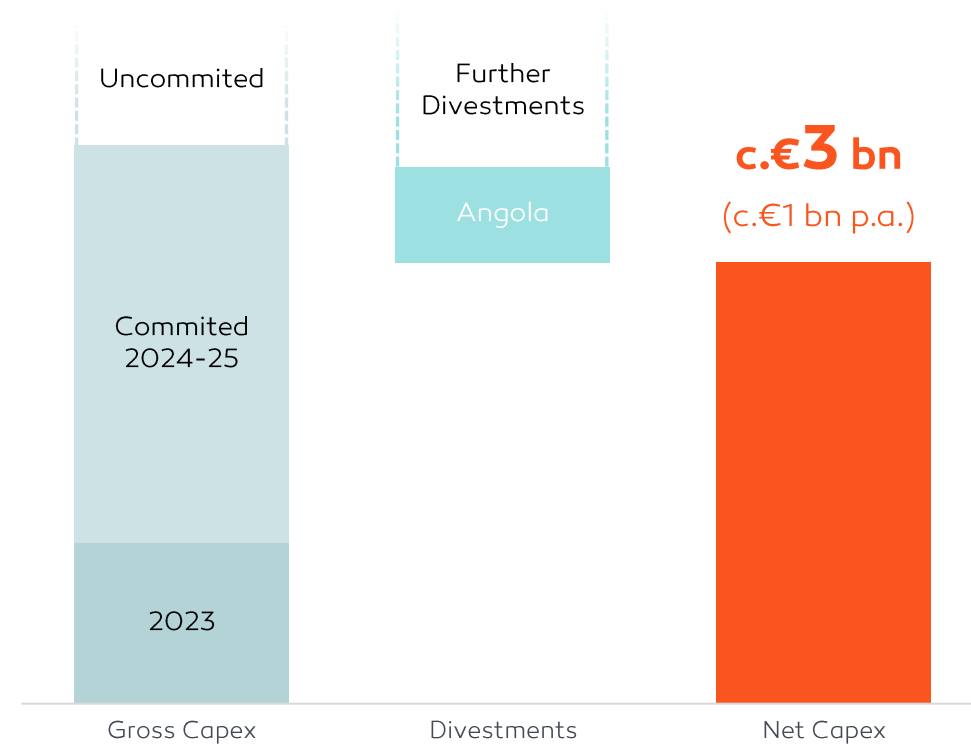
**>70 %**  
Growth & Transformation

**c.€0.3 bn**  
Maintenance capex per year

**c.45 %**  
Low carbon projects



## Net capex 2023-25



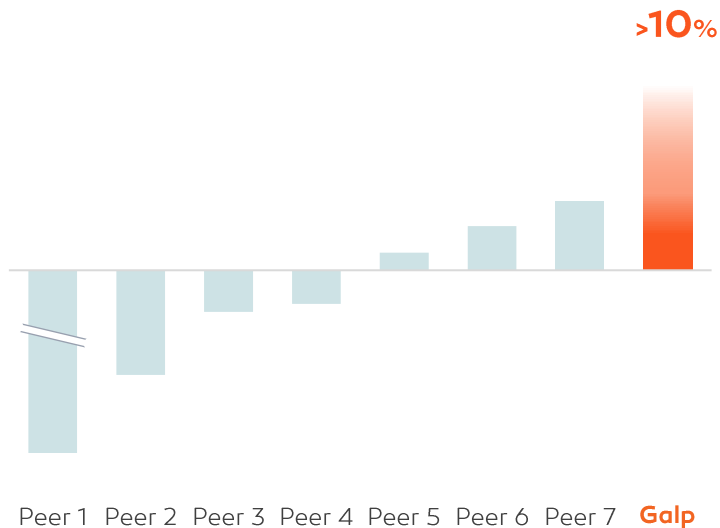


# Distinctive investment proposition

Superior growth from capital light asset base ensuring competitive distributions

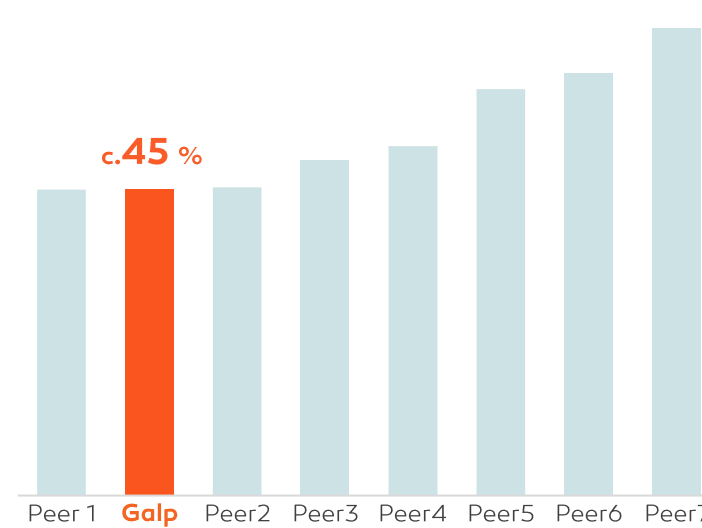
## Delivering superior growth from sanctioned projects...

OCF increase (2025 vs 2024)



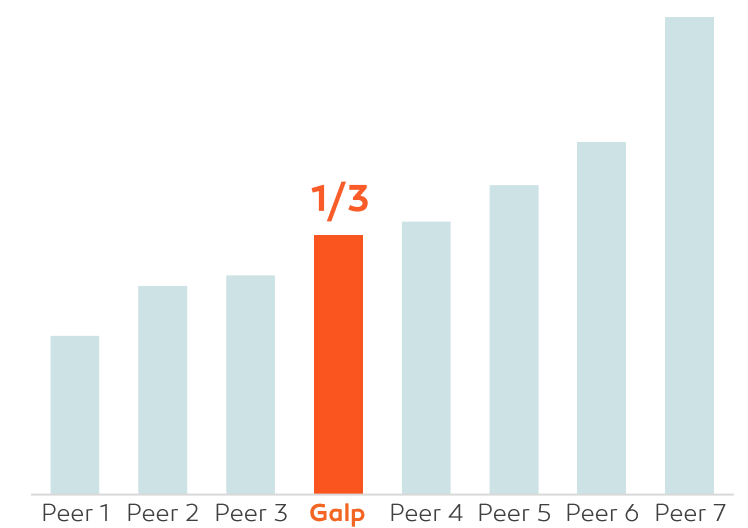
## ... from low capital-intensive and growth weighted plan...

Net capex/OCF (avg. 2024-2025)



## ... driving competitive distributions...

Distributions/OCF (avg. 2024-2025)



... and with significant de-risking and value capture opportunities ahead

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Appendix



# 2023 results

## P&L (€ m)

4Q22	3Q23	4Q23		FY2022	FY2023
951	1,057	720	<b>RCA Ebitda</b>	<b>3,849</b>	<b>3,558</b>
791	594	599	Upstream	3,083	2,263
17	43	21	Renewables & New Businesses	50	131
118	342	63	Industrial & Midstream	451	929
42	111	54	Commercial	298	303
<b>475</b>	<b>741</b>	<b>411</b>	<b>RCA Ebit</b>	<b>2,345</b>	<b>2,469</b>
54	4	-25	Associates	166	2
134	-58	-14	Financial results	-154	-62
-313	-434	-48	Taxes	-1,254	-1,227
-76	-43	-40	Non-controlling interests	-223	-180
<b>273</b>	<b>210</b>	<b>284</b>	<b>RCA Net Income</b>	<b>881</b>	<b>1,002</b>

## Balance Sheet (€ m)

	31 Dec. 2022	30 Sep. 2023	31 Dec. 2023
Net fixed assets	6,876	7,185	7,273
Rights of use (IFRS 16)	1,116	1,191	1,630
Working capital	1,632	1,445	1,453
Other assets/liabilities	-2,089	-2,288	-2,257
Assets held for sale	413	451	440
<b>Capital employed</b>	<b>7,948</b>	<b>7,983</b>	<b>8,540</b>
Net debt	1,555	1,211	1,400
Leases (IFRS 16)	1,277	1,370	1,810 <sup>1</sup>
Equity	5,117	5,402	5,330
<b>Equity, net debt and op. leases</b>	<b>7,948</b>	<b>7,983</b>	<b>8,540</b>

<sup>1</sup> Includes leasing related to Coral Sul's FLNG.

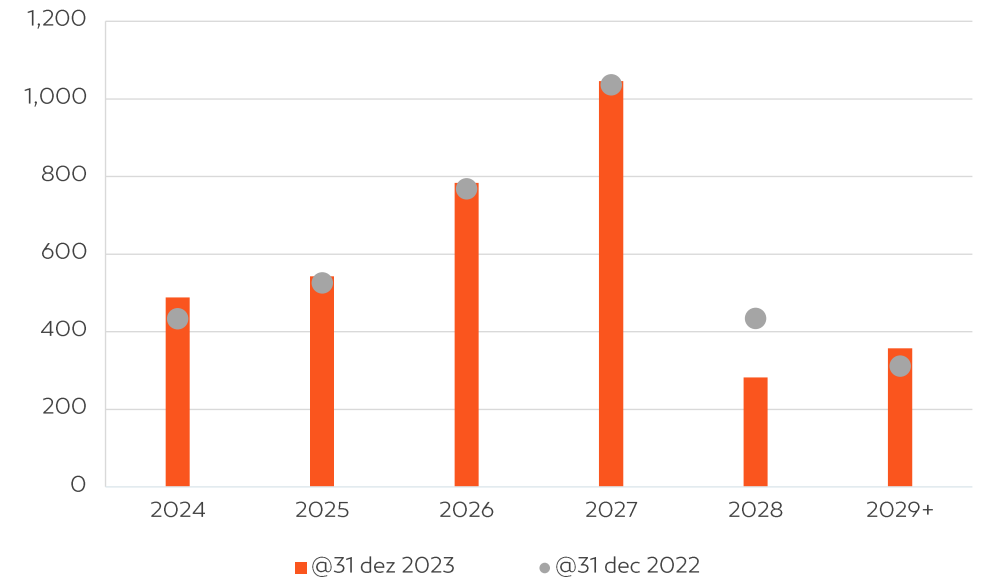
# Debt indicators

## Debt Indicators (€m)

	31 Dec. 2022	30 Sep. 2023	31 Dec. 2023
Cash and cash equivalents	2,432	2,270	<b>2,200</b>
Undrawn credit facilities	1,484	1,665	<b>1,645</b>
Gross debt	3,987	3,481	<b>3,600</b>
Average funding cost	1.7%	3.4%	<b>3.5%</b>
<b>Net debt</b>	<b>1,555</b>	<b>1,211</b>	<b>1,400</b>
Leases (IFRS 16)	1,277	1,370	<b>1,810</b> <sup>1</sup>
<b>Net debt to RCA Ebitda</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>

<sup>1</sup> Includes €475 m in leases related to Coral Sul's FLNG.

## Debt reimbursement (€m)



# Main assumptions

## and sensitivities

Main macro assumptions	2024
Brent price	\$80/bbl
Galp refining margin	\$8/boe
Iberian PVB natural gas price	€30/MWh
Iberian solar price	€50/MWh
EUR:USD	1.10

2024 sensitivities (€ m)	Change	Ebitda	OCF
Brent price	\$5/bbl	150	85
Galp refining margin	\$1/boe	70	60
EUR:USD	0.05	100	70
Solar captured price	€10/MWh	25	20





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