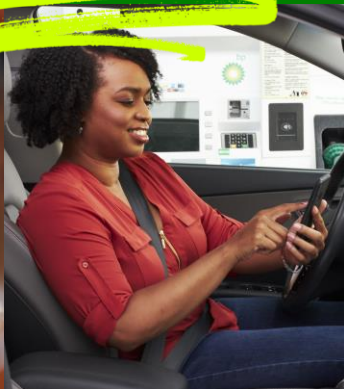
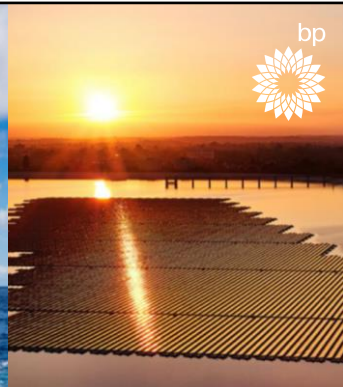


From IOC to IEC



bp second quarter 2021

Financial results presentation

3 August 2021



Craig Marshall
svp investor relations

Good morning everyone and welcome to bp's second quarter 2021 results presentation.

I'm here today with Bernard Looney, chief executive officer and Murray Auchincloss, chief financial officer.

Before we begin today, let me draw your attention to our cautionary statement.

Cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA') and the general doctrine of cautionary statements, bp is providing the following cautionary statement: The discussion in this results announcement contains certain forecasts, projections and forward-looking statements - that is, statements related to future, not past events and circumstances - with respect to the financial condition, results of operations and businesses of bp and certain of the plans and objectives of bp with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see', 'focus on' or similar expressions.

In particular, the following, among other statements, are all forward looking in nature: expectations regarding the COVID-19 pandemic, including its risks, impacts, consequences, duration, continued restrictions, challenges, bp's response, the impact on bp's financial performance (including cash flows and net debt), operations and credit losses, and the impact on the trading environment, oil and gas prices, and global GDP; expectations regarding the shape of the COVID-19 recovery and the pace of transition to a lower-carbon economy and energy system; plans, expectations and assumptions regarding oil and gas demand, supply or prices, the timing of production of reserves, or decision making by OPEC+; expectations regarding refining margins, refinery utilization rates and product demand; expectations regarding bp's future financial performance and cash flows; expectations regarding future upstream production and project ramp-up; expectations regarding supply shortages; expectations with respect to completion of transactions and the timing and amount of proceeds of agreed disposals; expectations with regards to bp's transformation to an IEC; plans and expectations regarding bp's financial framework; expectations regarding price assumptions used in accounting estimates; expectations regarding quarterly dividends and share buybacks, including bp's plan to increase the second quarter dividend by 4% per ordinary share, bp's expectation based on its current forecasts, at an oil price of around \$60 per barrel Brent and subject to the board's discretion each quarter of being able to deliver a buyback of around \$1.0 billion per quarter on average and have capacity for an annual increase in the dividend per ordinary share of around 4% through 2025, and bp's plans to commence a buyback from first half surplus cash flow and execute a share buyback of \$1.4 billion prior to third quarter 2021 results; expectations of outlining plans for the fourth-quarter share buyback at the time of bp's third quarter results; plans and expectations regarding net debt; plans and expectations regarding bp's credit rating, including in respect of maintaining a strong investment grade credit rating; plans and expectations of allocating 40% of surplus cash flow to the balance sheet and using 60% of surplus cash flow for share buybacks for 2021; plans and expectations regarding capital discipline; expectations regarding bp's renewables pipeline and development of hydrogen and CCUS projects (including those in Germany and Teesside, UK); plans and expectations regarding the growth of electrification and the implications of the energy transition and changing energy mix for bp; plans and expectations for bp's work on EV charging, including plans to grow bp's Pulse brand EV charging points to more than 16,000; plans and expectations regarding bp's entry into offshore wind; plans and expectations regarding bp's partnership with EnBW to submit a bid on offshore wind acreage off the coast of Scotland; plans and expectations of taking full ownership of the Thorntons JV and integration of Thorntons with bp's other capabilities in the region; plans and expectations for bp's retail footprint in the UK; expectations regarding returns in offshore wind, hydrogen and CCUS and their implications for bp's trading capability; expectations with respect to completion of transactions of agreed disposals; plans and expectations related to potential future transactions; plans and expectations regarding joint ventures, partnership and other collaborations with CEMEX, Qantas, Aberdeen, Houston, Azerbaijan, Marks & Spencer, Uber, BMW, Microsoft and Amazon; and plans and expectations regarding bp's trading business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of bp.

Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including: the extent and duration of the impact of current market conditions including the volatility of oil prices, the impact of COVID-19, overall global economic and business conditions impacting our business and demand for our products as well as the specific factors identified in the discussions accompanying such forward-looking statements; changes in consumer preferences and societal expectations; the pace of development and adoption of alternative energy solutions; developments in policy, law, regulation, technology and markets, including societal and investor sentiment, related to the issue of climate change; the receipt of relevant third party and/or regulatory approvals; the timing and level of maintenance and/or turnaround activity; the timing and volume of refinery additions and outages; the timing of bringing new fields onstream; the timing, quantum and nature of certain acquisitions and divestments; future levels of industry product supply, demand and pricing, including supply growth in North America and continued base oil and additive supply shortages; OPEC+ quota restrictions; PSA and TSC effects; operational and safety problems; potential lapses in product quality; economic and financial market conditions generally or in various countries and regions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; regulatory or legal actions including the types of enforcement action pursued and the nature of remedies sought or imposed; the actions of prosecutors, regulatory authorities and courts; delays in the processes for resolving claims; amounts ultimately payable and timing of payments relating to the Gulf of Mexico oil spill; exchange rate fluctuations; development and use of new technology; recruitment and retention of a skilled workforce; the success or otherwise of partnering; the actions of competitors, trading partners, contractors, subcontractors, creditors, rating agencies and others; our access to future credit resources; business disruption and crisis management; the impact on our reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; decisions by Rosneft's management and board of directors; the actions of contractors; natural disasters and adverse weather conditions; changes in public expectations and other changes to business conditions; wars and acts of terrorism; cyber-attacks or sabotage; and other factors discussed elsewhere in this report, as well those factors discussed under "Risk factors" in bp Annual Report and Form 20-F 2020 as filed with the US Securities and Exchange Commission.

Reconciliations to GAAP - This presentation also contains financial information which is not presented in accordance with generally accepted accounting principles (GAAP). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found on our website at www.bp.com.

Tables and projections in this presentation are bp projections unless otherwise stated.

August 2021

* For items marked with an asterisk throughout this document, definitions are provided in the glossary

2Q 2021 financial results

During today's presentation, we will make forward-looking statements that refer to our estimates, plans and expectations. Actual results and outcomes could differ materially due to factors we note on this slide and in our UK and SEC filings. Please refer to our Annual Report, Stock Exchange announcement and SEC filings for more details. These documents are available on our website.

I'll now handover to Bernard.

Bernard Looney
Chief executive officer



Thanks Craig.

Good morning everyone and welcome to our second quarter results for 2021. Thank you for joining us.

Performing while transforming

Strong results and continued net debt* reduction in an improving environment

\$2.8bn

underlying earnings



\$5.4bn

cash flow

\$32.7bn

net debt*

Growth of resilient dividend within a disciplined financial frame

+4%

for 2021



Executing buyback from surplus cash flow*

\$1.4bn

for 1H21



Strong progress in our transformation to an integrated energy company



2Q 2021 financial results

We are reporting what I hope you'll agree is another strong set of financial results.

For the quarter:

- Underlying replacement cost profit was \$2.8 billion;
- Operating cash flow was \$5.4 billion;
- Net debt fell for the fifth consecutive quarter to \$32.7 billion and;
- We have achieved our target of \$2.5 billion of cash cost reductions around six months early.

In addition, consistent with our disciplined financial frame, we are increasing our resilient dividend for the second quarter, by 4% per ordinary share, while maintaining our cash balance point of around \$40 a barrel. And at an oil price of around \$60 per barrel Brent we see capacity for around this level of annual increase through 2025.

We are also commencing our share buyback from first half surplus cash flow with a \$1.4 billion programme, which we expect to complete by the time of our third quarter results. And at around \$60 per barrel Brent, we expect to be able to deliver a buyback of around \$1.0 billion per quarter.

Importantly these commitments are underpinned by:

- One. The underlying performance of our business;
- Two. An improving environment; and
- Three. Our confidence in the balance sheet.

Looking ahead to 2025 we see a significant opportunity to continue growing underlying cash flow, as we:

- Take costs out the business;

- Improve operating efficiency and reliability;
- Deliver the next wave of high-margin major projects; and
- Grow our convenience and mobility business.

All while transforming bp for the longer term, by taking disciplined investment decisions in support of our transition to an integrated energy company.

This is in essence what we mean by performing while transforming.

I'll come back to talk about our strategic delivery later, but for now, let me hand over to Murray to take you through our results and financial frame in more detail.

Murray.

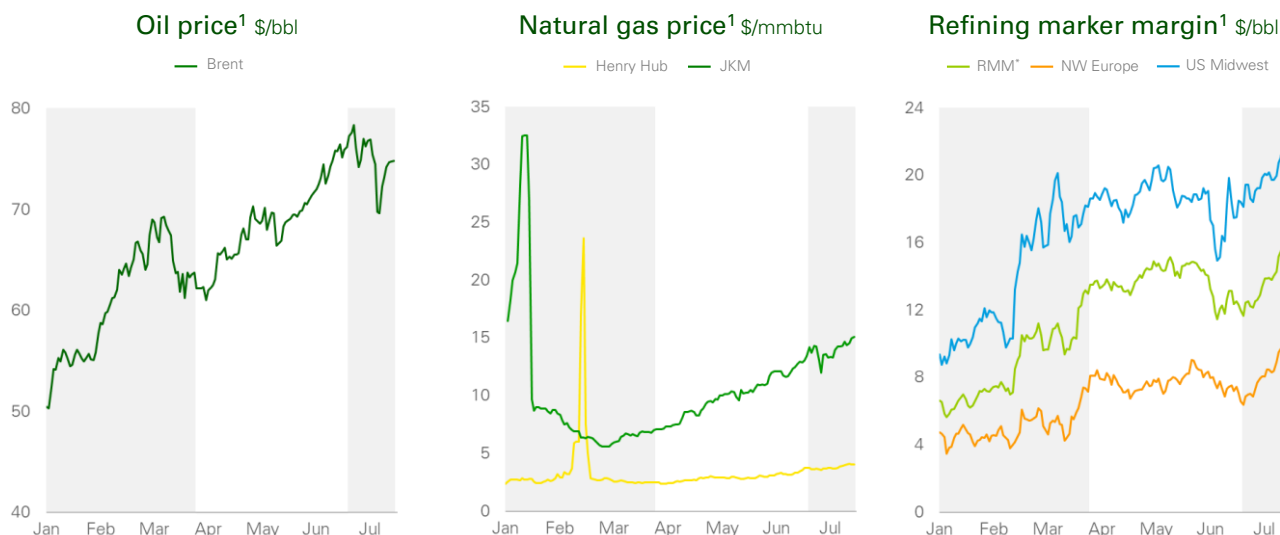
Murray Auchincloss
Chief financial officer



2Q 2021 financial results

Thanks Bernard and hello everyone – I hope you and your families are safe and healthy.

Environment



Source: Platts - all data 1 January 2021 to 28 July 2021

(1) Spot price

2Q 2021 financial results

As usual, let's begin with the macro environment, where sentiment has improved.

Oil price has continued to increase, with Brent averaging \$69 per barrel in the second quarter – a 13% rise. This reflects the improved demand outlook as COVID-19 restrictions were gradually lifted while OPEC+ has continued to show discipline in progressively increasing output.

Looking to the second half of this year, we expect oil prices to remain firm as inventory levels decline to historical levels, driven by ongoing increases in demand and continued active supply management by OPEC+.

Turning to gas prices. During the quarter Henry Hub averaged \$2.90 per million British thermal units, down from \$3.50 per million British thermal units in the first quarter as prices normalised after Storm Uri. International prices strengthened during the quarter, with the JKM LNG price averaging around \$10 per million British thermal units, driven by very strong Chinese demand growth, with high European gas prices due to supply issues.

We expect global gas markets to remain tight in the second half of 2021, with additional LNG supply outages or further delays to Nord Stream 2 presenting potential price upside.

Turning to refining. Industry margins increased strongly during the quarter with bp's

RMM averaging \$13.70 per barrel, the highest level since third quarter 2019.

However, the recovery has been uneven across products and regions with much of the increase in bp's RMM driven by higher US markers. This reflects a strong rebound in US gasoline demand and a near doubling of the cost of US renewable fuel credits since the start of the year. However, as you know, the credits do not impact realised refining margins. North West Europe margins increased more modestly due to weaker demand growth, notably for middle distillates.

Looking to the third quarter, industry refining margins are expected to be broadly flat compared to the second quarter, with recovering demand offset by growth in refining capacity.

2Q21 underlying results summary

\$bn	2Q20	1Q21	2Q21
Underlying RCPBIT	(7.4)	4.7	4.7
Gas & low carbon energy	(0.8)	2.3	1.2
Oil production & operations	(7.7)	1.6	2.2
Customers & products	1.4	0.7	0.8
Rosneft*	(0.1)	0.4	0.7
Other businesses and corporate	(0.2)	(0.2)	(0.3)
Consolidation adjustment - UPII*	(0.0)	0.0	(0.0)
Underlying replacement cost profit*	(6.7)	2.6	2.8
Operating cash flow*	3.7	6.1	5.4
Capital expenditure*	(3.1)	(3.8)	(2.5)
Divestment and other proceeds	1.1	4.8	0.2
Net issue (repurchase) of shares	0.0	0.0	(0.5)
Net debt*	40.9	33.3	32.7
Announced dividend per ordinary share (cents per share)	5.25	5.25	5.46

2Q 2021 vs 1Q 2021

- Higher oil prices and refining margins
- Strong gas marketing and trading following exceptional 1Q performance
- Strong momentum in the customer business

2Q 2021 financial results

Turning to results.

In line with our annual cycle, we have reviewed our price and margin assumptions used for both investment appraisal and value-in-use impairment testing. Effective this quarter we have updated our oil price assumptions. Other price assumptions are unchanged from those disclosed in our 2020 annual report.

Our Brent oil price assumption to 2030 has been increased to \$60 per barrel in 2020 real terms. This is due to capital discipline limiting supply across many basins.

Over the longer-term, our Brent oil price assumption has been decreased, reaching \$45 per barrel in 2020 real terms by 2050, as we expect an acceleration of the pace of transition to a lower carbon economy.

In aggregate our view of the average price over the 2021-2050 period is unchanged at around \$55 per barrel in 2020 real terms.

As a result of this revision, our second quarter reported profit included a pre-tax net impairment reversal of \$3.0 billion.

Moving then to the underlying results.

In the second quarter we reported an underlying replacement cost profit of \$2.8 billion, compared to an underlying replacement cost profit of \$2.6 billion in the first quarter of 2021.

In gas & low carbon energy the second quarter result reflects higher realisations offset by a strong gas marketing and trading result following the exceptional performance in the first quarter. It also reflects a higher DD&A charge as a result of major project ramp-up this quarter.

In oil production & operations the second quarter result reflects higher liquids realisations.

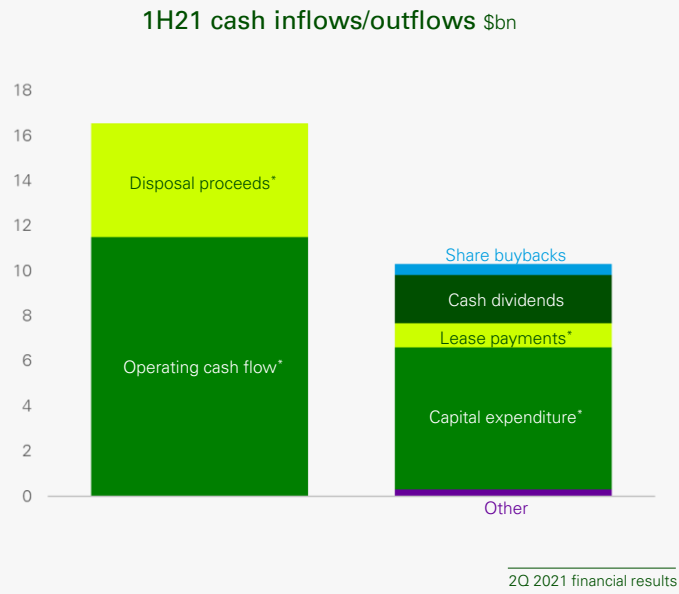
And in customers & products the second quarter result benefits from momentum in the customer business, with higher retail and aviation volumes and strong convenience performance.

In products, the result reflects a loss in refining, slightly less than the first quarter. This was driven by a higher level of turnaround and maintenance activity and continued low realised margins due to excess supply. The contribution from oil trading was lower than in the first quarter.

As announced, the second quarter dividend, payable in the third quarter, has been increased by 4% to 5.46 cents per ordinary share.

Cash flow and balance sheet

- \$5.4bn 2Q21 operating cash flow* including
 - \$1.2bn Gulf of Mexico pre-tax oil spill payments within the \$0.5bn working capital¹ build
- \$2.5bn cash cost* savings run-rate delivered in 2Q21²
- \$0.5bn share buybacks – offsetting dilution from vesting of employees share schemes in 2021
- 1H21 surplus cash flow* of ~\$2.4bn after reaching \$35bn net debt*
- \$32.7bn net debt* at end-2Q21



Turning to cash flow and the balance sheet.

Commencing this quarter, we have enhanced our working capital reconciliation to include fair value accounting effects. While this item was already disclosed, we believe that its inclusion in the reconciliation will better help users understand our cash flow delivery from underlying replacement cost earnings.

Operating cash flow was \$5.4 billion in the second quarter. This included \$1.2 billion of Gulf of Mexico oil spill payments within a working capital build of \$500 million.

Our cash flow delivery continues to benefit from the progress being made on cash cost reduction. As Bernard said, we have achieved our target of delivering \$2.5 billion of cash cost savings on a run-rate basis relative to 2019, around six months earlier than originally anticipated.

Capital expenditure was \$2.5 billion in the second quarter.

And as guided, during the quarter we repurchased \$500 million of shares – offsetting the expected 2021 dilution from vesting of employee share awards.

During the second quarter surplus cash flow was \$700 million. As a result, we generated \$2.4 billion of surplus cash flow in the first half of 2021 after reaching our net debt target of \$35 billion.

Reflecting this strong cash flow delivery, net debt fell for the fifth consecutive quarter to reach \$32.7 billion at the end of the second quarter.

In addition to debt reduction, during the first half we took further steps to create a more resilient balance sheet. We have extended the duration of our debt book through a combination of retiring short-dated debt and issuing \$4 billion of longer-dated debt including \$1.8 billion of 40-year bonds.

Financial frame – clear hierarchy of priorities

<u>Resilient dividend</u>	<u>Strong investment grade credit rating</u>	<u>Disciplined investment allocation</u>	<u>Share buybacks</u>
5.46¢	40%	~\$13bn	\$500m 60%
per ordinary share for 2Q21	2021 surplus cash flow* allocated to further deleverage	2021 capital expenditure*	2021 plan completed in 2Q21
4% growth for 2Q21			2021 surplus cash flow* allocated
			\$1.4bn 1H21
Capacity for annual increase of the dividend per ordinary share of around 4% through 2025 at ~\$60/bbl		2022-2025: \$14-16bn	
		~\$5-7bn per year	
		Low carbon electricity and energy and convenience & mobility	
		~\$9bn per year	
		Resilient & focused hydrocarbons	
			Have offset dilution from vesting of awards under employee share schemes in 2021
			Commitment to allocate at least 60% surplus cash flow* to share buybacks and expect to average around \$1.0bn per quarter at ~\$60/bbl
#1	#2	#3	#4 #5

2Q 2021 financial results

Now let me update you on our financial frame.

We have provided a clear set of principles and priorities for our uses of capital and these remain unchanged.

A resilient dividend remains the first priority within our disciplined financial framework.

Reflecting the underlying performance of the business, an improving environment, confidence in our balance sheet and commencement of the share buyback programme, the board has announced the increase in the second quarter dividend we mentioned earlier.

Importantly, this increase is accommodated within our 2021-2025 average cash balance point of around \$40 per barrel Brent, \$11 per barrel RMM and \$3 Henry Hub - all 2020 real.

Our second priority is to maintain a strong investment grade credit rating – this is very important to us - and why the dividend increase has been sized to maintain a \$40 balance point and why we continue to allocate 40% of surplus to the balance sheet.

Our third and fourth priorities remain unchanged and we are tightly focused on capital discipline – especially in an increasing price environment.

Last, taking into account the \$2.4 billion surplus cash flow generated in the first half of the year, bp intends to execute a share buyback of \$1.4 billion prior to third quarter 2021 results.

And for 2021 the board remains committed to using 60% of surplus cash flow for

share buybacks.

On average, based on bp's current forecasts, at around \$60 per barrel Brent, and subject to the board's approval each quarter, we expect to be able to deliver a buyback of around \$1.0 billion per quarter, and to have capacity for an annual increase in the dividend per ordinary share of around 4% through 2025.

Other elements of the financial frame are unchanged.

The board will take into account factors including the outlook for surplus cash flow, the cash balance point and the maintenance of a strong investment grade credit rating in setting the dividend per ordinary share and in setting the buyback amount each quarter.

We expect to outline plans for the fourth-quarter share buyback at the time of our third quarter results.

In summary, we believe our disciplined financial frame allows us to focus on strengthening our balance sheet, provide committed distributions to shareholders through a resilient dividend and share buyback, with upside to higher prices – and the capacity to invest to transition bp for the future.

Thanks for listening and now let me hand back to Bernard.

Bernard Looney
Chief executive officer





Thanks Murray.

So, a few words on our strategy. As I said earlier, we have made strong progress in the last year.

- In resilient hydrocarbons – the engine of our transformation – we have brought eight major projects online, adding around 200 thousand barrels of oil equivalent a day, of high-margin production;
- We have more than doubled our renewables pipeline to 21 gigawatts;
- We have entered offshore wind and are building businesses in two markets that are among the world's largest and fastest growing;
- We now have around 11,000 EV charging points in some of the world's busiest markets; over 40% higher than reported at the end of 2019;
- We have taken our first positions in hydrogen and CCUS; planning industrial-scale green hydrogen in Germany, one gigawatt of blue hydrogen at H2 Teesside, and we intend to lead the way on building the UK's first decarbonised industrial cluster.

And in the last few weeks, we have made two significant announcements in our low-carbon and convenience and mobility businesses:

- First, in the UK, where together with our partner EnBW, we have submitted a bid on offshore wind acreage off the east coast of Scotland. The lease could support up to 2.9 gigawatts generating capacity and if the bid is successful, we expect Aberdeen to become our global centre of excellence for offshore wind. This would mark another step toward our ambition of scaling our global offshore wind position.
- Second, in the US, we announced our plans to take full ownership of the

Thorntons JV. Once complete, the transaction will position bp as one of the leading convenience operators in the Midwest, and combine Thornton's customer-first culture with our existing US retail network. We expect to deliver further value from synergies with our existing ampm brand and through integration with our refining, midstream and trading capabilities in the region.

Each of these steps is an important strategic milestone in their own right.

Together though they show a pattern of emerging integration and how that can amplify value.

And that's what I would like to talk about in a little bit more detail.

Integrating energy systems...

...to create multi-energy customer solutions along and across value chains

Capabilities amplify value

Incumbent regional expertise

Project management

Supply chain

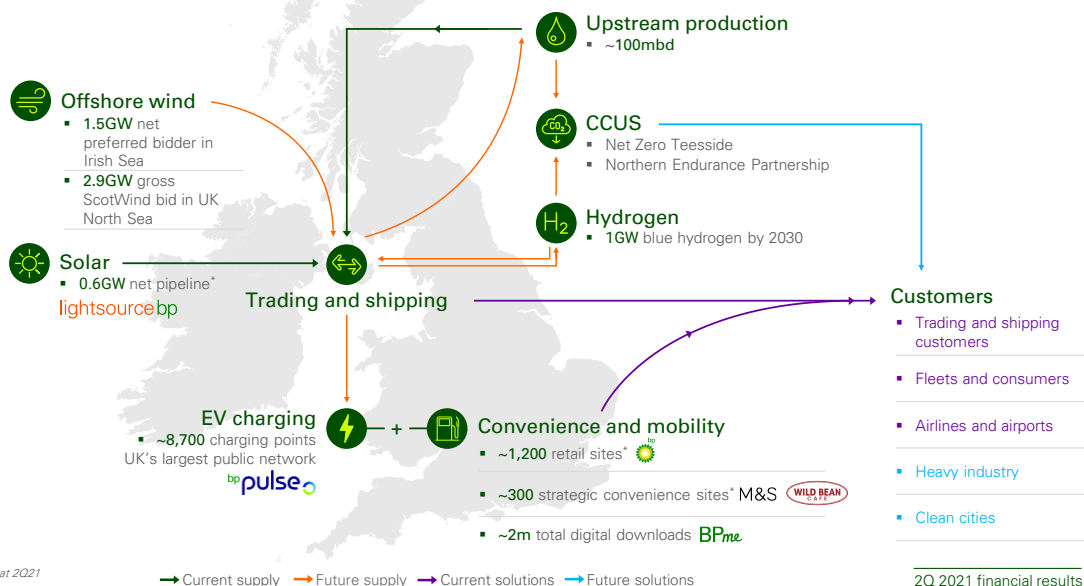
Refining expertise

Reservoir management

Digital capability

Trading

Convenience and mobility



So, let me start with some core beliefs. That as the energy transition unfolds, electrification will grow, the energy mix will become more diverse, more integrated and more local, and customers will demand more bespoke solutions.

Let's take the UK as an example.

For over 50 years, bp has been an integrated oil and gas company in this country:

- Producing oil and gas from the North Sea and bringing it to shore to process and refine;
- Providing consumers with gasoline for their cars at our service stations – including sandwiches and coffee, and;
- Providing natural gas to the grid to heat homes and supply industry through our trading relationships.

Over time, the UK has had to import oil and gas as well, and bp has enabled that – bringing natural gas from overseas to the Isle of Grain or shipping product from our refineries in Europe.

As we look forward that energy system is transitioning. Over the coming decades we see the energy mix changing, with:

- Oil and gas supplied from the North Sea slowly shifting to cleaner sources;
- The electrons generated from offshore wind flowing to shore, along with natural gas from the basin or from other nations;
- That gas flowing into power plants, and requiring CCUS to decarbonise with CO2 put back into formations offshore;
- Those clean electrons servicing the needs of consumers of the future – for home

heating, electric vehicles and trucks;

- Hydrogen growing and supporting heavy duty transport, industry and potentially homes, and;
- Perhaps one day the UK exporting hydrogen in the form of ammonia – an exciting future opportunity.

And we at bp are helping drive this transition, with a plan to:

- Leverage the transferable engineering skills and capability from across our organisation – moving from developing upstream mega-projects to world-class offshore wind projects – and working with the same supply chains and employers;
- Construct CCUS and hydrogen plants – leveraging the experience that we have developed in high hazard operations over the past 100 years;
- Transform the retail footprint of the UK, from fuel and convenience to a forecourt of the future with charging and convenience with:
 - Our bp Pulse brand, where we plan to grow EV charging points from around 8,700 today to more than 16,000 by 2030;
 - Our leading convenience offer with Marks & Spencer, and;
 - Helping fleets shift from fuel to charging – such as the agreement we have with Uber here in London.

All of this is underpinned by our strong balance sheet, our project skills, our digital skills that are so important in the connected economy, our marketing expertise, and very importantly, our global trading organisation with their huge customer network.

And while we understand the questions in some investors' minds, we do see a compelling proposition to deliver competitive returns across these value chains:

- Returns in offshore wind can be stable for 15-20 years as we sign up CfD's and PPA's – a much more stable prospect than oil price volatility of the past;
- Returns in hydrogen and CCUS are yet to be established, but they will need to be higher given the risk, and are likely to be stable for the first developments;
- Returns in charging and convenience are even stronger;
- And the magic comes when we use our trading capabilities to

optimise between the upstream energy flows and the different customers we interact with – from corporate PPA's to electric charging points for individuals or fleets, to blue or green hydrogen;

- Providing fixed or variable volumes, providing fixed or floating prices, in whatever currency they want with carbon offsets if needed.

This is a replica of what we do in our trading business today, which gives us confidence for the future. And this is not unique to the UK. With our deep regional experience, we see the same opportunity to replicate this in other core markets.

Partnering with cities, corporates and industries.... ...to decarbonise value chains through integrated solutions



2Q 2021 financial results

In fact, there are currently over 3000 corporates, 700 cities and 30 regions committed to net zero by 2050. Collectively covering nearly 25% of global CO₂ emissions and over 50% of GDP.

This is both a huge commitment and a huge challenge, and is where we see the opportunity for bp to step in and help our customers manage the complexity associated with their energy transition goals, and in doing so, create value for bp.

And we have a strategy designed for this purpose.

Our 'regions, cities, and solutions' team has a unique remit – aligned with our Aim 10 – to partner with cities, corporates and industries to create integrated clean energy and mobility solutions through the energy transition.

And we are seeing more opportunity than we imagined a year ago and we have a large hopper of opportunities.

We are in action, prioritising customers in high-emitting sectors. Here are a few examples of what the team has been working on over the last few months:

- We will work together with CEMEX to develop solutions to decarbonise their cement production – including low carbon power and transport, energy efficiency, hydrogen, CCUS and natural climate solutions;
- We have partnered with Qantas to co-operate on sustainable aviation fuel supply and other carbon reduction opportunities for their customers;
- We are progressing our partnerships with Aberdeen and Houston, and have signed an MoU with the Ministry of Energy in Azerbaijan, to jointly assess the potential for large-scale decarbonised and integrated energy mobility systems in the country;
- We have agreed to supply long-term renewable power to Microsoft and Amazon data centres, and are collaborating with Microsoft specifically to bring an

intelligent edge to our production facilities.

In summary, for over 100 years now we have been an IOC, for the next 100 we'll be an IEC – helping countries, such as the UK, and customers – some existing – many new – to provide energy that is affordable, reliable and clean.

Performing while transforming



...and delivering long term shareholder value

2Q 2021 financial results

So, before we turn to questions, a few words to close.

Over the last year our attention has been on reinventing bp, reorganising and taking our first steps to become an integrated energy company. That phase is now largely complete.

We are delivering against the plans we laid out.

Our businesses are performing well.

We are growing cash flow and distributions, we are strengthening the balance sheet, and we are confident about the future, while recognising that uncertainties remain.

In summary – we are performing while transforming bp for tomorrow – delivering on the three core elements of our investor proposition we laid out a year ago, of:

- Committed distributions – generating competitive cash returns through our resilient dividend and execution of buybacks;
- Profitable growth – growing cash flow with per share growth supported by our buybacks; and
- Sustainable value – as we invest with discipline into our low carbon and transition businesses.

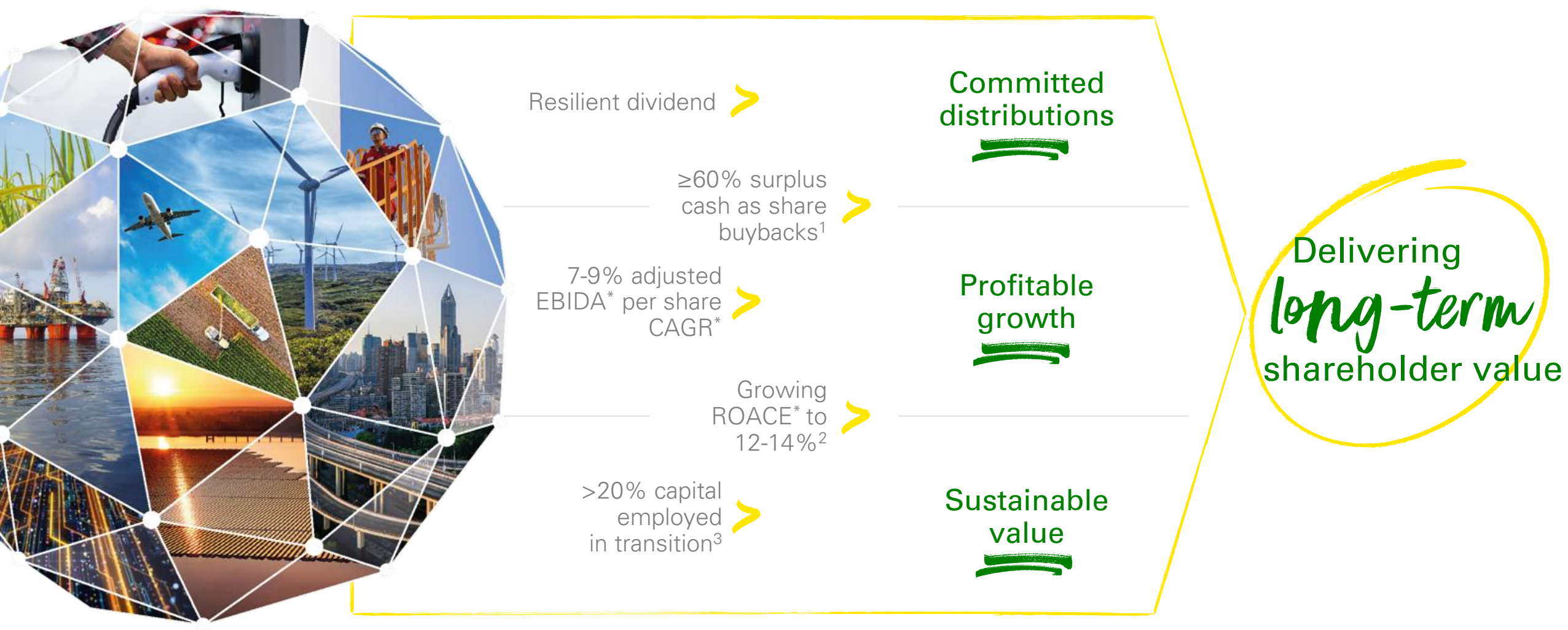
All in service of delivering long-term value for our shareholders.

Thank you for listening. Craig, over to you.

Q&A

Appendix

Investor proposition



(1) At least 60% of surplus cash as buyback after having reached \$35bn net debt and subject to maintaining a strong investment grade credit rating

(2) ROACE: return on average capital employed as defined in bp's 2019 annual report, by 2025, \$50-60/bbl (2020 real), at bp planning assumptions

(3) By 2025

Guidance

Full year 2021

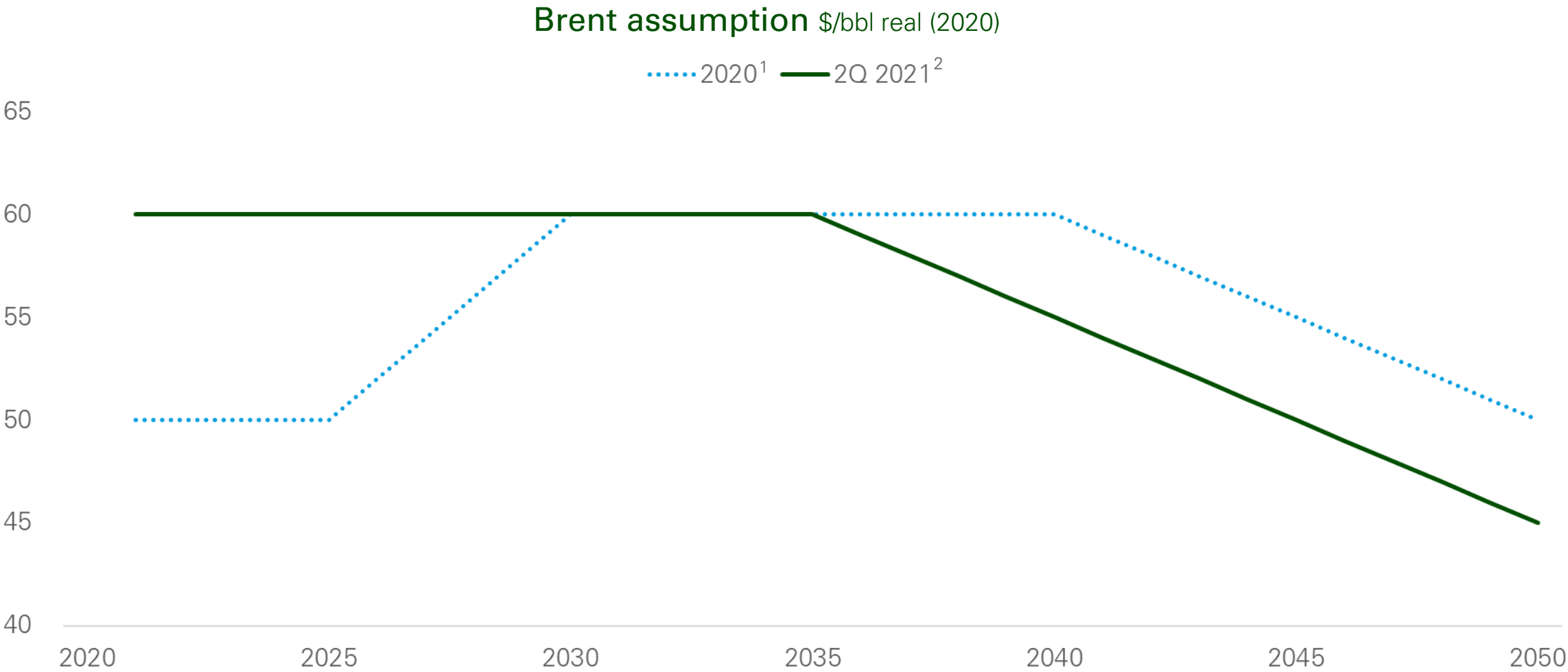
Capital expenditure*	~\$13bn
DD&A	Similar level to 2020
Gulf of Mexico oil spill payments	~\$1.5bn pre-tax
OB&C* underlying annual charge	\$1.2-1.4bn, quarterly charge may vary quarter to quarter
Underlying effective tax rate* ¹	~35%
Reported upstream production (ex. Rosneft)	Lower than 2020 due to ongoing divestment programme
Underlying production* (ex. Rosneft)	Slightly higher than 2020 due to the ramp-up of major projects, primarily in gas regions, partly offset by the impacts of reduced capital investment and decline in lower-margin gas assets

(1) Underlying effective tax rate is sensitive to the impact that volatility in the current environment may have on the geographical mix of the group's profits and losses

3Q21 vs 2Q21

- Higher product demand expected across our customer business as COVID-19 restrictions continue to ease
- Realised refining margins are expected to improve slightly, supported by stronger demand and wider North American heavy crude oil differentials. In Castrol, industry base oil and additive supply shortages are expected to continue
- Higher reported upstream production reflecting the completion of seasonal maintenance activity and the ramp-up of major projects. Within this, we expect production from oil production & operations to be higher

Long-term price assumptions



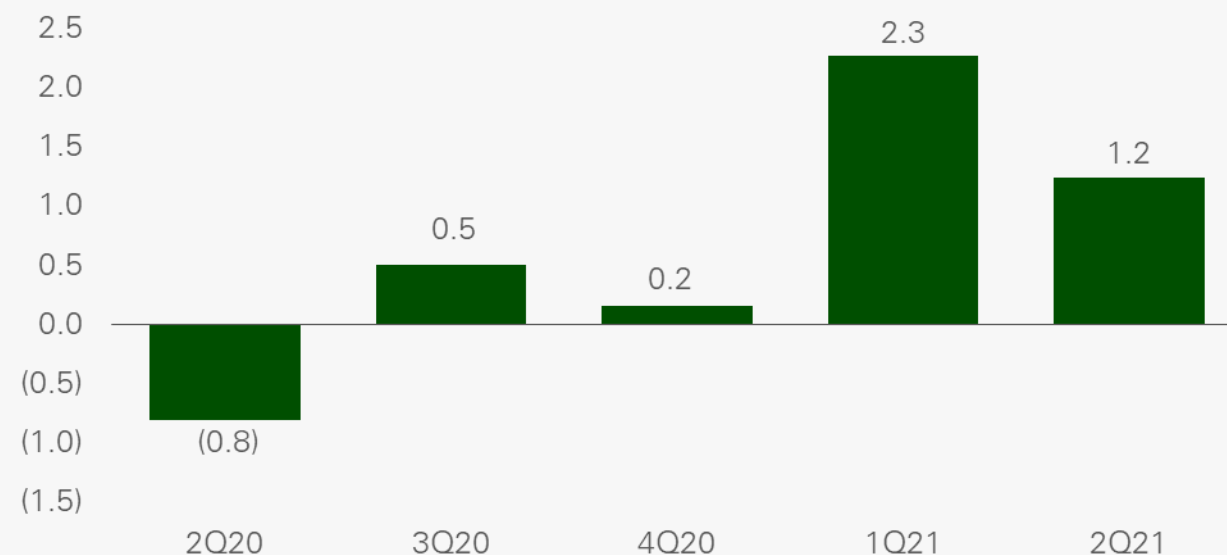
Average price over the 2021 – 2050 unchanged at around \$55/bbl real (2020)

(1) Source: bp 2020 annual report
(2) Source: bp 2Q21 Stock Exchange Announcements

Gas and low carbon energy

	2020	1Q21	2021
Production volume			
Liquids (mbd)	99	112	109
Natural gas (mmcf)	4,463	4,623	4,440
Total hydrocarbons (mboed)	869	909	875
Average realisations*			
Liquids (\$/bbl)	22.59	55.38	61.69
Natural gas (\$/mcf)	3.12	3.94	4.14
Total hydrocarbons (\$/boe)	18.63	26.84	28.97
Selected financial metrics (\$bn)			
Adjusted EBITDA*	1.1	3.1	2.4
Capital expenditure* – gas	1.0	0.8	0.7
Capital expenditure* – low carbon	0.0	1.1	0.0
Operational metrics (GW, bp net)			
Installed renewables capacity*	1.1	1.6	1.6
Developed renewables to FID*	2.8	3.3	3.7
Renewables pipeline*	N/A	13.8	21.2

Underlying RCPBIT* \$bn



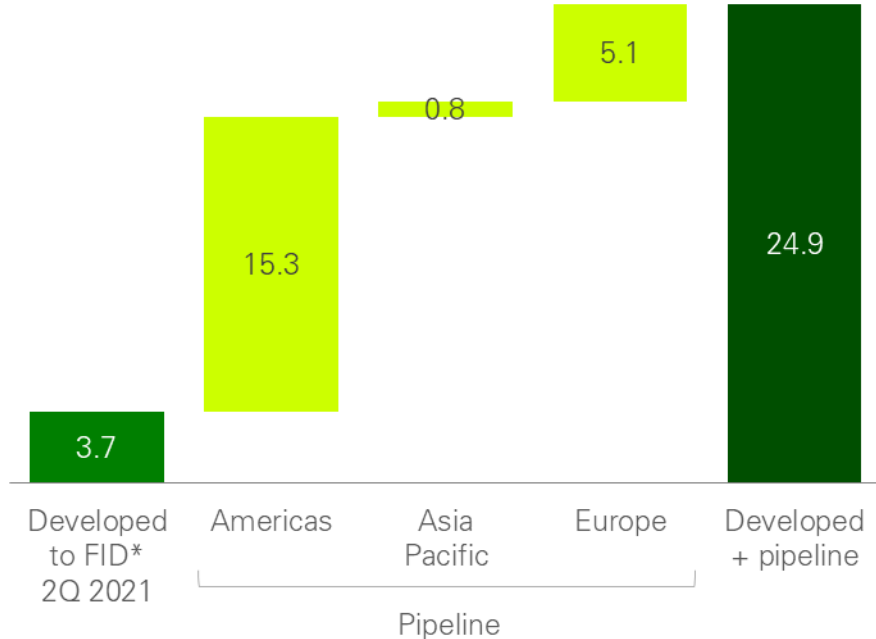
2Q 2021 vs 1Q 2021

- Strong financial delivery helped by higher realisations offset by Oman disposal
- Higher DD&A as a result of project ramp-up in Egypt and India
- Strong gas marketing and trading delivery as compared to the exceptional performance in the first quarter

Gas and low carbon energy

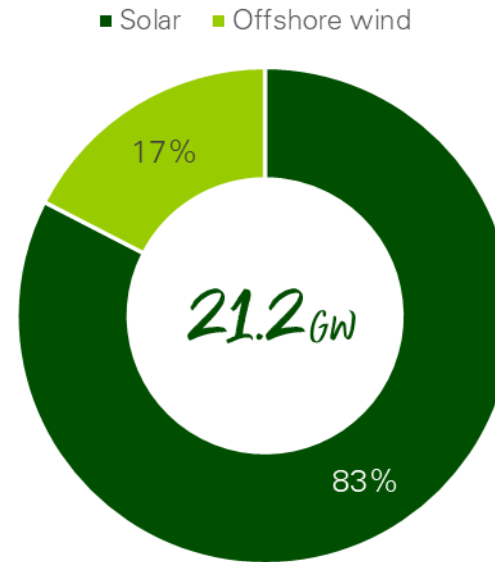
Building scale and capability with capital discipline and a returns focus

Developed renewables to FID* and
renewables pipeline* bp net, GW



- Developed and pipeline 8GW higher than 1Q21
- 35 projects developed to FID* with Lightsource bp with weighted average expected IRR of 8 – 10%

Renewables pipeline*
by technology bp net



Renewables hopper*
bp net

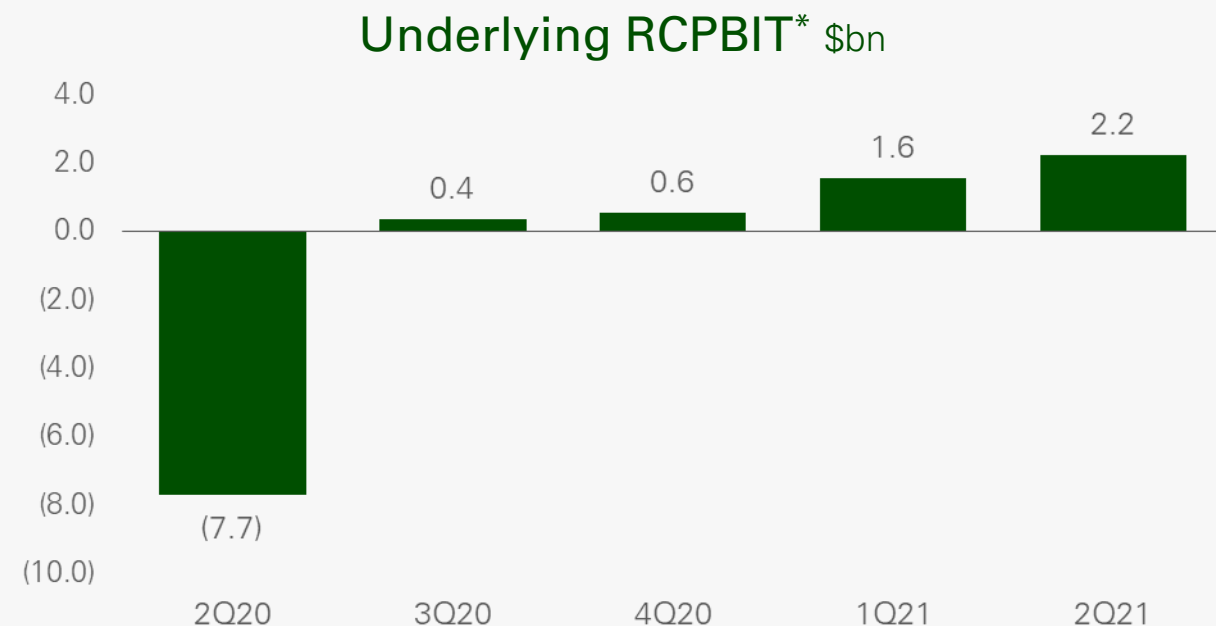
15GW
active projects

A decrease of 20GW from 1Q21 mainly due to promotion to pipeline and on-going consideration against our investment criteria

Oil production and operations

	2020	1Q21	2021
Production volume¹			
Liquids (mbd)	1,266	997	938
Natural gas (mmcf)	2,262	1,810	1,786
Total hydrocarbons (mboed)	1,656	1,309	1,245
Average realisations*			
Liquids (\$/bbl)	22.76	52.92	60.55
Natural gas (\$/mcf)	1.03	4.11	3.90
Total hydrocarbons (\$/boe)	19.32	46.81	52.47
Selected financial metrics (\$bn)			
Exploration write-offs	8.0	0.1	0.0
Adjusted EBITDA*	1.0	3.2	3.8
Capital expenditure*	1.6	1.3	1.1
Combined upstream			
Oil and gas production ¹ (mboed)	2,525	2,218	2,120
bp average realisation* (\$/boe)	19.06	37.75	41.84
Unit production costs* ^{1,2} (\$/boe)	6.13	7.36	7.33
bp-operated plant reliability* ² (%)	94.2	93.0	93.7

(1) Excluding Rosneft
(2) On a year to date basis



2Q 2021 vs 1Q 2021

- Higher liquids realisations

Customers and products

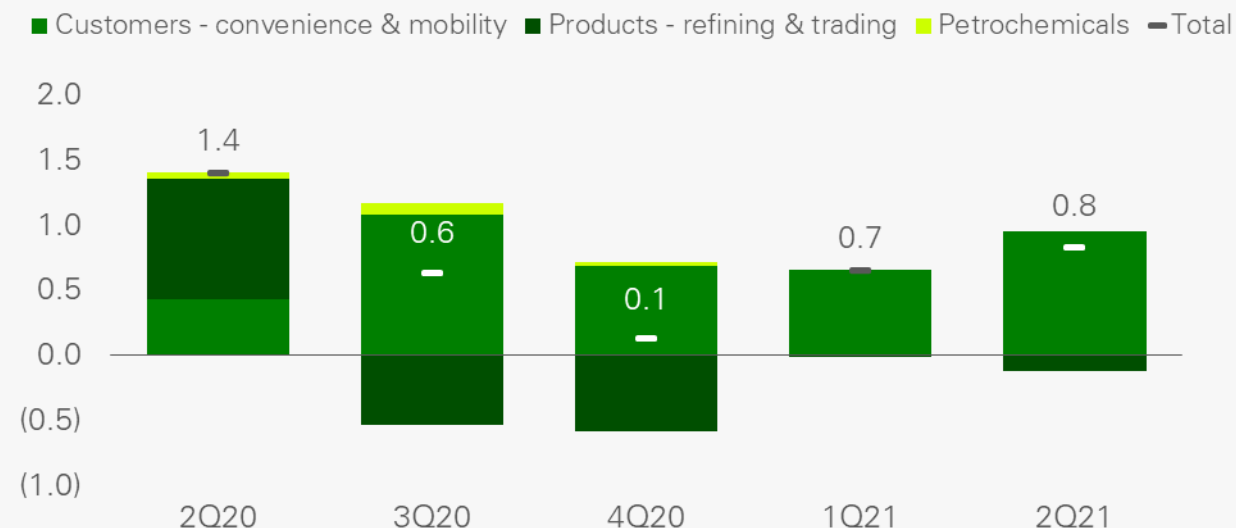
	2020	1Q21	2021
Customers – convenience & mobility			
Customers – convenience & mobility adjusted EBITDA*	0.7	1.0	1.3
Castrol ¹ adjusted EBITDA*	0.1	0.4	0.3
Capital expenditure*	0.2	0.3	0.3
bp retail sites* – total ²	18,900	20,300	20,300
bp retail sites in growth markets * ²	1,300	2,650	2,700
Strategic convenience sites * ²	1,650	1,950	2,000
Marketing sales of refined products (mb/d) ³	2,324	2,498	2,853
Products – refining & trading			
Adjusted EBITDA*	1.3	0.4	0.3
Capital expenditure*	0.2	0.2	0.3
Refining environment			
RMM* (\$/bbl)	5.9	8.7	13.7
Refining throughputs (mb/d)	1,487	1,601	1,507
Refining availability* (%)	95.6	94.8	93.5

(1) Castrol is included in customers – convenience & mobility

(2) Reported to the nearest 50

(3) Comparative information for 2020 has been restated for the changes to net presentation of revenues and purchases relating to physically settled derivative contracts effective 1 January 2021. For more information see SEA - note 1 basis of preparation - voluntary change in accounting policy. An amendment of 22mb/d has been made to amounts presented for the first quarter 2021

Underlying RCPBIT* \$bn



2Q 2021 vs 1Q 2021

Customers

- Higher retail and aviation volumes
- Convenience gross margin* materially higher
- Resilient Castrol performance, despite industry base oil and additive shortages and COVID impacts in key growth markets

Products

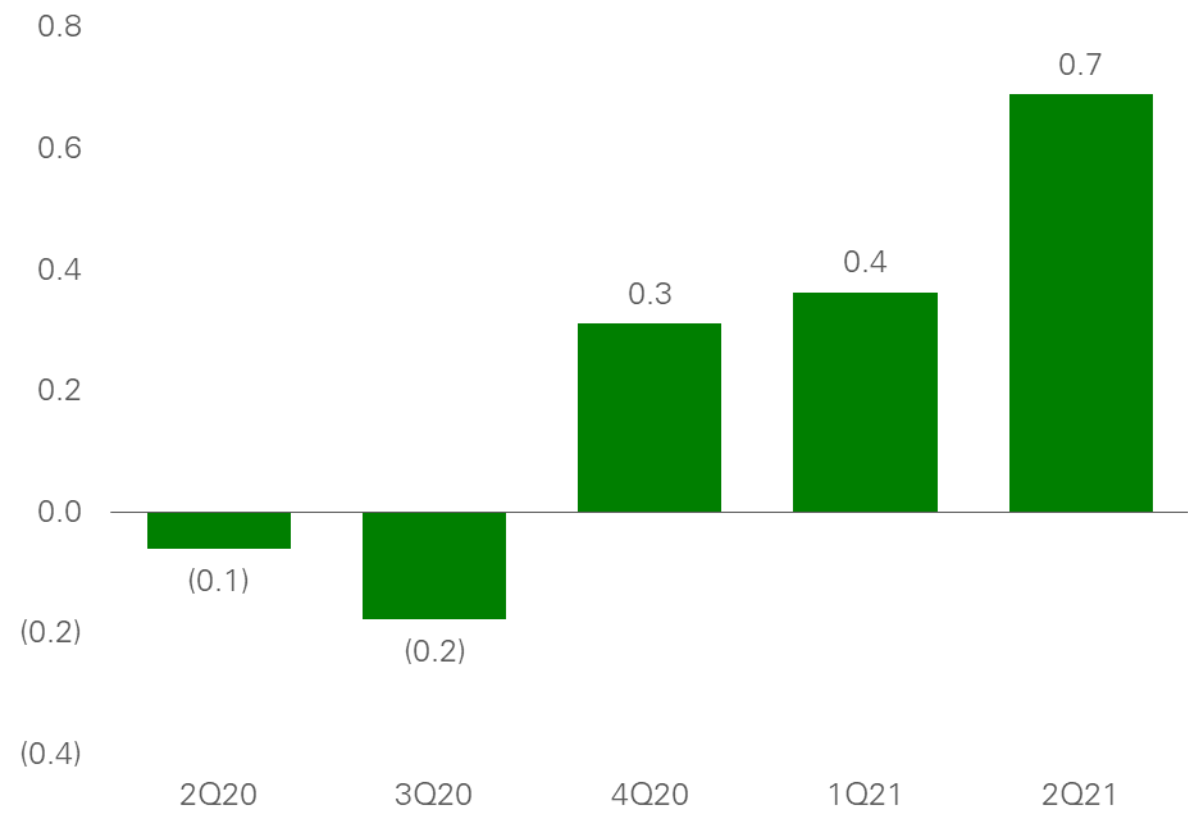
- Higher realised refining margins

Offset by

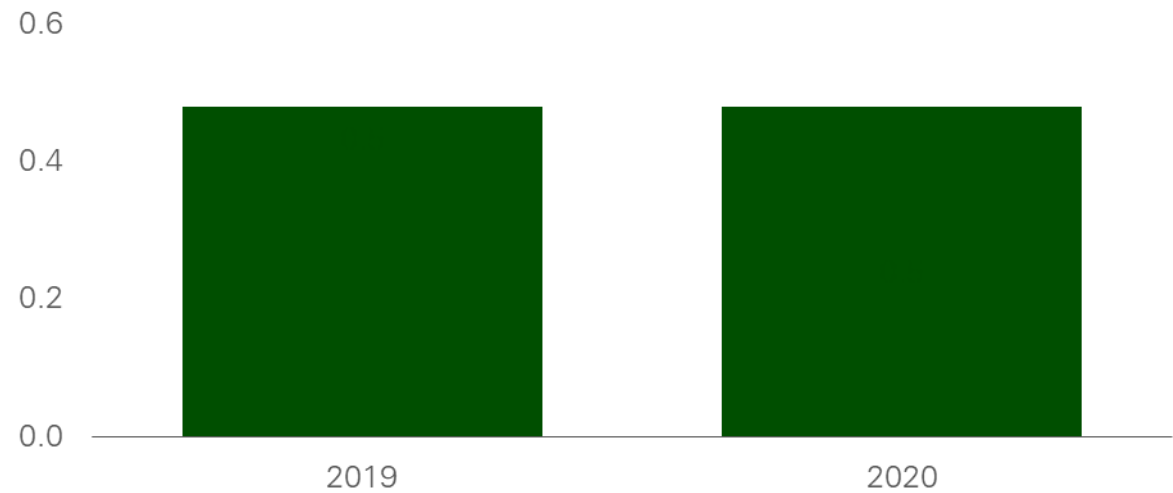
- Higher turnaround and maintenance activity; and
- Lower contribution from trading

Rosneft

bp share of underlying net income* \$bn



bp share of Rosneft dividend* \$bn



	2020	1Q21	2Q21
Production volume ¹			
Liquids (mbd)	856	827	858
Natural gas (mmcf/d)	1,248	1,294	1,374
Total hydrocarbons (mboed)	1,071	1,050	1,095

(1) bp share of Rosneft production

Glossary

Glossary

Adjusted EBIDA	Underlying replacement cost profit before interest and tax*, add back depreciation, depletion and amortisation and exploration expenditure written-off (net of adjusting items*), less taxation on an underlying RC basis.	Capital expenditure	Total cash capital expenditure as stated in the condensed group cash flow statement. Capital expenditure for the operating segments and customers & products businesses is presented on the same basis.
Adjusted EBIDA per share CAGR	2H19/1H20-2025, \$50-60/bbl Brent (2020 real), at bp planning assumptions.	Cash costs	Defined as production and manufacturing expenses plus distribution and administration expenses and excludes costs that are classified as adjusting items and costs that are variable, primarily with volumes (such as freight costs).
Adjusted EBITDA	Non-GAAP measure presented for bp's operating segments and is defined as replacement cost (RC) profit before interest and tax, excluding net adjusting items*, adding back depreciation, depletion and amortization and exploration write-offs (net of adjusting items). Adjusted EBITDA by business is a further analysis of adjusted EBITDA for the customers & products businesses.	Consolidation adjustment – UPII	Unrealised profit in inventory arising on inter-segment transactions.
Adjusting items	Include gains and losses on the sale of businesses and fixed assets, impairments, environmental and other provisions, restructuring, integration and rationalization costs, fair value accounting effects, costs relating to the Gulf of Mexico oil spill and other items. Adjusting items within equity-accounted earnings are reported net of incremental income tax reported by the equity-accounted entity. Adjusting items are used as a reconciling adjustment to derive underlying RC profit or loss and related underlying measures which are non-GAAP measures.	Convenience gross margin	Calculated as RC profit before interest and tax for the customers & products segment, excluding RC profit before interest and tax for the refining & trading and petrochemicals businesses, and adjusting items* (as defined above) for the convenience & mobility business to derive underlying RC profit before interest and tax for the convenience & mobility business; subtracting underlying RC profit before interest and tax for the Castrol business; adding back depreciation, depletion and amortization, production and manufacturing, distribution and administration expenses for convenience & mobility (excluding Castrol); subtracting earnings from equity-accounted entities in the convenience & mobility business (excluding Castrol) and gross margin for the retail fuels, next-gen, aviation, B2B and midstream businesses.
bp-operated plant reliability	Calculated taking 100% less the ratio of total unplanned plant deferrals divided by installed production capacity. Unplanned plant deferrals are associated with the topside plant and where applicable the subsea equipment (excluding wells and reservoir). Unplanned plant deferrals include breakdowns, which does not include Gulf of Mexico weather related downtime.	Developed renewables to FID	Total generating capacity for assets developed to FID by all entities where bp has an equity share (proportionate to equity share). If asset is subsequently sold bp will continue to record capacity as developed to FID. If bp equity share increases developed capacity to FID will increase proportionately to share increase for any assets where bp held equity at the point of FID.
bp share of Rosneft dividend	From 2018, represents bp's share of 50% of Rosneft's IFRS net profit.		
bp share of underlying net income	On a replacement cost basis and adjusted for adjusting items; 2Q21 represents bp estimate.		

Glossary

Disposal proceeds	Divestments and other proceeds.	Refining availability	Represents Solomon Associates' operational availability for bp-operated refineries, which is defined as the percentage of the year that a unit is available for processing after subtracting the annualized time lost due to turnaround activity and all planned mechanical, process and regulatory downtime.
Hopper	Renewables hopper comprises of project opportunities from the point of initial evaluation until they are either stopped or become part of the renewable pipeline.	Refining marker margin (RMM)	Average of regional indicator margins weighted for bp's crude refining capacity in each region. Each regional marker margin is based on product yields and a marker crude oil deemed appropriate for the region. The regional indicator margins may not be representative of the margins achieved by bp in any period because of bp's particular refinery configurations and crude and product slate.
Installed renewables capacity	bp's share of capacity for operating assets owned by entities where bp has an equity share.	Renewables pipeline	Renewables pipeline includes projects that have achieved pre-set milestone criteria.
Lease payments	Lease liability payments.	Replacement cost profit or loss	Reflects the replacement cost of inventories sold in the period and is calculated as profit or loss attributable to bp shareholders, adjusting for inventory holding gains and losses (net of tax).
Net debt	Non-GAAP measures. Calculated as finance debt, as shown in the balance sheet, plus the fair value of associated derivative financial instruments that are used to hedge foreign currency exchange and interest rate risks relating to finance debt, for which hedge accounting is applied, less cash and cash equivalents. Net debt does not include accrued interest, which is reported within other receivables and other payables on the balance sheet and for which the associated cash flows are presented as operating cash flows in the group cash flow statement.	Retail sites	Include sites operated by dealers, jobbers, franchisees or brand licensees or joint venture (JV) partners, under the bp brand. These may move to and from the bp brand as their fuel supply agreement or brand licence agreement expires and are renegotiated in the normal course of business. Retail sites are primarily branded bp, ARCO, Amoco, Aral and Thorntons, and also includes sites in India through our Jio-bp JV.
OB&C	Other businesses and corporate.	Retail sites in growth markets	Retail sites that are either bp branded or co-branded with our partners in China, Mexico and Indonesia and also include sites in India through our Jio-bp JV.
Operating cash flow	Net cash provided by (used in) operating activities as stated in the condensed group cash flow statement.	ROACE	Return on average capital employed as defined in bp's 2020 annual report.
Realisations	Realisations are the result of dividing revenue generated from hydrocarbon sales, excluding revenue generated from purchases made for resale and royalty volumes, by revenue generating hydrocarbon production volumes. Revenue generating hydrocarbon production reflects the bp share of production as adjusted for any production which does not generate revenue. Adjustments may include losses due to shrinkage, amounts consumed during processing, and contractual or regulatory host committed volumes such as royalties.		

Glossary

Rosneft underlying RCPBIT	bp's adjusted share of Rosneft's earnings after Rosneft's own finance costs, taxation and non-controlling interests is included in the bp group income statement within profit before interest and taxation. For each year-to-date period it is calculated by translating the amounts reported in Russian roubles into US dollars using the average exchange rate for the year to date.	Unit production costs	Calculated as production cost divided by units of production. Production cost does not include ad valorem and severance taxes. Units of production are barrels for liquids and thousands of cubic feet for gas. Amounts disclosed are for bp subsidiaries only and do not include bp's share of equity-accounted entities.
Strategic convenience sites	Retail sites, within the bp portfolio, which both sell bp branded fuel and carry one of the strategic convenience brands (e.g. M&S, Rewe to Go). To be considered a strategic convenience brand the convenience offer should be a strategic differentiator in the market in which it operates. Strategic convenience site count includes sites under a pilot phase.	Underlying replacement cost profit	Non-GAAP measure and is replacement cost profit or loss* after excluding net adjusting items and related taxation.
Surplus cash flow	Non-GAAP measure and refers to the net surplus of sources of cash over uses of cash, after reaching the \$35 billion net debt target. Sources of cash include net cash provided by operating activities, cash provided from investing activities and cash receipts relating to transactions involving non-controlling interests (other). Uses of cash include lease liability payments, payments on perpetual hybrid bond, dividends paid, cash capital expenditure, the cash cost of share buybacks to offset the dilution from vesting of awards under employee share schemes and currency translation differences relating to cash and cash equivalents as presented on the condensed group cash flow statement.	Underlying replacement cost profit or loss before interest and tax (RCPBIT)	Underlying RC profit or loss before interest and tax for the operating segments or customers & products businesses is calculated as RC profit or loss including profit or loss attributable to non-controlling interests before interest and tax for the operating segments and excluding net adjusting items for the respective operating segment or business.
Underlying effective tax rate	Non-GAAP measure, calculated by dividing taxation on an underlying replacement cost (RC) basis by underlying RC profit or loss before tax. Taxation on an underlying RC basis is taxation on a RC basis for the period adjusted for taxation on adjusting items.		
Underlying production	2021 underlying production, when compared with 2020, is production after adjusting for acquisitions and divestments, curtailments, and entitlement impacts in our production-sharing agreements/contracts and technical service contract.		