Customers & Products

Roundtable presentation



21 June 2024

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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 document are bp projections unless otherwise stated.

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

June 2024

I would like to draw your attention to the cautionary statement. During this event and in our presentations, 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 announcements and SEC filings for more details. These documents are available on our website.

In today's event we're going to set the scene for you with an update from Emma on our customers & products portfolio. And this includes our recent announcement on biofuels, which we'll talk about in a bit.



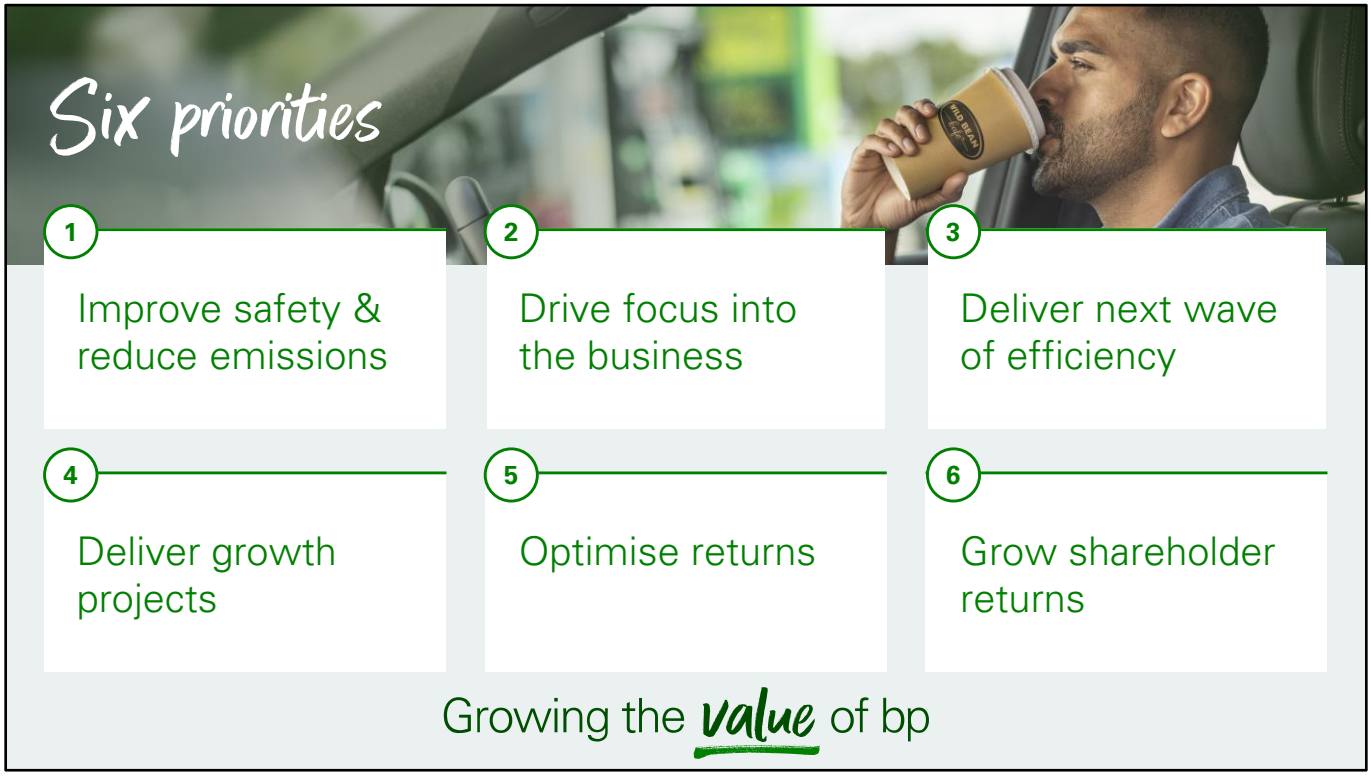
The focus of today's event is our customers business. And, in case you haven't seen it, we have some news to share about biofuels – but I'll come to that in a bit.

I want to start by taking a step back. Murray's been clear: bp's destination stays the same.

- We're still moving from international oil company to integrated energy company
- …helping to supply today's energy system and helping build tomorrow's.
- We're providing options for those who want help with their energy transition…
- …while remaining pragmatic and adapting in line with demand

These last few years we've been busy generating options and learning about the best opportunities. Now we're focusing on execution and on the options with the highest returns.

And we're going to do this as a simpler, more focused company, and a higher value company.



To shape that work – as we set out earlier this year – we have six key priorities for growing the value of bp. All are hugely relevant to customers & products.

First, safety always comes first – it's foundational to everything we do. It is our top priority as we focus on increasing margins, lowering emissions – and growing the value of bp.

Second, as with wider bp, we're driving focus in our businesses. Today you'll hear how we're prioritising four key regions for EV charging, down from 11 when we started.

Third, we're delivering the next wave of efficiency. Our investment in digital is a great example. This includes using technology, for example, to optimise our data, reduce waste and automate customer service.

Fourth, we're delivering growth projects, and you'll hear about our plans to grow Castrol lubricant volumes and exciting developments, like our work on supplying coolants for data centres.

And fifth, as we do this, we're laser focused on how we invest our capital. Part of the biofuels announcement, which I'll come to in a moment, shows how we're only progressing projects which deliver the highest returns.

Finally, customers & products is also going to help grow returns by delivering on our share of bp's recently announced cash cost reduction target.

The bottom line – we are absolutely focused on growing the value of bp. And you can follow our progress across the next seven quarters as we drive to 2025.

Customers & Products

Value through *integration*



Customers & products is quite a family of businesses.

Customers includes retail fuels, convenience, Castrol, EV charging, aviation, B2B, midstream and biofuels. – in brief, it's convenience and mobility.

Products covers refining and oil & products trading.

Crucially, these businesses are all connected across our integrated fuel value chain. And this allows us to enhance value as it moves between customers & products, or C&P.

C&P sits right at the heart of our integrated energy company strategy. It's the fuel people want and need today AND it's the future of mobility. We are building a business resilient to a range of energy transition scenarios.

C&P also provides valuable flows and demand shorts for what we believe is a world-class trading organisation.

- So whether it's optimising the mix of feeds in, and products out…
- …using our traders to secure advantaged feedstock…

- …then supplying jet fuel or SAF through our 600 airport aviation business…

…we're integrating along – and across – our value chains. And we believe 'integration' is a differentiated and distinctive source of value for bp.

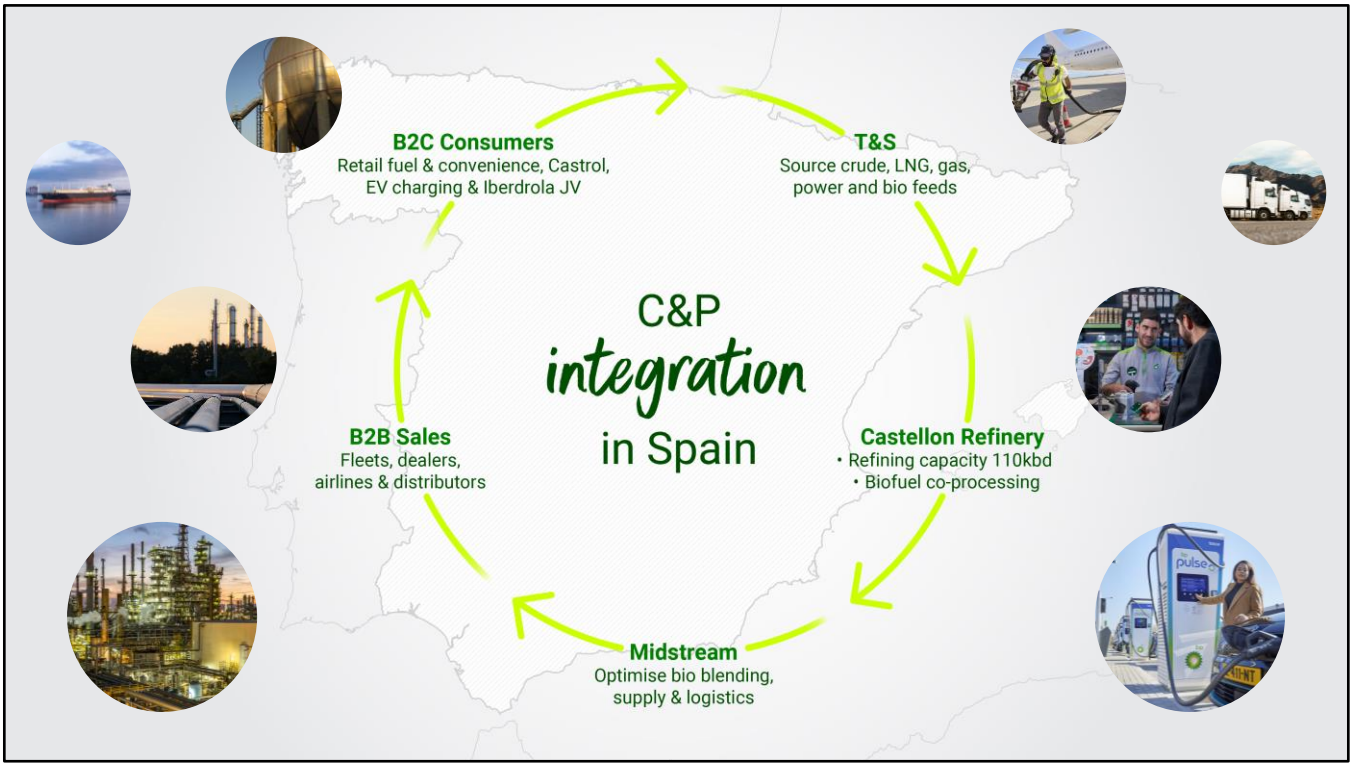
At the same time we're constantly evolving and high-grading our portfolio.

Since 2020:

- We've closed Kwinana as a refinery, divested Toledo and announced changes at Gelsenkirchen
- In fuels, we've sold our Switzerland business and announced the sale of our Türkiye business
- We're in action on turning around Castrol, with good progress so far
- We've grown convenience gross margin around 9% a year, since 2020
- Started an EV charging growth business
- Acquired TravelCenters of America
- We've also built a biofuels growth business – as I said, more to come on that AND we're on a journey to digitally transform our businesses

Over this same period, against a challenging backdrop, C&P has delivered an average ROACE of over 20%.

So, integration and portfolio high-grading, that's what C&P is about. It's how we deliver higher margins, lower emissions – and grow the value of bp.



Now I am going to step into Spain, our host country. Spain is not our most material market, but it's a brilliant example of C&P's integration strategy in action.

- Our Castellon refinery in Valencia has been supplying conventional fuel for decades. It has been co-processing wastes and residues to produce SAF and biodiesel, which is being sold to airline and fleet customers respectively. Looking further ahead, we're also exploring options to ensure the long-term resilience of this asset by developing green hydrogen production.
- Combined with our midstream capability, our refining business supplies:
  - A fuels network across the Iberia peninsula. bp has a #3 market position for branded fuel in Spain
  - AND our aviation business at almost 50 locations
- At retail sites, we recently launched our proprietary Wild Bean coffee offer.
- And we're supporting customer mobility needs through Castrol. They recently became the largest independent branded network in Europe with over 7,000 workshops, including 1,000 in Spain.

- We know that customer needs are evolving in the region. So we've set up an EV charging JV with Iberdrola. The plan is to build a charging network of more than 11,000 points in Spain and Portugal by 2030.

- And all these value chains are knitted together by our world-class trading & shipping capability.



As I said, we're going to focus on the Customers part of the business, so that's everything to do with convenience and mobility.

It is a strategic pillar for us – and our strategy is to be a leading mobility player in selected markets, resilient to a range of energy transition scenarios.

The business is important for earnings and cash today. And it contains two and a half of our transition growth engines: convenience, EV charging and customer-facing and midstream biofuels activities.

For 2025, our Customers business is targeting around $7 billion in EBITDA.

As we Drive to 2025, this is where we're targeting growth:

- One, growing our convenience business
  - …building on our track record of 9% average growth in convenience gross margin over the last four years, excluding TA.
  - we're also consolidating an additional half year of earnings from TA. And realising growth and synergies as we the integrate it into bp.
- Two, we expect EV charging to break even as we grow scale and utilisation.

- Three, we're growing volumes and driving cost efficiency at Castrol.

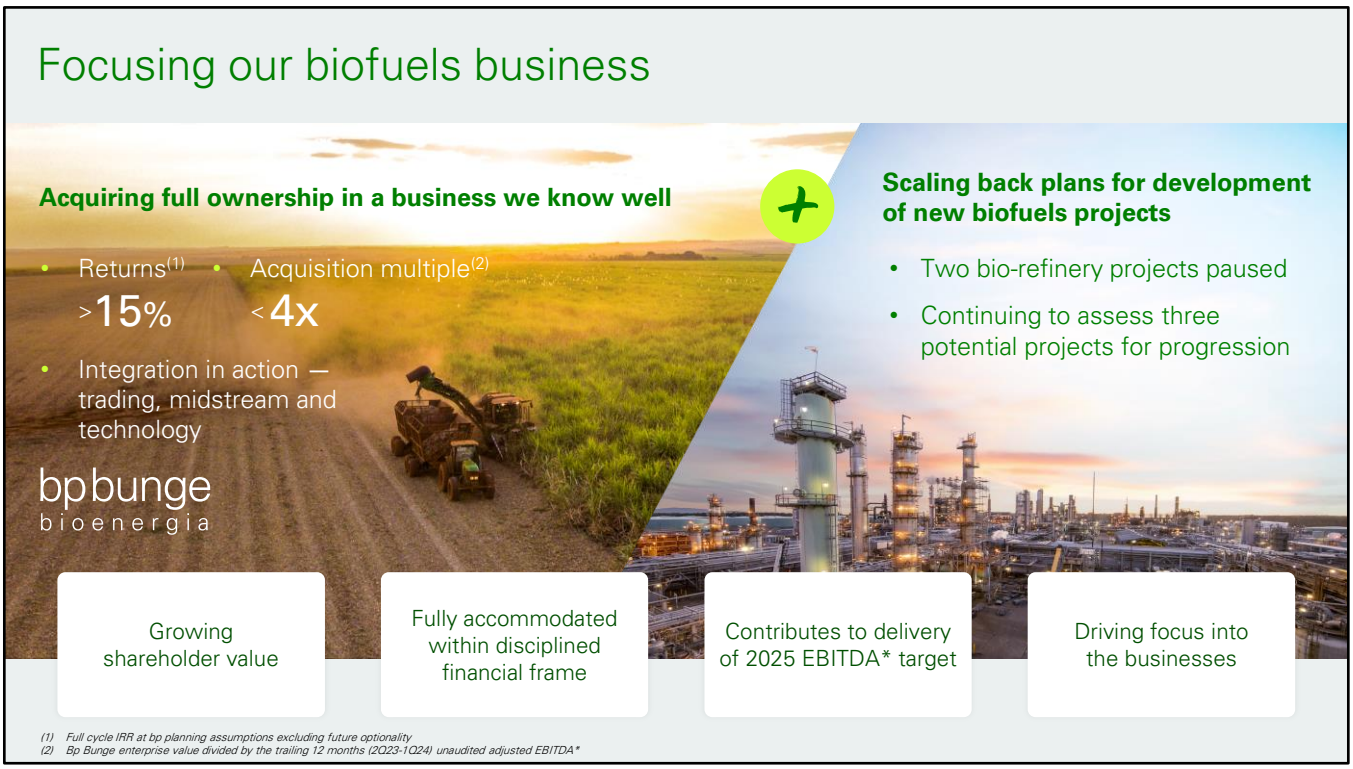
- Four, our recently announced biofuels acquisition, which delivered around $800 million of EBITDA in 2023. More detail on that coming up next.

- And five, driving cost efficiencies across all our businesses.

So we're executing our plan with discipline and focus. You'll hear why we're confident about achieving those targets in the next seven quarters.

Delivery of our Customers EBITDA target will of course partly depend on the market conditions, particularly for end-demand and fuels margins. We can't predict this, but we can capture margin across the value chain…from our trading business to refining to midstream to customers, all within the overall C&P business. That's the advantage of being integrated.

So whatever happens through the cycle, wherever the value sits, we're firmly focused on capturing it for shareholders.



Throughout, I've mentioned our biofuels announcement, and this comes in two parts. I've been saving it until last because we're really excited about what it means for us and what we can do in terms of strategic delivery and earnings potential.

So, five years ago we formed a 50/50 biofuels venture in Brazil with Bunge, bp Bunge Bioenergia. That business has done really well and we now plan take full ownership, acquiring the other 50% from Bunge.

- This is an industrial-scale business that makes ethanol from sugarcane.
- Brazil's third largest by sugarcane crushing capacity.
- Able to produce up to 50,000 barrels a day of ethanol equivalent from sugarcane.

Why are we buying it?

First, because we know the business well. And we strongly believe we can add value by integrating it with our trading, midstream, technology and applied sciences organisations.

Second, we see potential for future growth, including in other energy options like biogas, next-generation ethanol and e-fuels.

Third, the numbers. It's a compelling valuation:

- The acquisition translates to an EV EBITDA multiple of just under four times…
- …it's expected to meet our greater than 15% returns hurdle
- …and it's accommodated within our disciplined financial frame.

At the same time, we're focusing on simplification and capital discipline. This is the second part of the announcement. We're scaling back plans to develop new biofuels projects at existing sites.

We're pausing two projects and continuing to assess three others. Our guiding principle is returns.

Both of these – purchasing bp Bunge and scaling back new projects – follow from our six priorities.

Taken together:

- There's no impact on the capital we've allocated for 2024 and 2025.
- We continue to expect to more than double biofuels co-processing volumes to ~20,000 a day in 2025
- Our co-processing investment plan remains the same
- And there's no change to our bioenergy targets
- Or our broader transition growth engine targets

In summary, we're simplifying our business, focusing on value and optimising for shareholder returns.

Summary



Here's the message I want to leave you with:

- First, we have a great brand, great businesses and strong relationships with our partners and customers
- Second, we have a clear plan, and we're executing… with a focus on disciplined returns and growing our value
- Third, we don't underestimate the challenge. But in seven quarters' time we're confident we can deliver on the commitments we've made.

Glossary – abbreviations

B2B	Business to business
B2C	Business to customer
EV	Electric vehicle.
SAF	Sustainable aviation fuel.
SVP	Senior vice president.
TA	TravelCentres of America
TGE	Transition growth engine

Glossary

Capital expenditure (capex)	Total cash capital expenditure as stated in the condensed group cash flow statement. Capital expenditure for the operating segments, gas & low carbon energy businesses and customers & products businesses is presented on the same basis.
Cash costs	A subset of production and manufacturing expenses plus distribution and administration expenses and excludes costs that are classified as adjusting items. They represent the substantial majority of the remaining expenses in these line items but exclude certain costs that are variable, primarily with volumes (such as freight costs).
EBITDA / adjusted EBITDA	Replacement cost (RC) profit before interest and tax, excluding net adjusting items* before interest and tax, and adding back depreciation, depletion and amortisation and exploration write-offs (net of adjusting items).
Electric vehicle charge points / EV charge points	Number of connectors on a charging device, operated by either bp or a bp joint venture as adjusted to be reflective of bp's accounting share of joint arrangements.
Hydrogen / low carbon hydrogen	Hydrogen fuel with reduced carbon attributes, including renewable (green) hydrogen made from solar, wind and hydro-electricity, and (blue) made from natural gas in combination with CCS.
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 annualised time lost due to turnaround activity and all planned mechanical, process and regulatory downtime.
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.
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, Thorntons* and TravelCenters of America and also includes sites in India through our Jio-bp JV.
Return on average capital employed (ROACE)	Defined as underlying replacement cost profit, which is defined as profit or loss attributable to bp shareholders adjusted for inventory holding gains and losses, adjusting items and related taxation on inventory holding gains and losses and adjusting items total taxation, after adding back non-controlling interest and interest expense net of tax, divided by the average of the beginning and ending balances of total equity plus finance debt, excluding cash and cash equivalents and goodwill as presented on the group balance sheet over the periods presented. Interest expense before tax is finance costs as presented on the group income statement, excluding lease interest, the unwinding of the discount on provisions and other payables and other adjusting items reported in finance costs.
Strategic convenience sites	Retail sites, within the bp portfolio, which sell bp-supplied vehicle energy (e.g. *bp, Aral,* Arco, *Amoco, Thorntons, bp pulse, TA and PETRO*) and either carry one of the strategic convenience brands (e.g. M&S, Rewe to Go) or a differentiated bp-controlled convenience offer. To be considered a strategic convenience site, the convenience offer should have a demonstrable level of differentiation in the market in which it operates. Strategic convenience site count includes sites under a pilot phase.
Transition growth	Activities, represented by a set of transition growth engines, that transition bp toward its objective to be an integrated energy company, and that comprise our low carbon activity* alongside other businesses that support transition, such as our power trading and marketing business and convenience.
Ultra fast/Ultra-fast charging	Includes electric vehicle charging of ≥150kW