bp’s new financial disclosure framework
Good afternoon and welcome to today’s presentation on bp’s new financial disclosure framework.

I’m Craig Marshall, senior vice president, investor relations and I am joined today by bp’s chief financial officer, Murray Auchincloss.
Before we begin today’s presentation, let me first draw your attention to our cautionary statement.

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 Murray.
Good afternoon.

Earlier today we published our new financial disclosure framework comprising our new segmental **reporting structure** and associated **disclosures**.

This is an important part of our commitment to reinventing bp. It will provide greater transparency about how our transformation to an IEC creates long-term value for you - our shareholders.

This framework is the output of a significant review, which has included comparison to pure-plays in convenience and low carbon and consultation with the financial community.

The new reporting structure and disclosures provide greater transparency against our strategic, financial and operational objectives; and will – we hope - enhance understanding of our business and the significant value of our portfolio.

Today’s session is an opportunity for you to ask questions about the new disclosures.

But first, I’m going to briefly explain some key elements.
So, how does our new reporting structure connect to our strategy and organisation?

Last year, consistent with our purpose and net zero ambition, we made a commitment to reinvent bp.

We have a new strategy, a new organisation and from the start of this year have also changed the way that we performance manage bp and report our financials.

Our strategy provides a common and enduring set of objectives as we transform bp to be an integrated energy company.

And our organisational and reporting structures enable the delivery of this strategy and define our approach to maximising value for bp.
Turning first to our organisational structure.

Our organisation is designed to drive operational excellence and synergies, and is underpinned by a focus on centralisation and integration.

The structure comprises four highly focused **business groups** each with core capabilities – operations, customers, low-carbon and innovation.

The most significant change is to our operations.

In the past we had an Upstream and a Downstream, with separate construction, operating and support functions for both segments.

With the strides we have made in digital and agile over the past five years, we see a huge prize in moving to a single operating model across the totality of the group.

Production & operations will now run all construction across the group – from an oil well, to a refining terminal, to an offshore wind farm. This enables us to use our sector leading projects organisation to drive excellence into construction and use common approaches to manage the supply chain.

Production & operations will also run all our operations globally – enabling us to combine our digital skills from the Upstream with the operating and cost discipline of the Downstream across all our facilities.

The business groups work with three **integrators** to facilitate collaboration and with four **enablers** of business delivery:

- Driving functional excellence in areas such digital, innovation and trading;
– Allowing us to centralise business enablers such as finance; and
– Promoting synergies between our businesses.

We believe this will enable the delivery of significant integration value, as well as $3-4 billion of cash cost savings by 2023, relative to 2019 as we have laid out before.
We will drive commercial delivery, performance management, and internal and external reporting through our reporting structure.

These segments enable us to drive value from our operating model while remaining focused on maximising commercial value, including through our:

- integrated fuels value chains across refining, products and trading; and
- the increasing potential for integrating gas value chains with our low carbon businesses

There are three significant changes to our new segment reporting structure:

- We have split the reporting of our oil and gas regions;
- We have created a new gas & low carbon energy segment; and
- We are introducing sub-segment financial disclosure within our newly created customers & products segment.

For each of these segments we are providing greater transparency, disclosing EBITDA and post-tax operating profit in addition to the existing financial metrics.

Let me provide some further detail.
Starting with the disclosures for our oil and gas regions.

Our strategy is to create a resilient and focused portfolio across oil, gas and refining. We plan to grow EBITDA to 2025 as we high-grade and drive cost savings.

As I’ve explained, these businesses are now organised through a single combined operating model, but with oil, gas and refining being reported through separate segments.

For our oil and gas regions specifically, our focus has been on ensuring consistency with our former disclosures.

– For the oil production & operations and gas and low carbon energy segments, we will provide production, realisations and supplementary oil and gas disclosures alongside our financial disclosures.

– To provide transparency around the performance of our combined oil and gas business, we will continue to report production, unit production costs, plant reliability and supplementary oil and gas disclosures on an aggregate basis.

– And guidance on production and rule-of-thumb will be provided at both a combined and segment level. Our updated rule-of-thumb can be found on bp.com and we will update production guidance with first quarter results.

These disclosures will provide transparency against our strategic plan to focus production, drive operational excellence and cost efficiency, and to high-grade our portfolio to expand our unit margins.
Gas & low carbon energy
Providing visibility around our growth and returns objectives

**Gas regions disclosure**
- Liquids/gas production* (mboed)
- Liquids/gas realisations* ($/boe)
- Exploration expenditure written off*
- Supplementary oil & gas information* [A]
- Gas capital expenditure*

**Guidance**
- Rule-of-thumb guidance* [A] (website only)
- Production guidance* (mboed) [A]

**Gas marketing & trading and integrated gas & power**
- LNG portfolio* (Mtpa) [A]
- Traded electricity* (TWh) [A]

**Low carbon energy**

**Low carbon electricity (bp net)**
- Installed renewables capacity* (GW)
- Developed renewables* to FID* (GW)
- Weighted average expected returns of renewables projects developed to FID* (%) (IR slides only)
- Renewables pipeline2 by geography and technology* (GW)
- Renewables hopper3 (GW) (IR slides only)

**Bioenergy**
- Bioenergy production* (kb/d)

**Additional disclosure**
- Low carbon energy capital expenditure*
- From FY21: Selected financial disclosures* [A]

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(1) Traded electricity may include electricity sourced from the grid
(2) Projects progressed by either bp or partners satisfying stage gate criteria until it is either stopped, sold or developed to FID
(3) Project opportunities from the point of initial evaluation until they are either stopped or become part of the renewable pipeline

Turning now to the two segments where our disclosures have evolved most significantly.

First, gas & low carbon energy.

In addition to the disclosures for our gas regions, we will provide annual updates on our LNG portfolio and traded electricity to demonstrate the progress being made building our integrated gas and power business.

In our low carbon business, we plan to build capability and scale with capital discipline and a returns focus.

Our approach to disclosure will be consistent with this journey.

In the near-term we intend to provide quarterly disclosure that will allow you to track progress against:

- Our target of having developed 20GW of net renewable capacity to FID by 2025;
- The weighted average expected returns of renewable projects which have reached this milestone relative to our threshold of at least 8-10%;
- The pipeline of projects being progressed and the hopper of initial options that support development of our pipeline; and
- The capital investment being made in our low carbon businesses.

And looking forward, we continue to review our financial disclosures and intend to evolve them in line with this work and as we scale up our business.

Consistent with this, from the end of the 2021 financial year we plan to provide
additional annual financial disclosure.
Customers & products
Enhancing disclosures to provide insight into our growth drivers

**Convenience & mobility**
- URCPBIT,* EBITDA,* capital expenditure*, DD&A*

**Convenience**
- Convenience gross margin and % growth*[A]
- bp retail sites (#)
- Retail fuels gross margin*[A]
- Retail fuels volumes*[mb/d][A]
- Premium fuels*[% of volume sold][A]
- Customer touchpoints*[#][A] and digital downloads*[#][A]
- Electric vehicle charge points*[#][A]

**Mobility (fuels retail & next-gen)**
- bp retail sites (#)
- bp retail sites in* growth markets*[#/]
- Retail fuels gross margin*[A]
- Retail fuels volumes*[mb/d][A]
- Premium fuels*[% of volume sold][A]
- Customer touchpoints*[#][A] and digital downloads*[#][A]
- Electric vehicle charge points*[#][A]

**Castrol**
- sales*[A]
- URCPBIT
- EBITDA*
- Capital expenditure*
- DD&A*
- Premium lubricants ratio*[%][A]

**Additional disclosure**
- Growth market RCOP and % growth*[A]
- Margin share from convenience and electrification*[%][A]
- Marketed sales of refined products*[mb/d]

**Refining & trading**
- URCPBIT,* EBITDA,* capital expenditure*, DD&A*

**Refining**
- Refining throughput*[mb/d]
- Refining availability*[%]
- Refining marker margin*[RMM]/$bbl

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**Key 2025 targets**
- Growing strategic convenience sites to >2,300
- Expanding in growth markets with 7,000 retail sites
- Growing control sales to ~7.5bn
- Driving margin share from convenience and electrification to ~35%
- Rateable growth in convenience & mobility to 2025 – nearly doubling EBITDA by 2030 with 15-20% ROACE

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**Second, customers & products.**

Here our disclosures will provide transparency as we progress toward our aims and targets, particularly in our customer-facing business where we aim to almost double EBITDA by 2030 relative to 2019 while maintaining ROACE of 15-20%.

I’m not going to outline each of the metrics, but I will explain how they fit together to provide greater insight into our business.

For the first time, we are sub-segmenting customers - convenience & mobility and products - refining & trading. Our quarterly financial disclosures for each will include EBITDA, underlying RCOP and capex. In addition, on an annual basis we plan to disclose convenience & mobility ROACE.

In our refining & trading business we will continue to provide a set of metrics consistent with our former disclosures.

While in convenience & mobility, we are breaking-out key components of our earnings together with supporting operational metrics. The framework of metrics clearly links our strategic and financial objectives and has been designed to provide comparison to competitors in similar sectors.

Taking the main businesses in turn.

In convenience we plan to double our 2019 gross margin to more than $2bn by 2030. We plan to drive growth and margin expansion as we roll-out strategic convenience sites and enhance our retail offer supported by digital and loyalty programmes. We will make disclosures on each of these metrics.

In fuels retail, our sites generally sell more fuel than industry average and we have a
leading premium fuel offer. We plan to double customer touchpoints at our retail sites through investment in growth markets and from our digital platforms and loyalty programmes which will be important to our convenience and fuels retail targets, supporting margin expansion. Each of these elements is reflected in our new disclosures.

In Castrol our enhanced disclosures will give insight into our plan to drive revenue and EBITDA growth – through exposure to growth markets, investment in marketing and technology, leveraging our premium products, and cost efficiencies.

And finally, in next-gen mobility, electrification will become an increasingly important source of revenue generation. In the near-term we will provide updates on our roll-out of EV charging points as we seek to reach over 25,000 by 2025. We are committed to providing additional disclosure as this business grows.

Together our disclosures give insight into the key elements driving our strategic plan to rateably grow EBITDA in convenience & mobility as we expand our convenience offer, drive increased margin share from convenience and electrification and expand in growth markets.
In conclusion, we think this package of disclosures represents a major advance in the level of transparency that we are providing, particularly for our growth focused businesses.

Taken together they are designed to provide line-of-sight to our key group performance measures of growing EBIDA per share, generating 12-14% ROACE and sustainably evolving our capital employed. We will disclose progress against each of these group measures on an annual basis.

We recognise that today is a first, but important step, and we commit to evolving the disclosures consistent with the maturity of our businesses. The direction of travel is clear.

Thank you for your time and now let me hand you back to Craig.
Thank you, Murray.

We have around 45 minutes allocated for Q&A today. So, could I please ask that you limit yourself to one question in each.

And could I also request that you take the opportunity to focus questions on our new financial disclosure framework. We will not be addressing questions relating to other matters, including first quarter performance, on this call.
Appendix
## Guidance

### Full year 2021

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream reported production (ex. Rosneft)</td>
<td>Lower than 2020 due to the impact of the ongoing divestment programme</td>
</tr>
<tr>
<td>Upstream underlying(^1) production (ex. Rosneft)</td>
<td>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</td>
</tr>
<tr>
<td>Total capital expenditure</td>
<td>~$13bn</td>
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<tr>
<td>DD&amp;A</td>
<td>Similar level to 2020</td>
</tr>
<tr>
<td>Gulf of Mexico oil spill payments</td>
<td>~$1bn post-tax</td>
</tr>
<tr>
<td>OB&amp;C(^2) underlying annual charge</td>
<td>$1.2-1.4bn Quarter charge may vary quarter to quarter</td>
</tr>
<tr>
<td>Underlying effective tax rate(^3)</td>
<td>&gt;40%</td>
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</tbody>
</table>

1. Underlying production: the actual reported number will depend on divestments, OPEC quotas, and other factors
2. OB&C: Other businesses and corporate
3. 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

### 1Q21 vs 4Q 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td>Oil and gas production</td>
<td>Slightly higher reported production</td>
</tr>
<tr>
<td>Refining</td>
<td>Industry refining margins and utilisation to remain under pressure</td>
</tr>
<tr>
<td>Marketing</td>
<td>Renewed COVID-19 restrictions to have a greater impact on product demand</td>
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<td></td>
<td>January retail volumes down by around 20% year on year</td>
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