



## bp to acquire full ownership of bp Bunge Bioenergia while refocusing plans for new biofuels projects

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- bp agrees to take full ownership of its Brazilian biofuels joint venture, acquiring Bunge's 50% interest.
- High-returning transaction will allow bp to realise synergies and continue to grow the business.
- In parallel, scaling back plans for development of new biofuels projects, pausing two while continuing to assess three.
- Changes contribute to delivery of bioenergy transition growth engine target of ~\$2bn EBITDA by 2025.

bp has agreed to acquire Bunge's 50% holding interest in its bp Bunge Bioenergia S.A. joint venture, one of Brazil's leading biofuels-producing companies.

Upon completion, bp will become sole owner of the industrial scale sugarcane and ethanol business, enabling bp to accelerate value creation through integration with bp's trading and technology capabilities.

The enterprise value of the stake to be acquired is approximately \$1.4 billion. The acquisition will result in consolidation of 100% of the venture's financial results, including net debt of approximately \$0.5 billion and lease obligations of approximately \$0.7 billion.

The acquisition meets bp's expected returns threshold for bioenergy of more than 15% and is fully accommodated within bp's disciplined financial framework, including capex targets of around \$16 billion in each of 2024 and 2025.

Following completion, bp will have the capacity to produce around 50,000 barrels a day of ethanol equivalent from sugarcane through bp Bunge Bioenergia's 11 agro-industrial units across five Brazilian states. The company operates with an integrated business model that covers the entire production chain through to sales of ethanol and sugar.

bp believes ownership will also offer the potential to unlock further growth opportunities in the region, and to develop new platforms for bioenergy such as next generation ethanol, sustainable aviation fuel (SAF) and biogas.

## Focusing biofuels development plans

In parallel to this acquisition, bp is scaling back plans for development of new SAF and renewable diesel biofuels projects at its existing sites, pausing planning for two potential projects while continuing to assess three for progression. This is aligned with bp's drive to simplify its portfolio, focusing on value and returns.

Emma Delaney, bp's executive vice president, customers and products said: "bp Bunge Bioenergia is widely recognised as a leader in the industry. I am excited by the opportunity for bp to now add further value from our trading and technology capabilities. bp was an early entrant into the bioenergy business in Brazil and we look forward to continuing to grow and develop here.

"Focusing our plans to develop new biofuels projects is also driven by value. Taken together, these changes can enable us to deliver the growth and returns we expect from biofuels, but in a simpler, more focused way. This is fully in line with bp's priorities of driving focus into the business and growing shareholder returns."

This acquisition and focusing on key biofuels production projects are expected to support the continuing growth of bp's strategic bioenergy business which includes both biofuels and biogas. They contribute to bp's unchanged 2025 targets of delivering around \$2bn EBITDA from bioenergy and \$3-4bn across all its transition growth engines.

Subject to regulatory approvals, the transaction is currently anticipated to close by end 2024.

## Notes to editors

- Bioenergy is one of bp's five transition growth engines and includes liquid biofuels for road, sustainable aviation and maritime fuels, and biogas.
- bp Bunge Bioenergia will continue to be performance-reported through the Customers sub-segment and convenience & mobility (C&M) strategic theme.
- Going forward, bp's biofuels business will include full ownership of bp Bunge Bioenergia (subject to completion of the acquisition) and the ongoing assessment of three potential biofuels projects at bp's existing sites. In addition, bp continues to expect to more than double biofuels co-processing volumes to ~20 thousand barrels per day (mbd) by 2025, with co-processing investment plans unchanged.
- bp is in action to grow its bioenergy businesses. By 2025 bp is targeting to grow its biofuels production and biogas supply to ~50mbd and ~40 thousand barrels of oil equivalent per day (mboed) respectively. By 2030, bp aims to grow its biofuels production and biogas supply to ~100mbd and ~70mboed respectively.
- For the year-end 2023, bp Bunge Bioenergia unaudited adjusted EBITDA (as defined in the bp Annual Report and Form 20-F 2023) was ~\$0.8 billion (USD/BRL exchange rate = 5.0).

- For more information on bp, visit [www.bp.com](http://www.bp.com).

### Further information

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