Marketing & Services of the future

Momar Nguer
President Marketing & Services
Marketing & Services consistently delivering
Developing in growing markets, non-fuel revenues and alternative fuels

Marketing and Services CFFO
B$

Building on retail network to capture non-fuel value
• Increasing shop and services revenues in Europe
• Leveraging leadership in Africa
• Expanding digital solutions

Developing new businesses in alternative fuels
• Natural gas for vehicles, LNG for bunkering
• Electric vehicle charging, hydrogen

Delivering 100 M$/y CFFO growth
Non-fuel revenue driving growth in Europe
Expanding services and digital solutions

Retail Europe CFFO in B$

2018 2022

0.8

~9% CAGR

Non-fuel business ~40% European CFFO by 2022

320 M/y Fuel card transactions

2,400 Shops

30 M/y Cars washed

2018 Investor Day – Marketing & Services of the future
Total Wash, a profitable fast growing business
Building on brand awareness and innovation

Total Wash network

> 100 M$ CFFO
+6%/y sales by 2022
> 2,500 Branded facilities by 2022

Expanding to 40 countries by end-2018
AS24: Total network dedicated to heavy duty vehicles
Accelerating development to the east and south of Europe

AS24 network
Number of service stations

Offering diversified and digitized products

1,000
2010
2018
2022

> 100 M$ CFFO by 2022
28 Countries
> 1,200 Stations by 2022

Digital tools at the service of truck management

2018 Investor Day – Marketing & Services of the future
B2B innovative solutions
From fuel cards to mobility services

Fuel cards: 50% of network volumes in Europe
Non-fuel card business: targeting 100 M$ CFFO in 2022
Tomorrow, integrated platforms giving access to **wide range of services**
Leveraging leadership in Africa
Capturing value from non-fuel businesses

Top 5 retailers in Africa, all businesses
2017 number of outlets

M&S Africa retail
CFFO in B$

Capitalizing on the #1 retail network in Africa
Source: company reports

Leveraging critical mass
Services supporting margin growth

Source: company reports
Developing natural gas for road transportation
Expanding along the gas integrated value chain

Deploying in Europe

Becoming market leader by 2022
> 300 stations

Partnering with Clean Energy, US leader

25% shareholding
Innovative leasing scheme offered to promote NGV trucks
Pioneering LNG bunker fuel for marine transportation
Fast growing market supported by IMO 2020

Major contracts in shipping and ferry industries

- Brittany Ferries
- **CMA CGM** shipping group

Developing hubs in major ports

LNG bunker vessels commissioned for
Europe and Singapore

Agreements with leading players
Opportunities to take advantage of electric charging

**Charging point operator**

- Acquisition of G2Mobility

**Multi-energy service stations**

- Charging stations every 150 km in Western Europe
- ~1,000 charging points at Total stations by 2022
- > 1/3 hydrogen market in Germany

**Mobility service provider**

- Agreement with EV charging players
- 60,000 charging points in Europe for Total fuel card customers
Marketing & Services consistently delivering

Generating > 2.5 B$ CFFO per year by 2022

Marketing & Services CFFO
B$

Growing CFFO in Africa retail, non fuel Europe and alternative fuels

Maximizing non-fuel revenues through partnership and innovation

Capturing new business opportunities in large emerging countries,
The SEC permits oil and gas companies, in their filings with the SEC, to report certain items although they may have occurred within prior years or are likely to occur again within the coming years. These items, which are not considered to be representative of the normal course of business, may be qualified as special items, infrequent or unusual. However, in certain instances, transactions such as restructuring costs or asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items even though they may have occurred within prior years or are likely to occur again within the coming years.

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TOTAL. In addition to IFRS measures, certain alternative performance indicators are presented, such as performance indicators excluding the adjustment items described below (adjusted operating income, adjusted net operating income, adjusted net income), return on equity (ROE), return on average capital employed (ROACE) and gearing ratio. These indicators are meant to facilitate the analysis of the financial performance of TOTAL and the comparison of income between periods. They allow investors to track the measures used internally to manage and measure the performance of the Group. These adjustment items include:

(i) Special items
Due to their unusual nature or particular significance, certain transactions qualified as “special items” are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, transactions such as restructuring costs or asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

(ii) Inventory valuation effect
The adjusted results of the Refining & Chemicals and Marketing & Services segments are presented according to the replacement cost method. This method is used to assess the segments’ performance and facilitate the comparability of the segments’ performance with those of its competitors.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the statement of income is, depending on the nature of the inventory, determined using either the month-end price differentials between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

(iii) Effect of changes in fair value
The effect of changes in fair value presented as an adjustment item reflects for some transactions differences between internal measures of performance used by TOTAL’s management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period-end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group’s internal economic performance. IFRS precludes recognition of this fair value effect.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, excluding the effect of changes in fair value.

Euro amounts presented herein represent dollar amounts converted at the average euro-dollar (€/$) exchange rate for the applicable period and are not the result of financial statements prepared in euros.

This document also contains extra-financial performance indicators, including a carbon intensity indicator for TOTAL energy sales that measures the weighted average greenhouse gas emissions of energy products sold by TOTAL, from their production in TOTAL facilities to their end use by TOTAL customers. This carbon intensity indicator covers, besides direct GHG emissions of TOTAL (scope 1), indirect GHG emissions (scopes 2 and 3) that TOTAL does not control (for the definitions of scopes 1, 2 and 3, refer to TOTAL’s Registration Document).