4Q and FY 2025 financial results and highlights

Craig Marshall
SVP investor relations

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 presentation 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: plans, expectations and assumptions regarding oil and gas demand, supply, prices, volumes, production, refinery turnaround activity and margins; plans and expectations regarding the amount, effects and timing of certain divestments and related proceeds, including expectations regarding the Castrol business; plans and expectations regarding bp's projects, including the Bumerangue discovery; plans and expectations regarding bp's primary targets, including the adjusted free cash flow growth, net debt, group ROACE and structural cost reduction targets; plans and expectations regarding bp's 1Q26 and full year 2026 guidance, including upstream production, customers, products, other business and corporate, DD&A, underlying effective tax rate, capital expenditures, divestments and other proceeds and Gulf of America settlement payments; and plans and expectations regarding bp's financial frame, balance sheet, financial performance, cash flows, cost reduction, capital expenditure and capital allocation, shareholder returns, net debt, future dividends, share buybacks and the use of excess cash.

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. Recent global developments have caused significant uncertainty and volatility in macroeconomic conditions and commodity markets. Each item of outlook and guidance set out in this presentation is based on bp's current expectations but actual outcomes and results may be impacted by these evolving macroeconomic and market conditions.

Actual results or outcomes 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 effects of bp's plan to exit its shareholding in Rosneft and other investments in Russia, overall global economic and business conditions impacting bp's business and demand for bp's 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 including ongoing approvals required for the continued developments of approved projects; 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 and policies, including related to climate change; changes in social attitudes and customer preferences; 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 America 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; bp's access to future credit resources; business disruption and crisis management; the impact on bp's reputation of ethical misconduct and non-compliance with regulatory obligations; trading losses; major uninsured losses; the possibility that international sanctions or other steps taken by governmental authorities or any other relevant persons may impact bp's ability to sell its interests in Rosneft, or the price for which bp could sell such interests; 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 those factors discussed under "Principal risks and uncertainties" in bp's Report on Form 6-K regarding results for the six-month period ended 30 June 2025 as filed with the US Securities and Exchange Commission (the "SEC") as well as "Risk factors" in bp's Annual Report and Form 20-F for fiscal year 2024 as filed with the SEC.

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

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

Cautionary note to U.S. investors - This document contains references to non-proved reserves and production outlooks based on non-proved reserves that the SEC's rules prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-06262. This form is available on our website at www.bp.com. You can also obtain this form from the SEC's website at www.sec.gov.

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

February 2026

Kate Thomson
Chief financial officer

2025 highlights

Underlying replacement cost profit*

$7.5bn

Strong operating performance

Operating cash flow*

$24.5bn

including $2.9bn working capital*[1] build

Improved cash conversion

Capital expenditure*

$14.5bn

10% YoY reduction

Shareholder distributions

~30%[2]

of 2025 operating cash flow, within guidance

Suspending share buybacks, fully allocate excess cash* to balance sheet

Upstream plant reliability*

↑96.1%

Highest on record

Refining availability*

↑96.3%

Highest on record

Major projects* started up

7

5 ahead of schedule

Completed or signed divestments

↑$11bn

Includes ~$6bn Castrol transaction

(1) Adjusted for inventory holding losses, fair value accounting effects and other adjusting items.* *(2) Includes 1Q25, 2Q25, 3Q25 and 4Q25 announced share buyback and dividends.*

Progress on our primary targets

Adjusted free cash flow* growth

>20%
CAGR[1]

2025

~+55%[2]

Progress ahead of plan

Net debt*

$14-18bn[3]

2025

$22.2bn

On track

Structural cost reduction*

$4-5bn[4]
Increased to $5.5-6.5bn

Cumulative 2025[5]

$2.8bn

Good progress; target increased

Group ROACE*

>16%[3]

2025

~14%[6]

On track

(1) CAGR from 2024–2027. (2) 2025 vs 2024 price adjusted. For price assumptions, see appendix 3. (3) By end 2027. (4) Following the outcome of the strategic review to divest Castrol, the $4-5bn SCR target by end 2027, introduced at the February 2025 CMU, has increased to $5.5-6.5bn. (5) Which includes 2024 and 2025 SCR of $750m and $2bn respectively. (6) 2025 price adjusted. For price assumptions, see appendix 3.

4Q25 underlying results

	$bn		
	4Q25	3Q25	4Q24
Brent ($/bbl)	**63.7**	69.1	74.7
Henry Hub ($/mmbtu)	**3.6**	3.1	2.8
NBP (p/therm)	**75.2**	79.8	106.8
RIM* ($/bbl)	**15.2**	15.8	7.2
Underlying RCPBIT*	**4.4**	5.3	4.0
Gas & low carbon energy	**1.4**	1.5	2.0
Oil production & operations	**2.0**	2.3	2.9
Customers & products	**1.3**	1.7	(0.3)
OB&C	**(0.3)**	(0.2)	(0.5)
Consolidation adjustment – UPII*	**0.0**	(0.0)	(0.0)
Finance cost	**(1.2)**	(1.1)	(1.1)
Tax	**(1.4)**	(1.6)	(1.4)
NCI	**(0.3)**	(0.3)	(0.3)
Underlying RCP*	**1.5**	2.2	1.2
Underlying RC profit per ordinary share* (cents)	**10.00**	14.24	7.36
Announced dividend per ordinary share (cents per share)	**8.320**	8.320	8.000

4Q25 cash flow and balance sheet

	$bn		
	4Q25	3Q25	4Q24
Operating cash flow*	**7.6**	7.8	7.4
Working capital release*1	***0.9***	*0.9*	*1.3*
Capital expenditure*	**(4.2)**	(3.4)	(3.7)
Divestment and other proceeds	**3.6**	0.0	2.8
Share buyback executed	**(0.8)**	(0.8)	(1.6)
Net debt*	**22.2**	26.1	23.0

(1) Adjusted for inventory holding gains or losses, fair value accounting effects* and other adjusting items.*

Guidance

1Q26 vs 4Q25[1]

Reported upstream* production:

- Broadly flat

Customers:

- Seasonally lower volumes

Products:

- Lower industry refining margins
- Partly offset by a lower level of refinery turnaround activity

Capex*:

- Broadly flat

Full year 2026[1]

Reported upstream production	Slightly lower
Underlying upstream production	Broadly flat, with OP&O broadly flat and G&LCE lower
Customers	– Expect to make continued progress growing cash flows, supported by lower underlying operating expenditure* driven by structural cost reductions*. These benefits will be partly offset by the earnings impact of completed and announced divestments – Reported earnings will benefit from lower depreciation as a result of the assets held for sale accounting treatment of Castrol following the planned divestment – Fuel margins remain sensitive to movements in the cost of supply
Products	Significantly lower level of turnaround activity
OB&C	~$1bn, charges vary quarter to quarter
DD&A	Broadly flat
Underlying effective tax rate*	~40%
Capex	$13-13.5bn, weighted to 1H26
Divestment and other proceeds	$9-10bn, including ~$6bn from announced Castrol transaction, all significantly weighted to 2H26
Gulf of America settlement payments	$1.6bn pre-tax, of which $0.4bn in 1Q26 and $1.1bn in 2Q26

(1) Refer to the 4Q25 stock exchange announcement and bp.com for full text.

Kate Thomson
Chief financial officer

Appendix

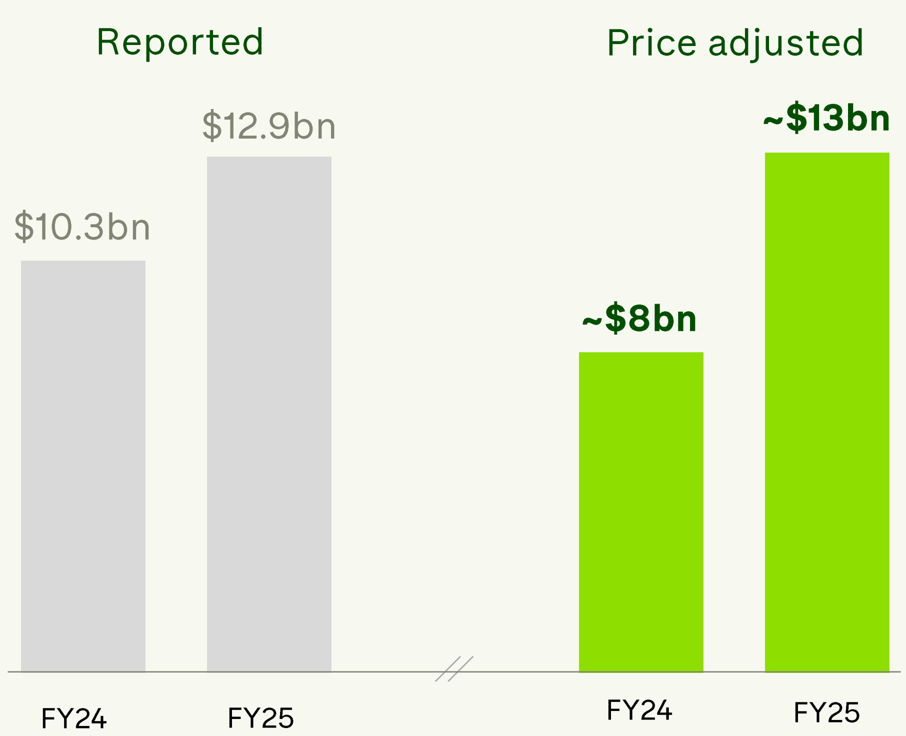
1) Financial summary

	$bn	
	FY25	FY24
Brent ($/bbl)	69.1	80.8
Henry Hub ($/mmbtu)	3.4	2.3
NBP (p/therm)	88.8	83.6
RIM* ($/bbl)	12.8	10.7
Underlying RCPBIT*	**19.5**	**20.6**
Gas & low carbon energy	5.4	6.8
Oil production & operations	9.4	11.9
Customer & products	5.3	2.5
OB&C	(0.6)	(0.6)
Consolidation adjustment – UPII*	0.0	(0.0)
Finance costs	(4.5)	(4.0)
Tax	(6.3)	(6.9)
Non-controlling interests	(1.2)	(0.8)
Underlying RCP*	**7.5**	**8.9**
Operating cash flow*	24.5	27.3
Working capital (build) / release*[1]	(2.9)	0.8
Capital expenditure*	(14.5)	(16.2)
Divestment and other proceeds	5.3	4.2
Share buyback executed[2]	(4.5)	(7.1)
Net debt*	22.2	23.0

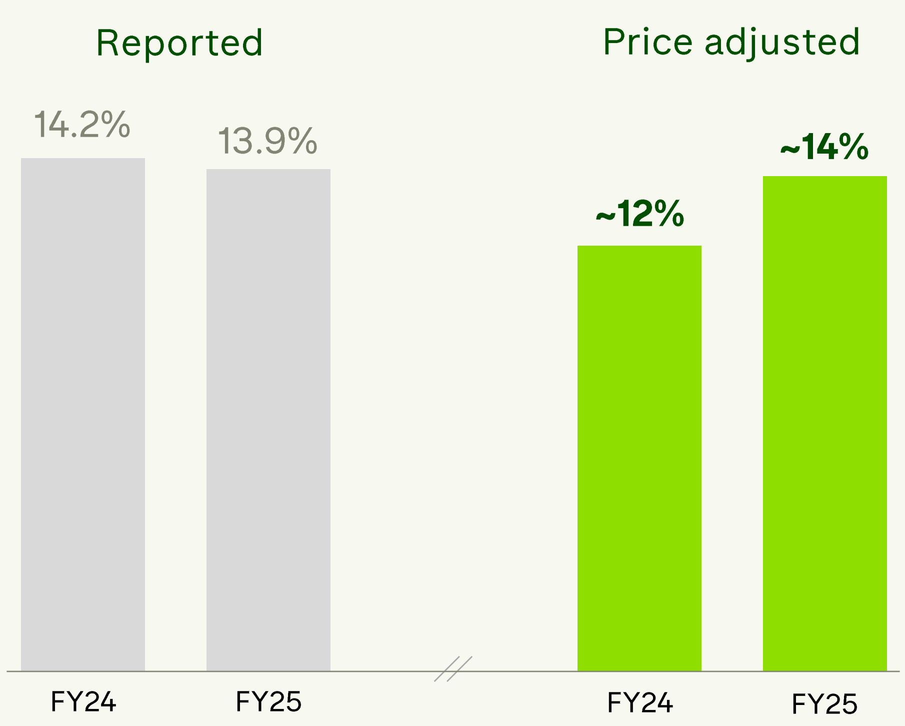
(1) Adjusted for inventory holding gains or losses, fair value accounting effects and other adjusting items. (2) Includes share buybacks to offset the expected full-year dilution from the vesting of awards under employee share schemes. In 2024, bp completed the $0.3bn buyback programme.*

2) Adjusted FCF and group ROACE

Adjusted free cash flow*



Group ROACE*



	FCF Reported FY24	FCF Reported FY25	FCF Price adjusted FY24	FCF Price adjusted FY25		ROACE Reported FY24	ROACE Reported FY25	ROACE Price adjusted FY24	ROACE Price adjusted FY25
	80.8	69.1	70.0	71.5	Brent ($/bbl)	80.8	69.1	70.0	71.5
	2.3	3.4	4.0	4.1	Henry Hub ($/mmbtu)	2.3	3.4	4.0	4.1
	10.7	12.8	10.3	10.5	RIM* ($/bbl)	10.7	12.8	10.3	10.5

3) Price assumptions

		Actual		Price assumptions			
Marker prices		2024	2025	2024[1]	2025	2026	2027
Brent	($/bbl)	**80.8**	**69.1**	**70.0**	**71.5**	**72.9**	**74.4**
Henry Hub	($/mmbtu)	**2.3**	**3.4**	**4.0**	**4.1**	**4.2**	**4.3**
RIM	($/bbl)	**10.7**	**12.8**	**10.3**	**10.5**	**10.7**	**10.9**

These prices are not intended to reflect management's forecasts for future prices.

Rule-of-thumb 2025 impact on underlying replacement cost profit before tax[2]

– Oil price Brent
  +/- $1/bbl is ~$340m

– Natural gas price Henry Hub
  +/- $0.10/mmbtu is $40m

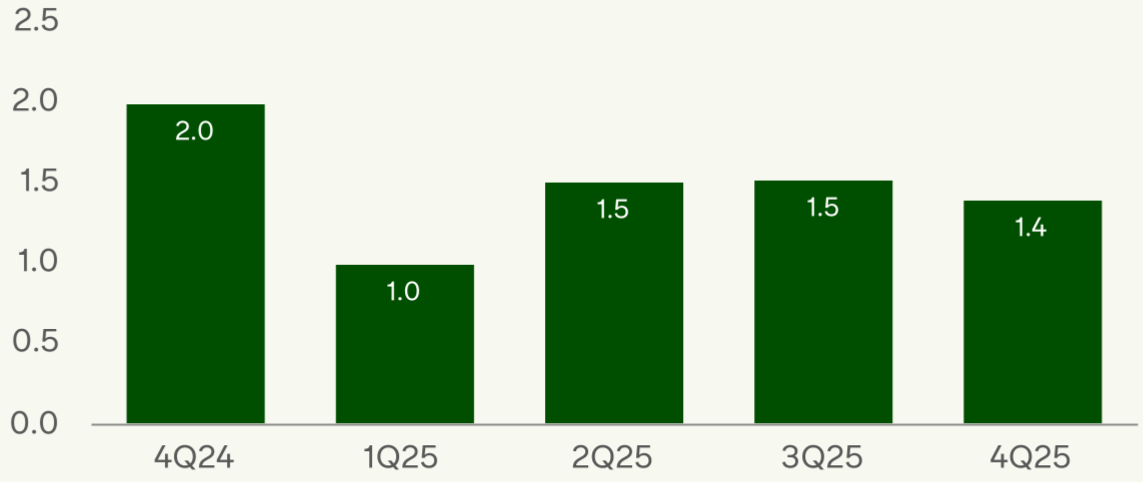
– RIM*
  +/- $1/bbl is $550m

(1) Reference year 2024, assumes inflation of ~2% per annum. *(2) **Trading conditions update | Investors | Home** for explanation.*

4) Gas and low carbon energy

	4Q25	3Q25	4Q24
Production volume			
Liquids* (mbd)	**86**	87	91
Natural gas (mmcfd)	**4,074**	4,167	4,402
Total hydrocarbons* (mboed)[1]	**788**	806	850
Average realisations*			
Liquids ($/bbl)	**62.72**	64.57	68.93
Natural gas ($/mcf)	**6.30**	6.41	6.96
Total hydrocarbons ($/boe)	**39.18**	40.30	43.21
Selected financial metrics ($bn)			
Exploration write-offs	**0.0**	0.0	(0.0)
Adjusted EBITDA*	**2.6**	2.8	3.1
Capital expenditure*[2] - gas	**0.8**	0.7	1.2
Capital expenditure - LCE	**0.1**	0.1	(0.1)

Underlying RCPBIT* $bn



4Q25 vs 3Q25

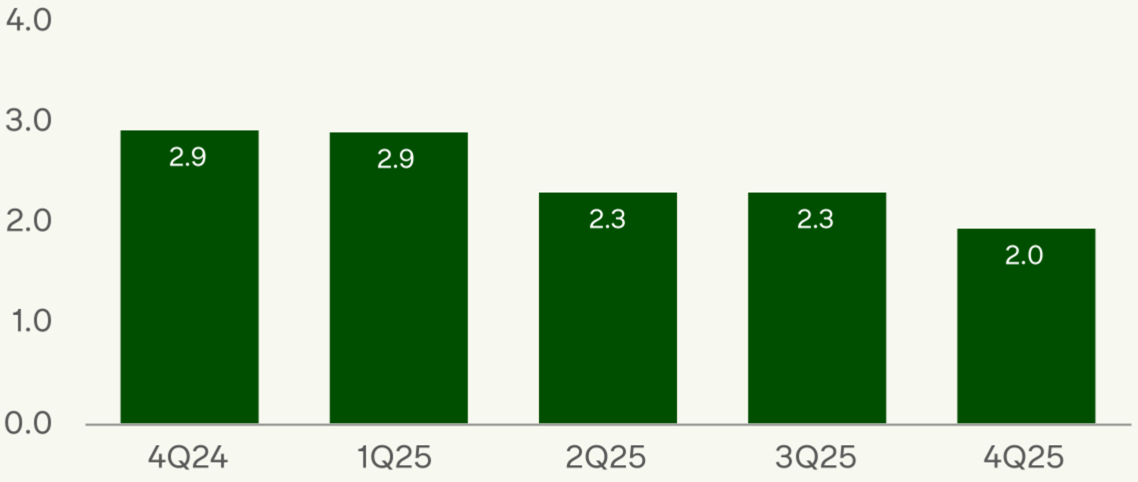
- Lower realisations
- Gas marketing and trading result was average

(1) 4Q25 vs 4Q24 is 7.3% lower reflecting the divestments in Egypt and Trinidad in 4Q24. Underlying production was 0.9% higher due to major project ramp-ups partly offset by base decline. (2) 4Q24 has been restated to reflect the move of our Archaea business from the C&P segment to the GLCE segment.*

5) Oil production and operations

	4Q25	3Q25	4Q24
Production volume			
Liquids* (mbd)	**1,134**	1,121	1,057
Natural gas (mmcfd)	**2,442**	2,525	2,269
Total hydrocarbons* (mboed)	**1,555**	1,556	1,449
Average realisations*			
Liquids[1] ($/bbl)	**56.09**	59.58	65.56
Natural gas ($/mcf)	**3.19**	3.32	3.29
Total hydrocarbons[1] ($/boe)	**44.98**	47.89	52.28
Selected financial metrics ($bn)			
Exploration write-offs	**0.0**	0.2	0.1
Adjusted EBITDA*	**4.0**	4.4	4.8
Capital expenditure*	**1.6**	1.7	1.5
Combined upstream			
Oil and gas production[2] (mboed)	**2,344**	2,362	2,299
bp average realisation ($/boe)	**42.79**	45.00	48.44
Unit production costs* ($/boe)	**5.82**	6.19	5.93
bp-operated plant reliability* (%)	**95.4**	96.8	94.7

Underlying RCPBIT* $bn



4Q25 vs 3Q25

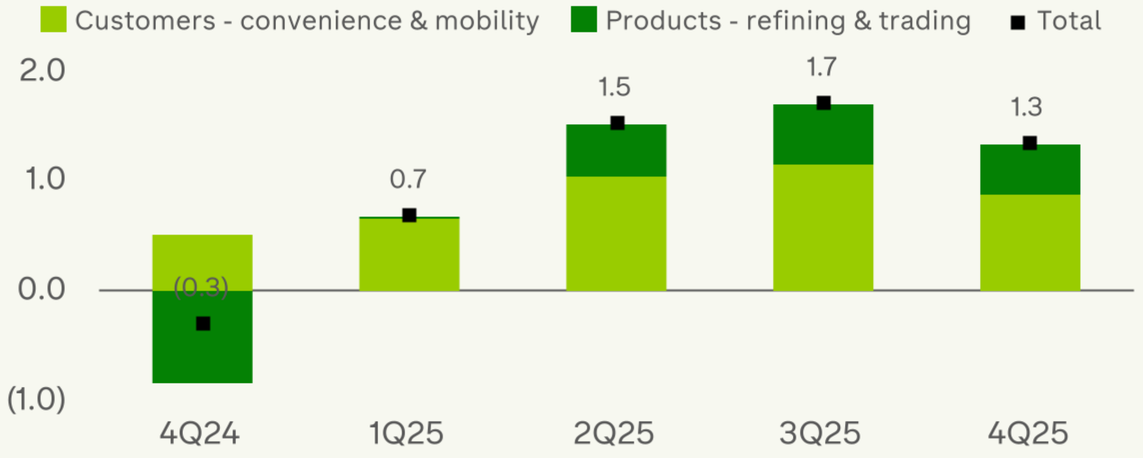
- Lower realisations, the impact of production mix, and a lower share of net income of equity-accounted entities
- Partly offset by lower exploration write-off

(1) 4Q24 include an immaterial impact of a prior period adjustment in the US region. (2) Because of rounding, upstream production may not agree exactly with the sum of GLCE and OPO.

6) Customer and products

	4Q25	3Q25	4Q24
Customers – convenience & mobility ($bn)			
Customers – convenience & mobility adjusted EBITDA*	**1.5**	1.8	1.2
Castrol adjusted EBITDA[1]	***0.3***	0.3	0.3
Capital expenditure*	**1.1**	0.4	0.5
Marketing sales of refined products (mbd)	**3,170**	3,332	3,127
Products – refining & trading ($bn)			
Adjusted EBITDA	**0.9**	1.0	(0.4)
Capital expenditure*[2]	**0.4**	0.4	0.5
Refining environment			
RIM*($/bbl)	**15.2**	15.8	7.2
Refinery throughputs (mbd)	**1,460**	1,516	1,390
Refining availability* (%)	**96.0**	96.6	94.8

Underlying RCPBIT* $bn



4Q25 vs 3Q25

Customers

- Seasonally lower volumes and a weaker midstream performance. Fuels margins were broadly flat

Products

- Refining – stronger realised refining margins were offset by the impacts of lower throughputs as a result of higher turnaround activity and the temporary impact of reduced capacity following an outage at the Whiting refinery
- Trading – oil trading contribution was weak

(1) Castrol is included in customers – convenience & mobility. (2) 4Q24 has been restated to reflect the move of our Archaea business from the C&P segment to the GLCE segment.

Glossary – abbreviations

Barrel (bbl)	159 litres, 42 US gallons.
boe	Barrels of oil equivalent.
C&P	Customer and products.
CAGR	Compound annual growth rate.
CMU	Capital markets update.
DD&A	Depreciation, depletion and amortisation.
EBITDA	Earnings before interest, tax, depreciation and amortisation
GLCE	Gas and low carbon energy.
LCE	Low carbon energy.
mbd	Thousand barrels per day.
mboed	Thousand barrels of oil equivalent per day.
mmbtu	Million British thermal units.
mmcfd	Million cubic feet per day.
NBP	National Balancing Point.
NCI	Non-controlling interest.
OB&C	Other businesses and corporate.
OPO	Oil production and operations.
RC	Replacement cost.
RIM	Refining Indicator Margin.
SCR	Structural cost reduction.
SVP	Senior vice president.

Glossary

Adjusted EBITDA	Is a non-IFRS measure presented for bp's operating segments and is defined as 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). Adjusted EBITDA by business is a further analysis of adjusted EBITDA for the customers & products businesses. bp believes it is helpful to disclose adjusted EBITDA by operating segment and by business because it reflects how the segments measure underlying business delivery. The nearest equivalent measure on an IFRS basis for the segment is RC profit or loss before interest and tax, which is bp's measure of profit or loss that is required to be disclosed for each operating segment under IFRS. Adjusted EBITDA for the group is defined as profit or loss for the period, adjusting for finance costs and net finance (income) or expense relating to pensions and other post-employment benefits and taxation, inventory holding gains or losses before tax, net adjusting items before interest and tax, and adding back depreciation, depletion and amortisation (pre-tax) and exploration expenditure written-off (net of adjusting items, pre-tax). The nearest equivalent measure on an IFRS basis for the group is profit or loss for the period.
Adjusted free cash flow	Adjusted free cash flow is a non-IFRS measure. It is defined as adjusted operating cash flow (defined in glossary) less cash capital expenditure. bp believes the measure provides useful information to investors. Adjusted free cash flow enables investors to measure our progress on delivering growth and improving our performance. The nearest IFRS measure to adjusted free cash flow is net cash provided by (used in) operating activities less cash capital expenditure. We are unable to present reconciliations of forward-looking information for adjusted free cash flow to net cash provided by operating activities, because without unreasonable efforts, we are unable to forecast accurately certain adjusting items required to present a meaningful comparable IFRS forward-looking financial measure. These items include inventory holding gains or losses, fair value accounting effects and other adjusting items, that are difficult to predict in advance in order to include in an IFRS estimate.
Adjusted free cash flow on a price adjusted basis compound annual growth	Adjusted free cash flow on a price adjusted basis compound annual growth is the annualized growth rate of adjusted free cash flow (defined above), assuming a hypothetical price environment of $70/bbl Brent, $4/mmBtu Henry Hub, and $10.3/bbl refining indicator margin (all 2024 real) and assumptions about the impact of these marker prices on underlying replacement cost profit before tax. bp believes adjusted free cash flow on a price adjusted basis compound annual growth rate helps investors to measure our progress on delivering growth and improving our performance on a normalized price environment basis. The nearest IFRS measure is the annualized growth rate of net cash provided by (used in) operating activities less capital expenditure
Adjusting items	Items that bp discloses separately because it considers such disclosures to be meaningful and relevant to investors. They are items that management considers to be important to period-on-period analysis of the group's results and are disclosed in order to enable investors to better understand and evaluate the group's reported financial performance. Adjusting items include gains and losses on the sale of businesses and fixed assets, impairments, environmental and related provisions and charges, restructuring, integration and rationalisation costs, fair value accounting effects* and costs relating to the Gulf of America 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-IFRS measures.
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.
Consolidation adjustment – UPII	Unrealised profit in inventory arising on inter-segment transactions.

Glossary

Downstream	Downstream is the customers & products segment.
Downstream operating cash flow	Downstream operating cash flow is a non-IFRS measure and the customers & products' estimated share of adjusted operating cash flow for the group.
Excess cash	Non-IFRS measure and refers to the net of sources and uses of cash. 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. Uses of cash include lease liability payments, payments on perpetual hybrid bonds, dividends paid, cash capital expenditure, the cash cost of share buybacks to offset the dilution from vesting of awards under employee share schemes, cash payments relating to transactions involving non-controlling interests and currency translation differences relating to cash and cash equivalents as presented on the condensed group cash flow statement.
Fair value accounting effects	Non-IFRS adjustments to our IFRS profit (loss). They reflect the difference between the way bp manages the economic exposure and internally measures performance of certain activities and the way those activities are measured under IFRS. Fair value accounting effects are included within adjusting items. They relate to certain of the group's commodity, interest rate and currency risk exposures as detailed below. Other than as noted below, the fair value accounting effects described are reported in both the gas & low carbon energy and customers & products segments. Refer to the stock exchange announcement and bp.com for full text.
Hydrocarbons	Liquids and natural gas. Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.
Inventory holding gains and losses	Non-IFRS adjustments to our IFRS profit (loss). Refer to the stock exchange announcement and bp.com for full text.
Liquids	Liquids comprises crude oil, condensate and natural gas liquids. For the oil production & operations segment, it also includes bitumen.
Major projects	Have a bp net investment of at least $250 million or are considered to be of strategic importance to bp or of a high degree of complexity.
Net debt	Non-IFRS measure. 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.
Operating cash flow	Net cash provided by (used in) operating activities as stated in the condensed group cash flow statement.
Realisations	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. For the gas & low carbon energy and oil production & operations segments, realisations include transfers between businesses.
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 mechanical, process and regulatory downtime.
Refining Indicator Margin (RIM)	A simple indicator of the weighted average of bp's crude slate and product yield as deemed representative for each refinery. Actual margins realised by bp may vary due to a variety of factors, including the actual mix of a crude and product for a given quarter.

Glossary

Replacement cost (RC) profit or loss / RC profit or loss attributable to bp shareholders	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). RC profit or loss for the group is not a recognised IFRS measure. bp believes this measure is useful to illustrate to investors the fact that crude oil and product prices can vary significantly from period to period and that the impact on our reported result under IFRS can be significant. Inventory holding gains and losses vary from period to period due to changes in prices as well as changes in underlying inventory levels. In order for investors to understand the operating performance of the group excluding the impact of price changes on the replacement of inventories, and to make comparisons of operating performance between reporting periods, bp's management believes it is helpful to disclose this measure. The nearest equivalent measure on an IFRS basis is profit or loss attributable to bp shareholders.
Return on average capital employed (ROACE)	Non-IFRS measure. ROACE is 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. bp believes it is helpful to disclose the ROACE because this measure gives an indication of the company's capital efficiency. The nearest IFRS measures of the numerator and denominator are profit or loss for the period attributable to bp shareholders and total equity respectively. We are unable to present forward-looking information of the nearest IFRS measures of the numerator and denominator for ROACE, because without unreasonable efforts, we are unable to forecast accurately certain adjusting items required to calculate a meaningful comparable IFRS forward-looking financial measure. These items include inventory holding gains or losses and interest net of tax, that are difficult to predict in advance in order to include in an IFRS estimate.
Return on average capital employed (ROACE) on a price adjusted basis	Non-IFRS measure. ROACE on a price adjusted basis is adjusted ROACE (defined above), calculated assuming a hypothetical price environment of \$70/bbl Brent, \$4/mmBtu Henry Hub, and a \$10.3/bbl refining indicator margin (all 2024 real) and assumptions about the impact of these marker prices on underlying replacement cost profit before tax. bp believes ROACE on a price adjusted basis helps investors to assess the company's capital efficiency and underlying performance on a normalized price environment basis. The nearest IFRS measures of the numerator and denominator are profit or loss for the period attributable to bp shareholders and total equity respectively.

Glossary

Structural cost reduction — Non-IFRS measure. Calculated as decreases in underlying operating expenditure* as a result of operational efficiencies, divestments, workforce reductions and other cost saving measures that are expected to be sustainable compared with 2023 levels. The total change between periods in underlying operating expenditure will reflect both structural cost reductions and other changes in spend, including market factors, such as inflation and foreign exchange impacts, as well as changes in activity levels and costs associated with new operations. Estimates of cumulative annual structural cost reduction may be revised depending on whether cost reductions realised in prior periods are determined to be sustainable compared with 2023 levels. Structural cost reductions are stewarded internally to support management's oversight of spending over time.
bp believes this performance measure is useful in demonstrating how management drives cost discipline across the entire organisation, simplifying our processes and portfolio and streamlining the way we work. The nearest IFRS measures are production and manufacturing expenses and distributions and administration expenses.

Underlying effective tax rate (ETR) — Non-IFRS measure and 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 for the group is calculated as taxation as stated on the group income statement adjusted for taxation on inventory holding gains and losses and total taxation on adjusting items*. Information on underlying RC profit or loss is provided below. Taxation on an underlying RC basis presented for the operating segments is calculated through an allocation of taxation on an underlying RC basis to each segment.

Underlying operating expenditure — Non-IFRS measure. A subset of production and manufacturing expenses plus distribution and administration expenses and excludes costs that are classified as adjusting items. It represents the majority of the remaining expenses in these line items but excludes certain costs that are variable, primarily with volumes (such as freight costs). Other variable costs are included in purchases in the income statement. Management believes that underlying operating expenditure is a performance measure that provides investors with useful information regarding the company's financial performance because it considers these expenses to be the principal operating and overhead expenses that are most directly under their control although they also include certain foreign exchange and commodity price effects. The nearest IFRS measures are production and manufacturing expenses and distributions and administration expenses.

Underlying replacement cost (RC) profit or loss / underlying RC profit or loss attributable to bp shareholders — Non-IFRS measure and is RC profit or loss* after excluding net adjusting items and related taxation.

Glossary

Underlying RC profit or loss before interest and tax	For the operating segments or customers & products businesses is calculated as RC profit or loss (as defined above) 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. bp believes that underlying RC profit or loss is a useful measure for investors because it is a measure closely tracked by management to evaluate bp's operating performance and to make financial, strategic and operating decisions and because it may help investors to understand and evaluate, in the same manner as management, the underlying trends in bp's operational performance on a comparable basis, period on period, by adjusting for the effects of these adjusting items. The nearest equivalent measure on an IFRS basis for the group is profit or loss attributable to bp shareholders. The nearest equivalent measure on an IFRS basis for segments and businesses is RC profit or loss before interest and taxation.
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.
Upstream	Includes oil and natural gas field development and production within the gas & low carbon energy and oil production & operations segments. References to upstream exclude Rosneft.
Upstream plant reliability	(bp-operated) is calculated taking 100% less the ratio of total unplanned plant deferrals divided by installed production capacity, excluding non-operated assets and bpx energy. 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 America weather related downtime.
Working capital	Movements in inventories and other current and non-current assets and liabilities as reported in the condensed group cash flow statement. Change in working capital adjusted for inventory holding gains/losses*, fair value accounting effects* relating to subsidiaries and other adjusting items is a non-IFRS measure. It is calculated by adjusting for inventory holding gains/losses* reported in the period; fair value accounting effects relating to subsidiaries reported within adjusting items for the period; and other adjusting items relating to the non-cash movement of US emissions obligations carried as a provision that will be settled by allowances held as inventory. This represents what would have been reported as movements in inventories and other current and non-current assets and liabilities, if the starting point in determining net cash provided by operating activities had been underlying replacement cost profit rather than profit for the period. The nearest equivalent measure on an IFRS basis for this is movements in inventories and other current and non-current assets and liabilities. bp utilises various arrangements in order to manage its working capital including discounting of receivables and, in the supply and trading business, the active management of supplier payment terms, inventory and collateral.

Resources

bp's website includes information about our financial performance, reports and information on investing in bp, dividend payments, AGM and strategy events.

Find out more on bp.com/investors

You can contact the investor relations team at ir@bp.com

Useful links

- Why invest in bp
- Modelling guidance
- Databook
- Major projects
- Environment, social and governance
- Debt investor

Investor events

28 April 2026
First quarter results

04 August 2026
Second quarter results