



2025 Annual General Meeting: chief executive officer's speech

Murray Auchincloss

Chief executive officer

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Thanks Helge.

Good morning everyone – thanks for joining us here in Sunbury.

When I took over as CEO last year, we had a challenge.

In 2020, we'd made some bold strategic changes.

Accelerating into the energy transition while progressively reducing our oil and gas business.

We were optimistic for a fast transition but the optimism was misplaced.

As Helge said, the world changed. We went too far and too fast.

And despite many areas of strength, we weren't performing consistently across the group.

A fundamental reset was needed.

Which is exactly what we've done.

We've reset the strategy.

Reshaped our portfolio.

Refocused the organisation.

All of this in the service of one simple goal.

To grow the long-term value of your investment.

As we do this, we're acutely aware that we operate in uncertain times.

Markets are volatile, politics are unpredictable and commodity prices are challenged.

Our strategy is focused on what we can control: operating safely and efficiently, with high and consistent performance.

We're globally diversified. Our integrated model is built for resilience. And we have deep experience of navigating economic uncertainty.

Including from the last few years.

We're confident that we have the team and the plan to steer the company through this moment and grow value for you, our shareholders.

I'll say more on that in a moment, but let's start with our performance in 2024.

Performance in 2024

On safety, we continued to make progress.

For a second year in a row, we reduced the combined number of tier 1 and tier 2 process safety events.

The most serious tier 1 events fell significantly.

Tragically however, one person was fatally injured while working at our newly acquired bioenergy business in Brazil.

We are absolutely clear that is one too many.

Our goal is zero fatalities, zero life-changing injuries, zero of the most serious process safety incidents.

Next, to our operational performance.

Our upstream oil and gas production was 2% higher on the year.

Plant reliability was strong at over 95%. However we had challenges in refining.

Here, margins were lower and a power outage at Whiting in the US contributed to a dip in our refining availability, which was 93.4% for the year.

We know we need consistently higher refining performance. So as part of the reset, we've set out a plan to raise refining availability to 96%.

This includes a project of digital modernisation, supported by our partnerships with two of the world's leading AI companies – Palantir and Infosys.

We're also focusing on enhancing the strength of the utilities at our refineries.

Onto financial performance.

Last year we delivered operating cash flow of \$27.3 billion.

Underlying replacement cost profit of \$8.9 billion.

A 14.2% return on average capital employed.

And net debt of \$23 billion.

This allowed us to raise the dividend per ordinary share by 10%.

And announce \$7 billion of share buybacks for the year.

But that's not the full story of 2024.

Laying the foundations

Over the last twelve months, we've been in action laying the foundations for our reset.

Here I want to say thanks to my team.

In 2024 they delivered more change than I've seen in 20 plus years at bp:

Sanctioning 10 new upstream oil and gas projects,

Starting up Azeri Central East, the most digitally advanced platform in our history.

New access in Iraq – 3bn barrels.

Expanding in India

Agreeing a new Middle East gas JV with ADNOC.

Taking full ownership of a top-3 bioethanol producer in Brazil.

Sanctioning the UK's biggest carbon capture and storage project.

And joining forces with Jera, a global power company.

Subject to approvals, we are going to combine our assets into what will be a top-five offshore wind developer.

And all of this while taking out \$800 million in structural cost across the group.

Resetting to grow shareholder value

As Helge says, we recognize the valuation gap between bp and our peers. We intend to close it.

We're going to be simpler and more focused. Higher value and higher performing

This is how we do it.

First, we're growing the upstream. We plan to increase oil and gas investment by a fifth to around \$10bn a year.

We're starting up more projects.

Unlocking more discovered resource.

And spending more on exploration.

Your company has great assets and deep technical capability.

We're going to use these to produce more of the energy the world needs today.

Second, we're driving focus in our downstream.

We're focused on our strongest markets and our integrated assets.

And we're going to be relentless on performance and cost.

This includes a strategic review of Castrol.

High-grading our mobility network.

And selling Gelsenkirchen refinery.

Third, the energy transition remains important for bp – but we're going to be disciplined about how we invest.

For bioenergy and EV charging – only investing in the most supportive markets.

For wind and solar – bringing in partners so we can grow our positions in a capital light way for bp.

Ensuring that every project across the portfolio has competitive returns, no matter if it is our historic hydrocarbon businesses or our transition businesses.

And we have a big focus on driving out structural costs – with a target to reduce our structural costs by 25% across 2025 to 2027.

Measuring success

To measure success, we've set out four clear targets through 2027.

One, growing free cash flow

Two, reducing our costs.

Three, lowering our debt.

Four – most important – increasing our returns

You should expect to see progress over the next 12 months.

And we've already hit the ground running.

In the last three months, we've started up three major projects.

Made discoveries in Egypt, Trinidad and the Gulf of America.

We've agreed to sell part of our interest in the TANAP pipeline, realising \$1 billion.

Announced the sale of our Austrian retail business.

And sanctioned our Ginger subsea gas project in Trinidad, 62,000 barrels equivalent.

Reset to win

There's plenty to come, but I want to close by saying why I think a reset bp can win.

We combine high-quality oil and gas assets, advanced tech, world-class traders.

Competitive routes to market.

And customer demand centres in the world's biggest economies.

We can capture value up and down the value chain, right through the business cycle.

Our strategy plays to those strengths.

Energy is a growth market. Demand has never been higher. There may be some short term turbulence, but we remain convinced the world needs more energy and we are one of a few that can provide that energy to the world as an integrated energy company.

We are now focused on strong performance and consistent delivery – quarter after quarter, because that's how we win.

I want to thank Helge and the board for their unwavering support.

Let me thank you, our owners, for continuing to put your trust in bp.

I'll end by again thanking our brilliant team for their hard work and resilience through a period of intense change.

We are absolutely determined to deliver for you.

Thank you.