



Q1 2019 Results

Delivering a world-class investment case

Pilipinas Shell Petroleum Corporation
May 15, 2019

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References in this presentation to “our Company” or the “Corporation” and to “PSPC” refer to SHLPH. The words “we”, “us” and “our” are used to refer to SHLPH or to those who work for SHLPH.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of SHLPH.

All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of SHLPH to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” and similar terms and phrases. There are a number of factors that could affect the future operations of SHLPH and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the disclaimer contained or referred to herein. Audience should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in SHLPH Annual Report for the year ended 31 December 2018 (available at <http://pilipinas.shell.com.ph/investors/financial-reports.html> and <http://edge.pse.com.ph>). These risk factors also expressly qualify all forward looking statements contained in this presentation and should be considered by the audience. Each forward-looking statement speaks only as of the date of this Quarterly Investors and Analysts’ Briefing on 15 May 2019. Neither SHLPH nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation.

Summary



Key messages

- Pilipinas Shell celebrates its 105th year in the country founded on longer-term investment horizon, consistent strategy, commitment to business principles/core values, and strong corporate governance
- Marketing businesses are positioned for growth
- Supply chain continues to optimize operations and employ cost-efficiency initiatives

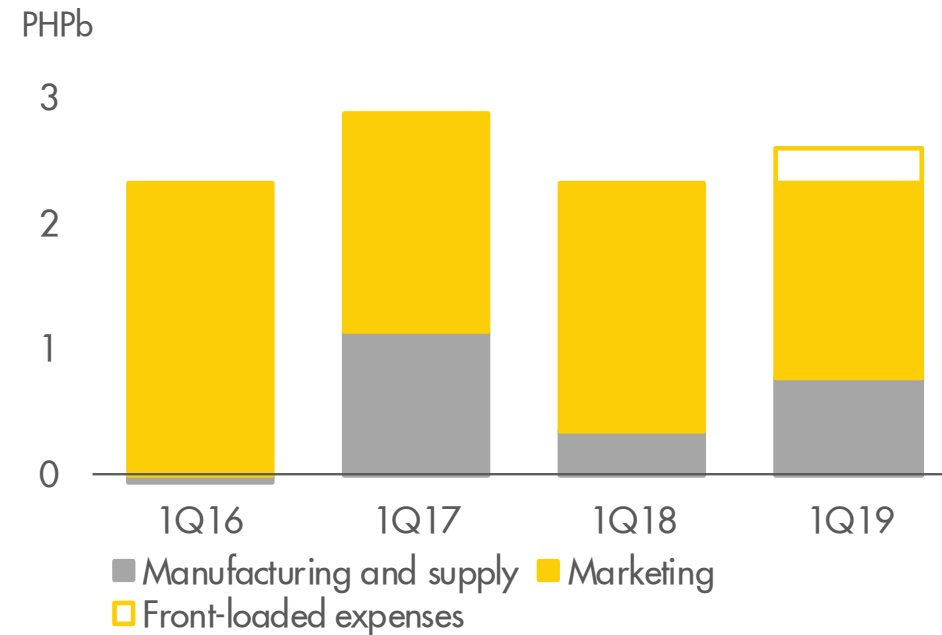
1Q 2019

- Net income reaches PHP2.3bn, maintaining industry-leading return on average capital employed
- Marketing business delivers healthy performance, beats higher excise taxes
- Manufacturing business affected by depressed regional refining margins, offset by inventory holding gains

Financial highlights

- Pilipinas Shell continues to deliver industry-leading ROACE
- Gearing at robust levels

Maintained 1Q18 net income level despite higher excise taxes and depressed regional refining margins



2.3 NIAT (PHPb)

1.4 Total volume (Bn litres)

-1.5 Cash flow from operations (PHPb)

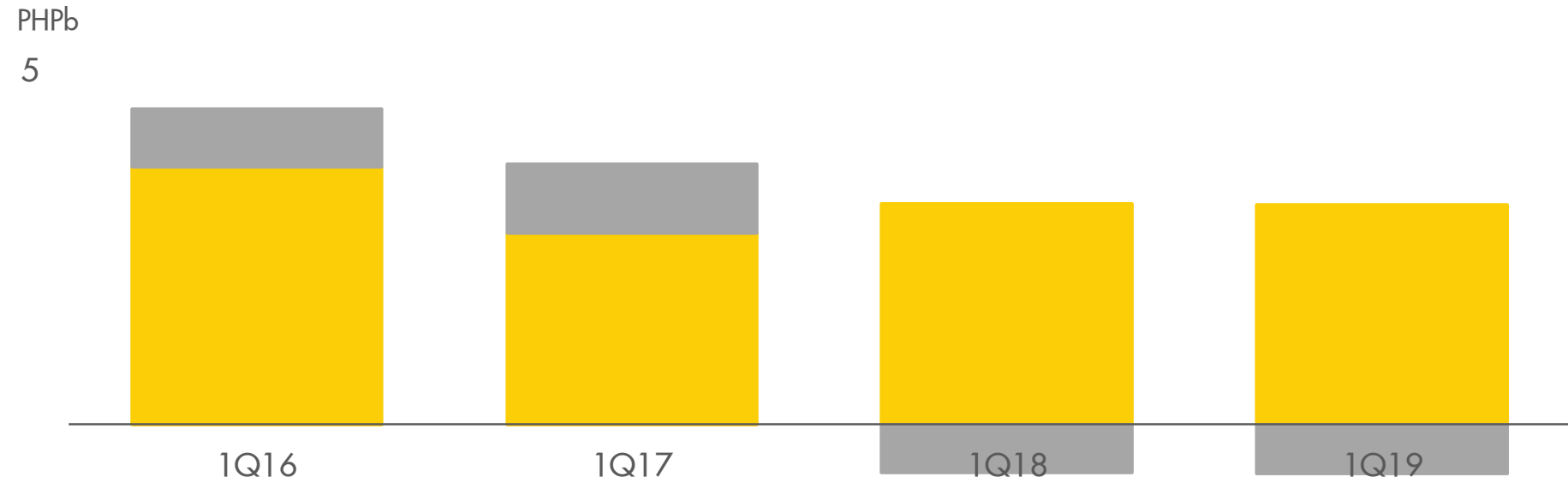
15 ROACE (%)

25 Gearing (%)

Solid marketing delivery slightly tempers impact of low regional refining margins

Marketing businesses sustained volumes and high premium fuel penetration amid higher excise taxes from TRAIN

1Q19 EBITDA Adjusted for COSA stands at PHP2.4b

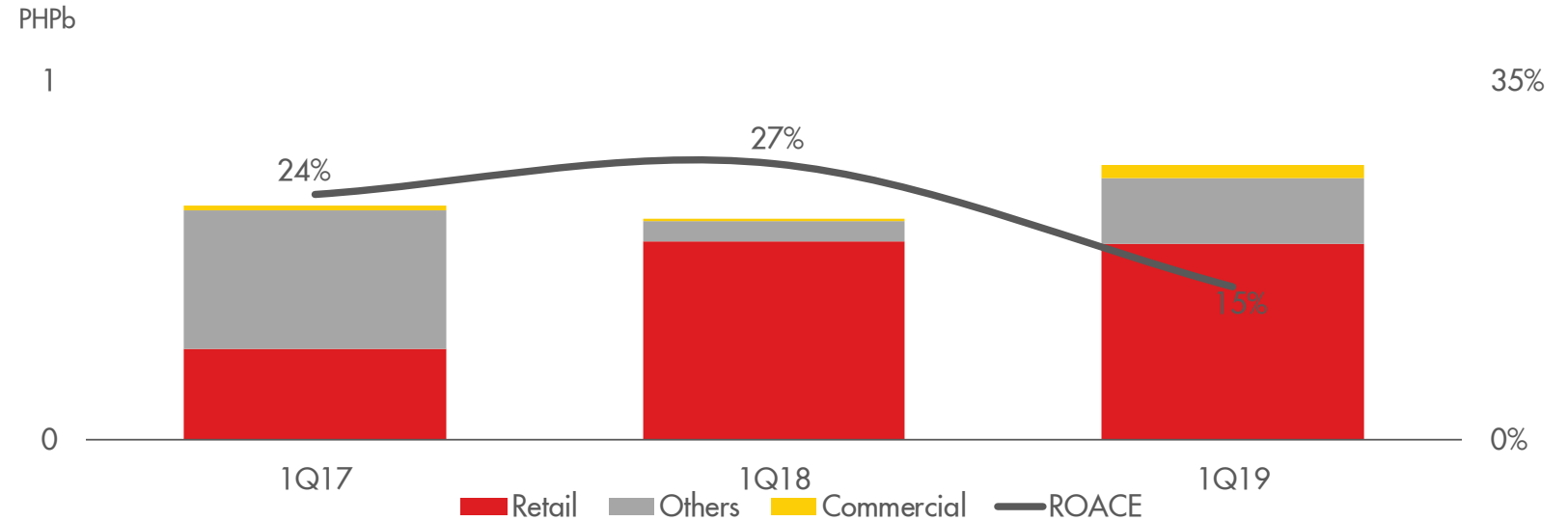


- Marketing
 - Manufacturing and supply
- | | | | |
|--|--|---|--|
| <ul style="list-style-type: none"> ● Retail volume growth ● Strong regional refining margins ● Unplanned downtime | <ul style="list-style-type: none"> ● High premium fuel penetration ● High refining margins ● Lower demand in power sector | <ul style="list-style-type: none"> ● Strong marketing delivery ● High premium fuel penetration ● Low regional refining margins | <ul style="list-style-type: none"> ● Retail volume growth ● High premium fuel penetration ● Lower regional refining margins |
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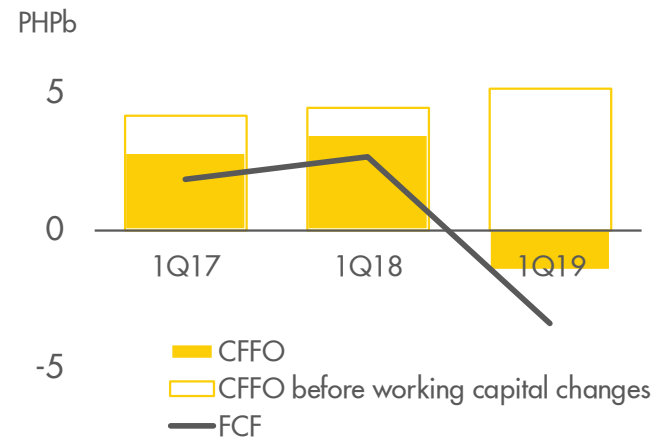
Projected cash flow from operations remain sufficient to fund 2019 CAPEX and dividends

- CFFO and FCF impacted by higher crude prices
- Positive outlook on cash flow as prices and inventory levels stabilize post TRAIN implementation

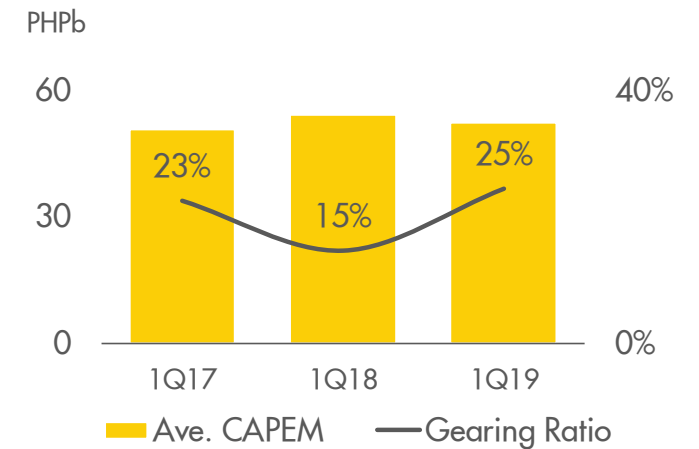
Capital Investments + ROACE



Cash flow from operations

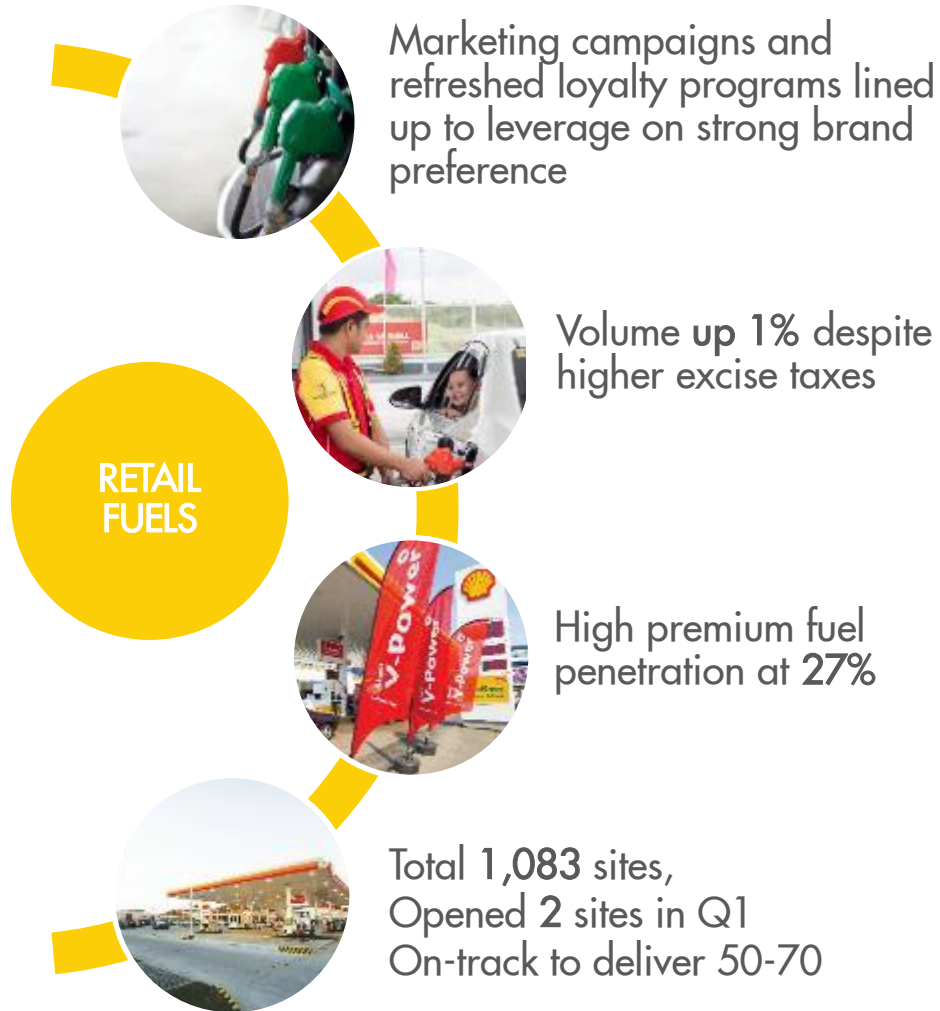


Average capital employed + Gearing



Notes: Return on average capital employed is defined as EBIT as a percentage of the average capital employed for the period. Capital employed consists of short-term borrowings and loans payable, and total equity. Average capital is calculated as the mean of the opening and closing balances of capital employed for that period. Net earnings based on net income after tax. Gearing ratio is defined as net debt (total debt less cash and cash equivalents) as a percentage of total capital (net debt plus total equity). It is a measure of the degree to which our operations are financed by debt.

Retail increased premium fuel penetration and sustained volume despite higher excise taxes



Local celebrities and car manufacturers endorsing the brand



Launch of Shell Go+ Cards

Non-fuels retailing business continues to enjoy double-digit growth

14% Non-fuels contribution to retail gross margins

+50% Increase in NFR Income from Q1 2016

On track to deliver new store guidance by year-end

	Guidance	Q1 2019	Total
Select	15-20	4	135
deli2go	15-20	3	61
SHOC+/HSC	30-50	5	339

Note: Shell Helix Oil Change (SHOC+) and Helix Service Center (HSC)



New Select shops and deli2go offerings in key retail stations



New Helix Shell Centers offering oil change and other services

Successful marketing campaign contributes to volume growth for lubricants

Strong delivery in lubricants, aviation and specialities

Lubricants

- Successful marketing campaign translated to higher volumes and increased brand preference
- Significant increase in lubricants volume



Commercial fuels

- Won key accounts to counter structural decline in power demand

Aviation

- Realized higher gross margins due to cost optimization strategies implemented
- Cebu Pacific contract successfully renewed in all airports we cater (Manila, Clark and Cebu)

Specialities (Bitumen + Sulphur)

- Positive outlook for the next quarters, following approval of 2019 government budget in April
- Captured maintenance project of Masbate airport and expressway project at North East Luzon

Refinery improves cost competitiveness to increase robustness against lower regional refining margins



TABANGAO REFINERY

- Lower regional refining margins vs PY; benchmark regional refining margin down by ~70%¹
- Strong HSSE performance
- Hydrogen optimization project to commence in Q2

¹Based on January-March 2018 and 2019 averages of Bukom ALC Semi-Complex, as reported on MOPS

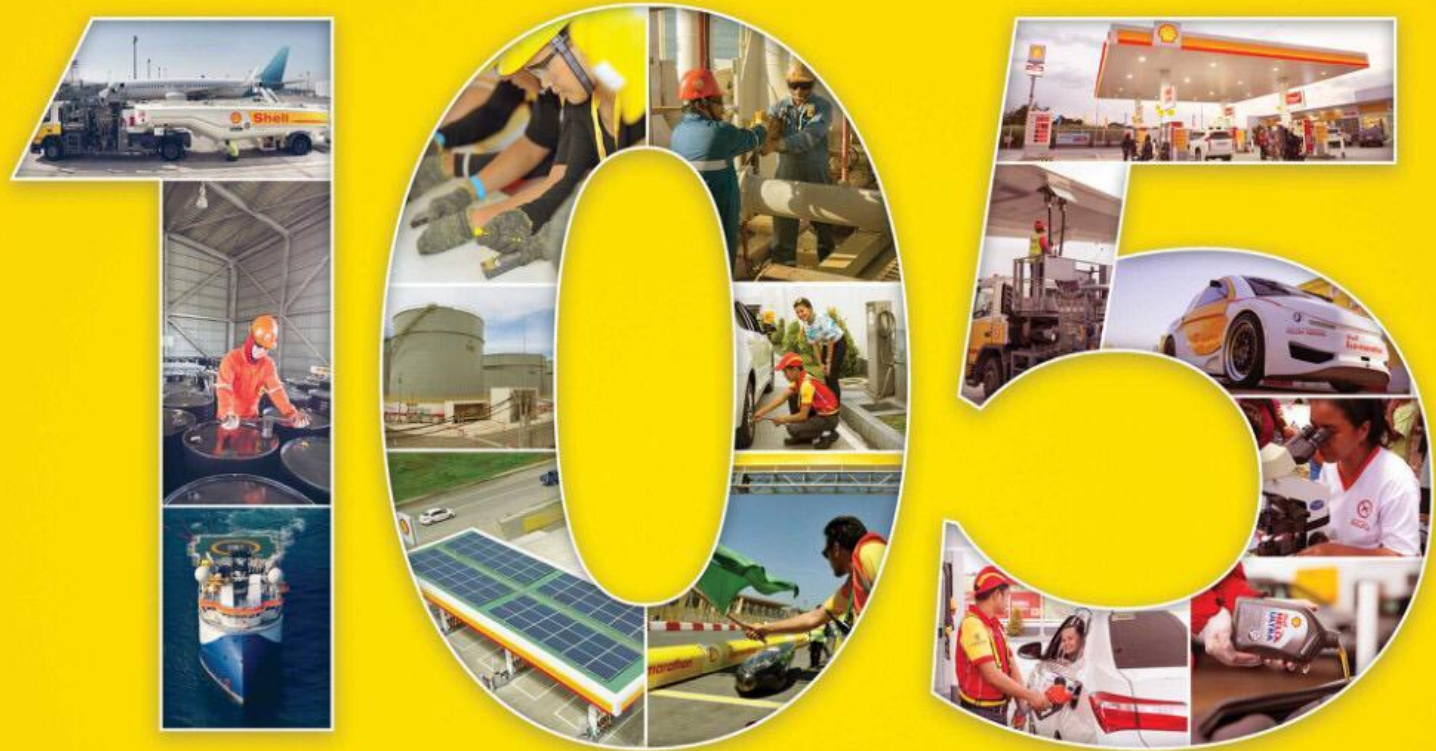


SUPPLY AND DISTRIBUTION

- North Mindanao Facility continues to deliver cost savings
- Strong HSSE performance
- 98.9% on-time and in-full pick-up and road delivered

Fueling progress together with the Filipino for 105 years

To view our Annual and Sustainability Report, please visit <https://pilipinas.shell.com.ph/ASR-2018>



Y E A R S

**OF PARTNERING WITH THE PHILIPPINES
IN NATION-BUILDING**

Shell continues to provide energy solutions that help make the future better for Filipinos.

