



Q3 2019 Results

Delivering a world-class investment case

Pilipinas Shell Petroleum Corporation
November 12, 2019

Definitions and cautionary note

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 Analyst and Investors’ Briefing, 12 November 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 long-term investment horizon, consistent strategy, and strong corporate governance
- Marketing businesses continue to expand
- Supply chain employs cost-efficiency initiatives and delivers on commitments

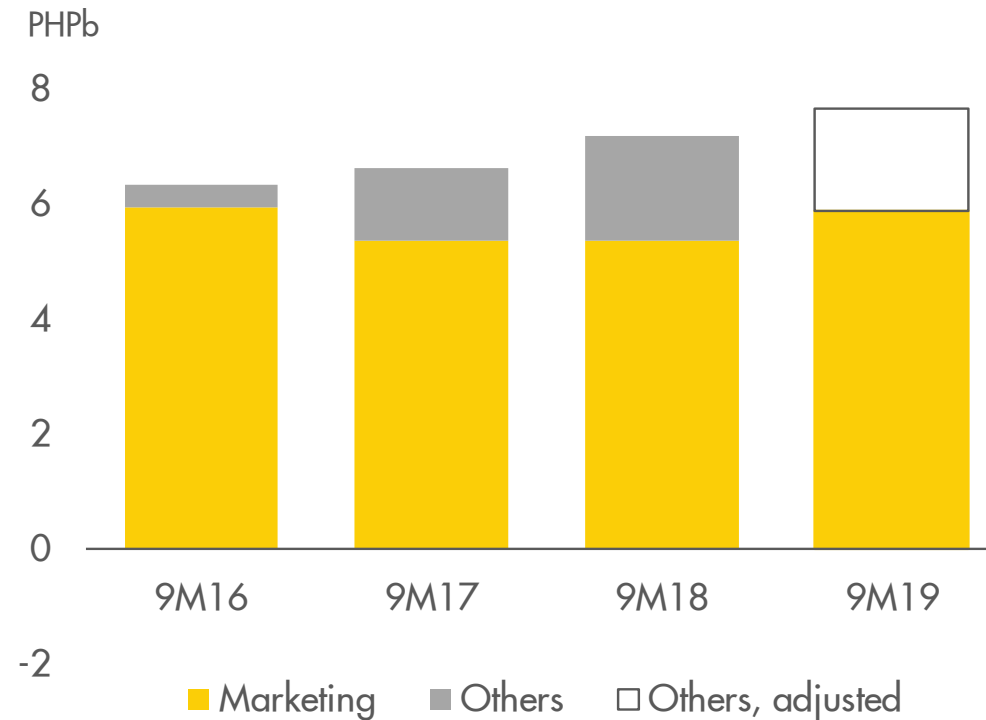
YTD Q3 2019

- Net income reaches PHP4.4bn (~86% of FY2018 NIAT)
- Marketing volumes up; premium product penetration increases
- Refinery delivers target cost savings, initiates new growth projects committed
- Prepared to initiate automated fuel marking in the North Mindanao Import Facility by Q4 2019

Financial highlights

- 9M19 NIAT at ~86% of FY2018 delivery
- Marketing volumes up 4%, growth seen across all segments
- Refinery delivers \$10m target cost savings

Strong marketing delivery and refinery cost efficiencies cushion the impact of depressed refining margins

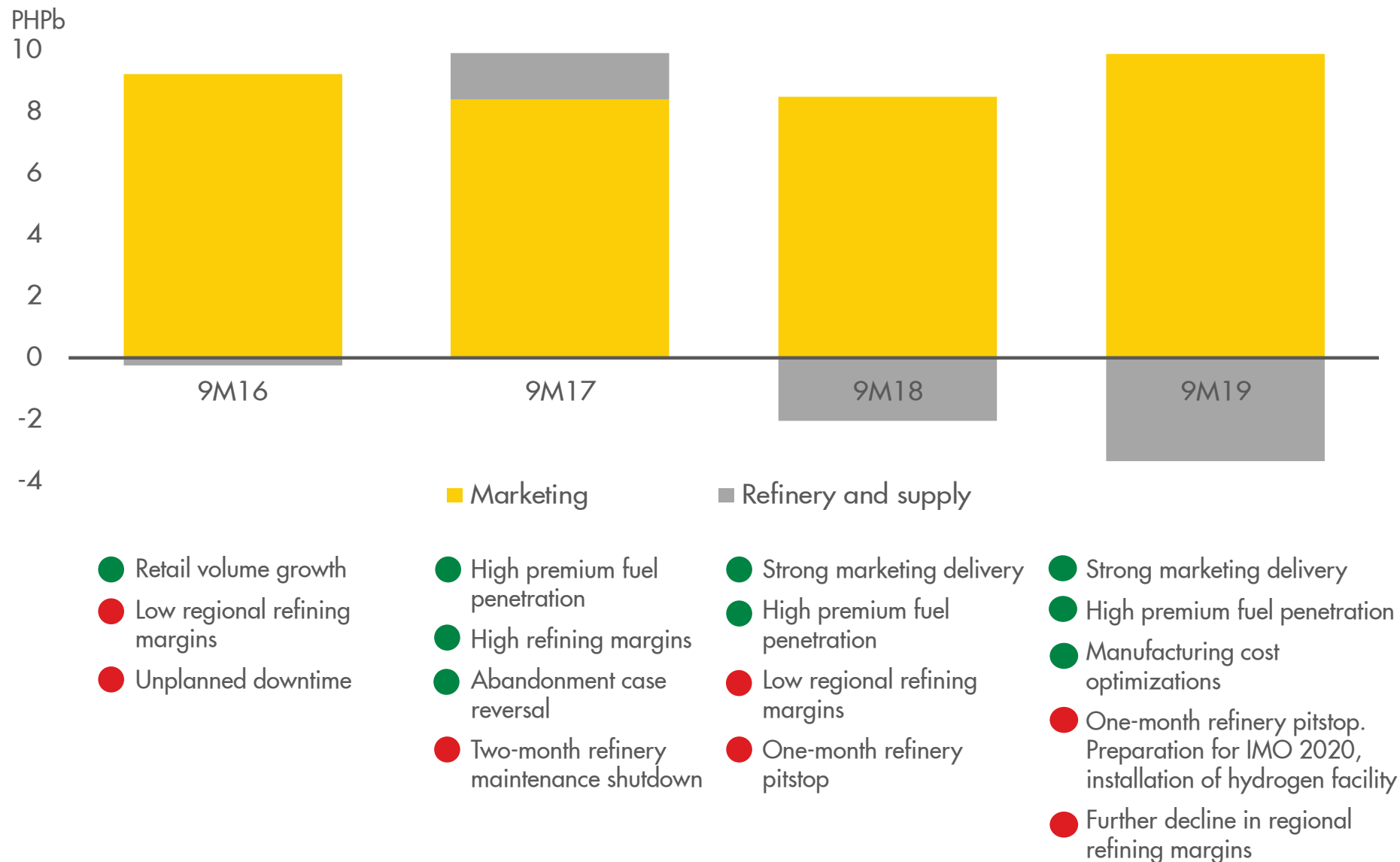


Note: Adjustment includes removing impact of differences between inventory holding gain and GRM level for 9M18 vs 9M19 to show comparability. GRM and inventory gain level for 9M18 were used as baseline figures

4.4	NIAT (PHPb)
2.9	Total volume (Bn litres)
7.5	Cash flow from operations (PHPb)
14%	ROACE (9M19)
23	Gearing (%)

Core earnings continue to grow despite steep decline in refining margins

9M19 EBITDA Adjusted for COSA stands at PHP6.5b (PAS 17)

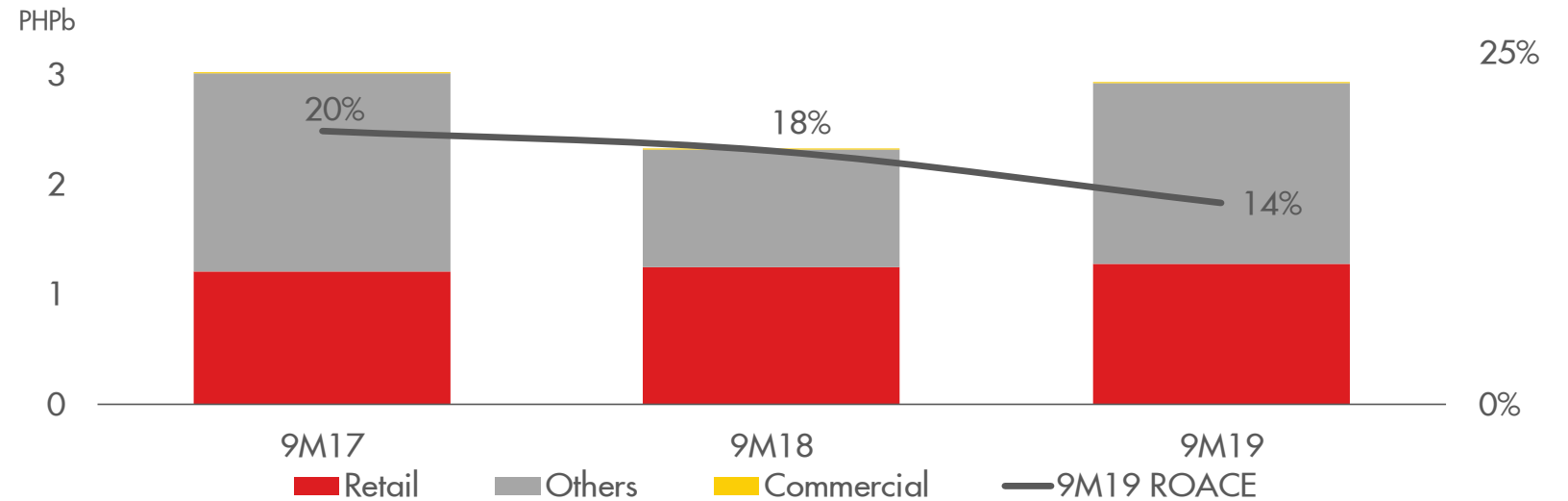


Note: Segmented figures are based on internal estimates. EBITDA adjusted for COSA presented based on PAS 17. Using PFRS 16, EBITDA Adjusted for COSA for 9M19 stands at P8.6 billion.

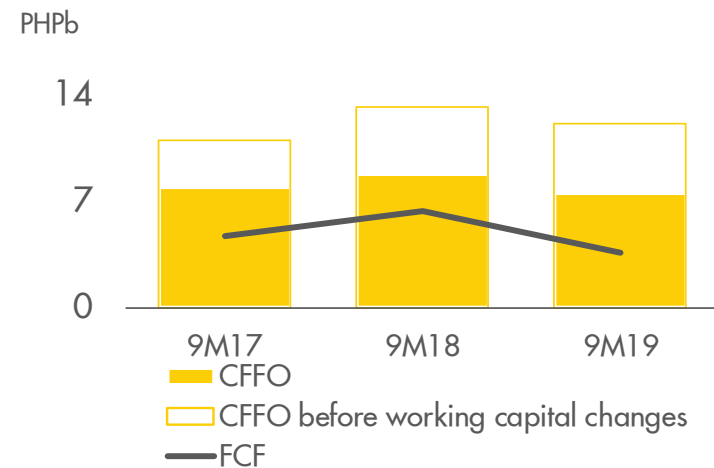
Healthy balance sheet and cash flow; gearing stays low at 23%

Delivers PHP7.5b cashflow sufficient to cover planned capital expenditures and dividend payments

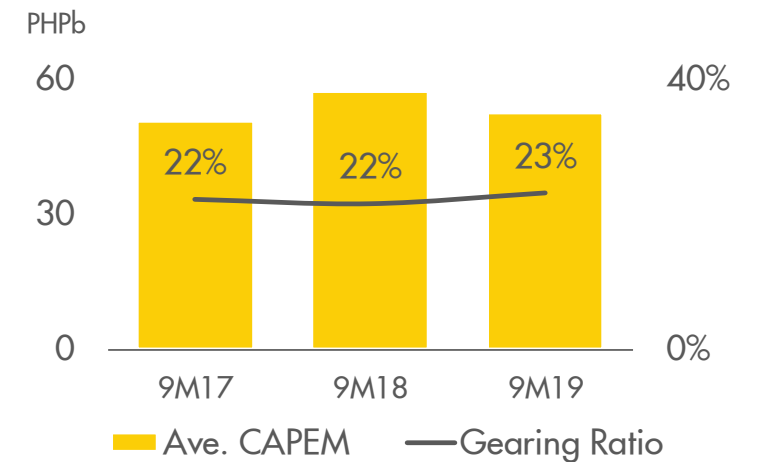
Capital Investments + ROACE



Cash flow from operations



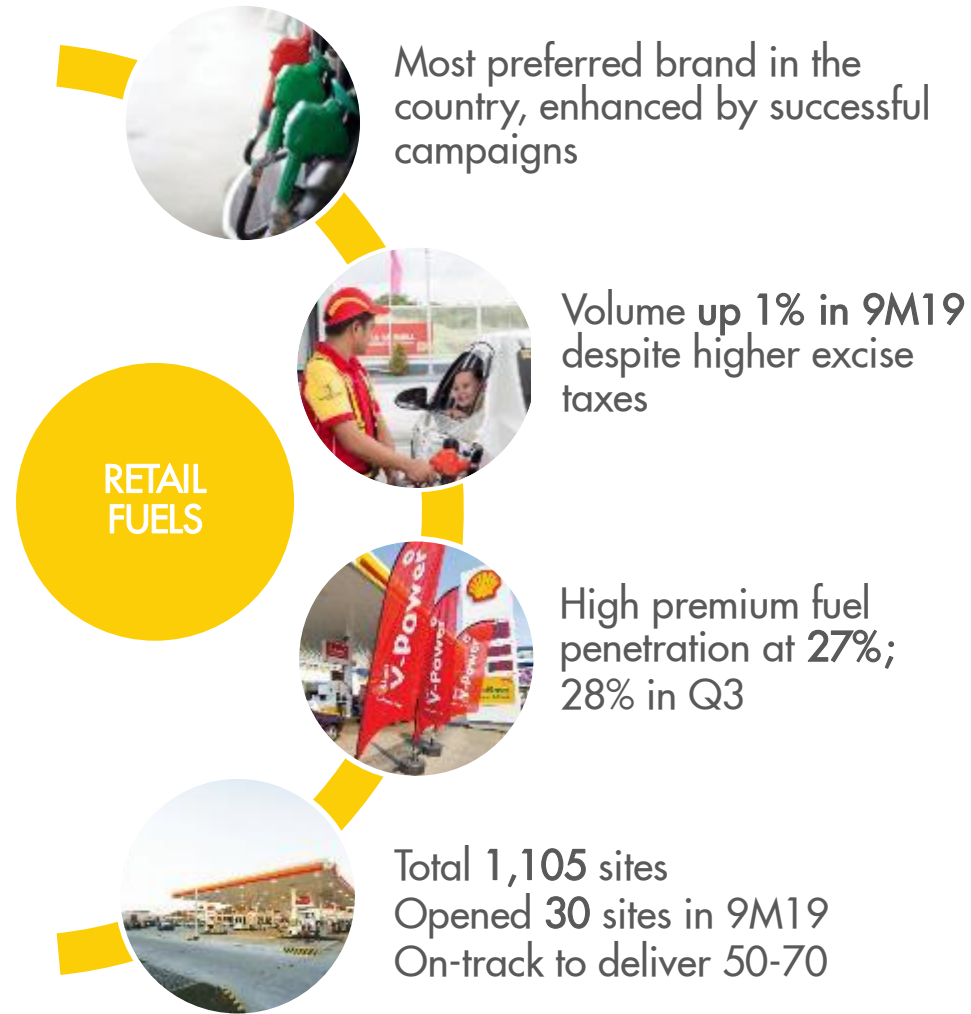
Average capital employed + Gearing



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.

Strong global brand and targeted campaigns contribute to robust Retail delivery

Strong delivery and disciplined expansion



Exciting campaign in Q4

BIG PRIZES AND BIG CHEER ON OUR 105TH YEAR
THE SHELL ANNIVERSARY GIVEAWAY CONTINUES

1 WINNER STRADA GT
1 WINNER TUCSON DIESEL SUV
1 WINNER ISUZU M-UX

3 WINNERS VESPA MOTORCYCLES
30 WINNERS SAMSUNG TVs
30 WINNERS SAMSUNG NOTE 10

Actual color of prizes may vary

TIME TO GAS UP AND WIN, LUZON!

The 105th Anniversary celebration continues! Get one (1) raffle coupon each time you gas up with Shell FuelSave worth Php1,500 or Shell V-Power worth Php 1,000. Double your chances of winning and get double the number of raffle coupons when you use your Shell GO+ card!

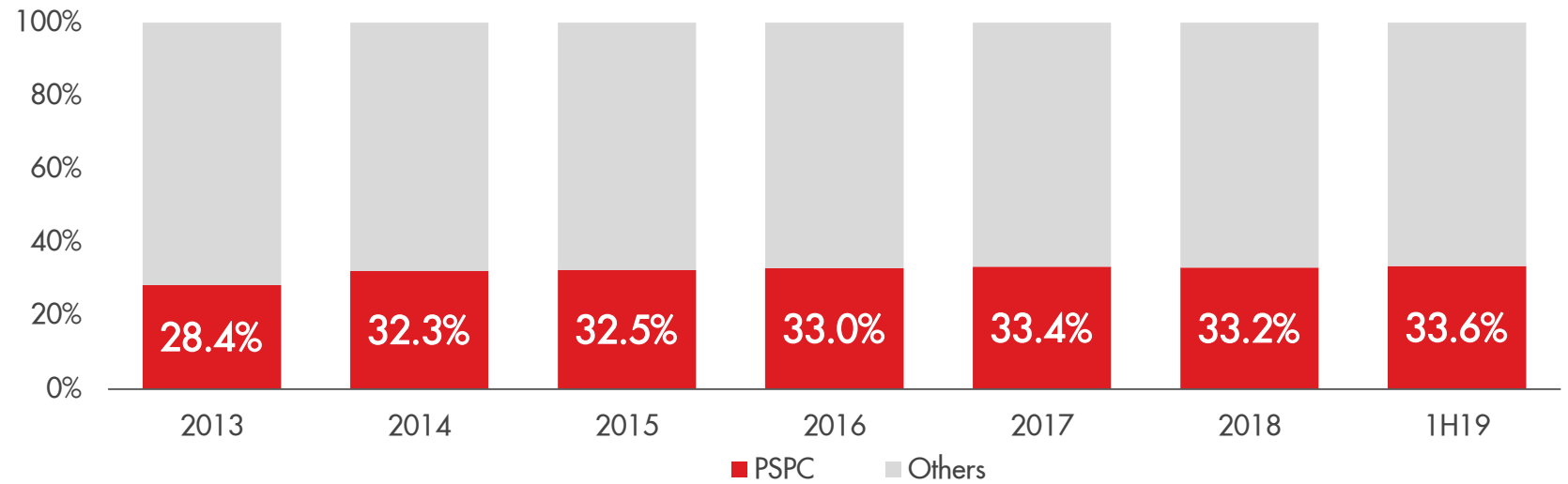
105 YEARS
1914-2019



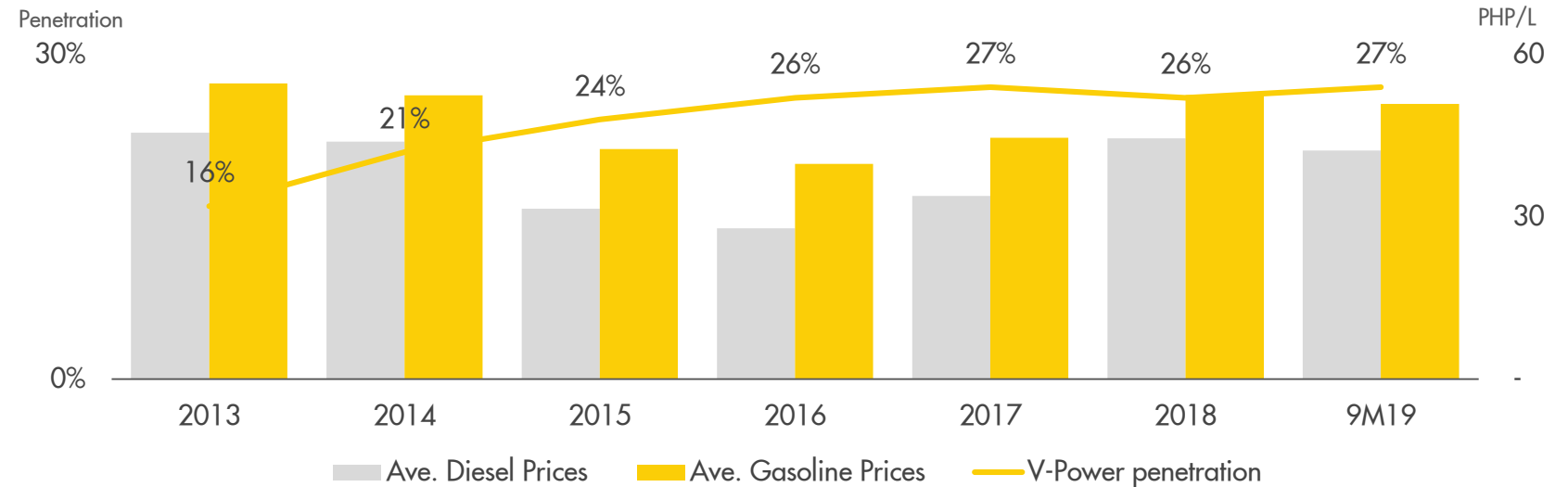
Promo period is from November 4, 2019 to January 10, 2020 in participating Shell sites only. Visit shell.com.ph/105thanksgiving for more details. Per DTI Fair Trade Permit No. FTEB-**** series of 2019.

Retail consistently delivers robust performance, beats industry growth

Year-on-year growth in market share in the retail segment



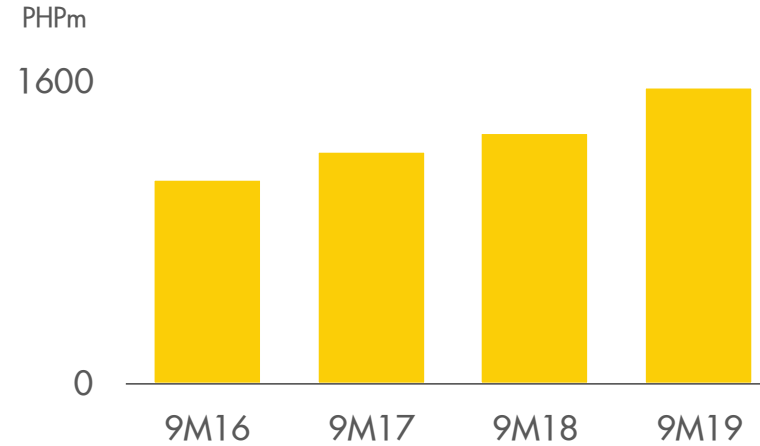
Higher premium fuel penetration amidst volatility in pump prices



Reference: Company information, Petroleum Demand Reports from the Department of Energy. Market share computation excludes LPG and non-retail sales. Average diesel and gasoline prices based on nationwide PSPC pump prices for V-Power and Fuel Save.

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

Consistent year-on-year growth



13% Non-fuels contribution to retail gross margins

+45% Increase in NFR Income from 9M16

Store openings

	9M19	Total
Select	9	137
deli2go	5	63
SHOC+/HSC	23	348

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

Exciting campaigns throughout the year



Commercial businesses deliver stronger volume and earnings performance

Improvement in customer offer and successful marketing campaigns brought volume growth in all segments

Commercial fuels

- Continued focus on growing industries and improving customer offer
- Capitalized on stronger power sector demand as a result of warmer weather and maintenance shutdowns of several coal-fired plants

Lubricants

- Better premium mix, following successful marketing campaigns
- Remains the most preferred lubricants brand in the industry



Aviation

- Renewed and increased liftings from key airlines; won new contracts

Specialities (Bitumen + Sulphur)

- ~50% volume growth vs PY despite impact of mid-term national elections and wet season
- Bitumen production facility captures international markets in Vietnam, Thailand, Taiwan, and Malaysia
- Introducing Bitumen FreshAir, a differentiated and more environment-friendly product

Refinery achieves cost efficiency target, broke ground key growth projects in Q3

Transforming the Tabangao refinery to a competitive and flexible facility, amidst the unpredictable refining margin environment

Running safe and reliable operations

- Successful completion of the pitstop in Q3 ahead of timeline
- No Loss-Time Injury in 9M19

Improving cost competitiveness of the refinery

\$10M

FY19 cost savings target achieved as of September 2019, from process efficiencies and contract renegotiations

\$22M

Cost savings planned for the next three years

Pursuing growth opportunities and synergies



INTEGRATED HYDROGEN MANUFACTURING FACILITY

Enables the refinery to process more crude oil varieties into more quality fuels;
Target completion: Q4 2020



INTEGRATED ENERGY SYSTEM

Harnesses solar energy, natural gas and battery system;
Solar farm to be installed in Q4 2019, battery system in Q2 2020



IMO 2020 PREPAREDNESS

Refinery capable to run on full low-sulfur mode and produce low-sulfur Fuel Oil.

Fuel marking to commence in the North Mindanao Import Facility (NMIF)

PSPC fully supports the government's implementation of fuel marking to curb oil smuggling

Ready to start automated fuel marking at NMIF; refinery to start by Q1 2020

- Distribution of marked fuels to start in November 2019 in stations supplied by NMIF in Visayas and Mindanao
- ~2-3 months for all retail sites to deplete old stocks and fully carry marked fuels
- PSPC and SICPA-SSG consortium to install and commission an automated fuel marking injection system at the Tabangao refinery

Working together with the government for the successful implementation

- Provided the DOF access to its fuel marking experts from Shell Turkey
- The Petroleum Industry of the Philippines is working with the DOF to ensure that the fuel marking program is implemented across all industry players with safety as a priority



Located in Cagayan De Oro, NMIF commenced operations in 2016. With a capacity of 90 million litres, it caters to the growing energy needs of consumers in Visayas and Mindanao, and enables a more economical and efficient supply chain.

Energy that makes the future

We are partners in nation-building. We invest in community skills, enterprise development, & youth education

Harnessing renewable energy, and energy efficient concepts in key assets



GROUNDBREAKING OF INTEGRATED ENERGY SYSTEM IN REFINERY (SOLAR, NATURAL GAS AND BATTERY)

With a capacity of 2,400MW-hours, the system can produce enough energy to power 850 homes while offsetting about 8,760 tons of carbon emissions, equivalent to planting half a million trees.



CLEANER ENERGY SOLUTIONS IN RETAIL SITES

We progressively implement smarter energy solutions such as the use of renewable energy and more energy-efficient equipment.

46 Retail sites equipped with solar panels as of Q3 2019

Sharing wider benefits where we operate



LAUNCHING OF NXPLORERS

The program equips young students with complex and creative thinking skills needed to become positive agents. 30 Shell staff were trained to be facilitators.



EMPLOYEE VOLUNTEERISM

Year-round, Shell staff and partners join forces for community events such as tree planting and coastal clean-ups, among others. Last September, volunteers joined forces to clean Brgy. Tabangao Aplaya coastal community last September 23.

