



FY 2019 Results

Delivering a world-class investment case

Pilipinas Shell Petroleum Corporation

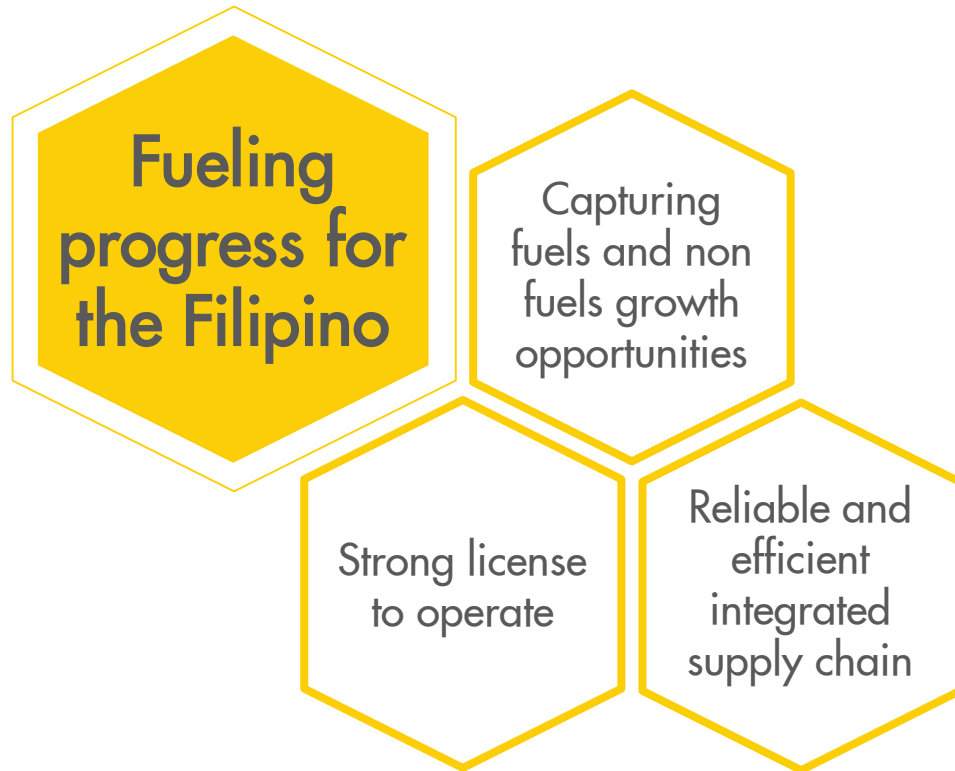
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References in this presentation to “our Company” or the “Corporation” and to “PSPC” refer to SHLPH. The words “we”, “us” and “our” are used to refer to SHLPH or to those who work for SHLPH.

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 201 (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 Report. 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



Fueling progress for the Filipino

- 105 years in the country founded on long-term investment horizon, consistent strategy, and strong corporate governance
- Delivered PHP5.6b net income, up 11% vs 2018

Capturing fuels and non fuels growth opportunities

- Increased volumes and premium penetration. Non fuels retail continues to enjoy double digit growth

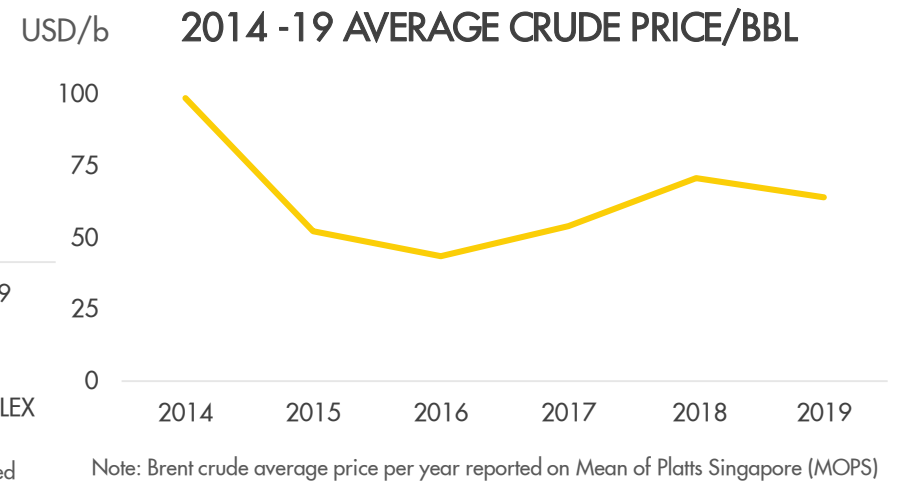
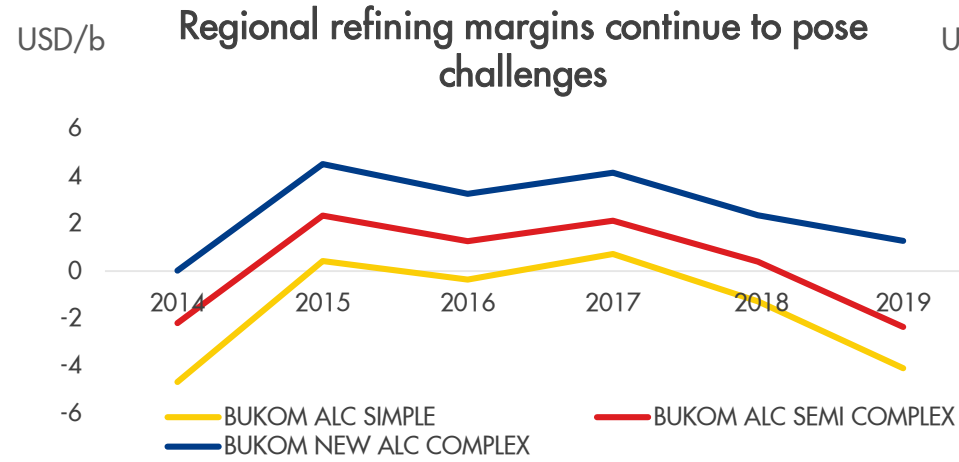
Reliable and efficient integrated supply chain

- Supply chain continues to optimize operations, surpassing cost-efficiency commitments

Strong license to operate

- Leading corporate governance and increased transparency
- First import facility in Mindanao and first refinery in the country to mark fuels as support to the government's anti-smuggling initiative

2019: Challenging environment but strong fundamentals remain



COUNTRY'S DEMAND FOR ENERGY REMAINED STRONG IN 2019



STRONG GDP GROWTH SUPPORTED BY YOUNG POPULATION

5.9% 2019 GDP growth Among the fastest globally

26YRS Median age of population of 109M



INCREASED VEHICLE POPULATION WITH POTENTIAL TO GROW

12.7M Total registered vehicles 2019 (10% increase vs PY)

9/100 Low motorization vs ASEAN countries



TOURISM AND TRANSPORT GROWTH

2.2 PH GDP contribution from Tourism in 2018
PHP trillion

3.9 Govt spending for 1000+km of roads nationwide in the next 5 years
PHP trillion

COVID19/1Q20 Update:

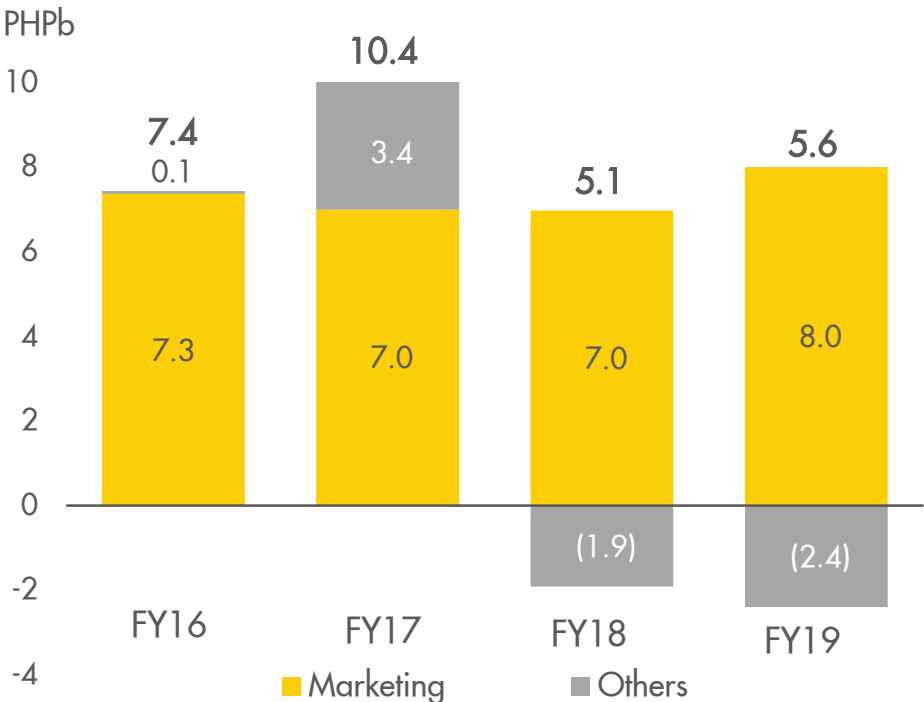
- Oil industry declared as essential services sector; operations continue
- Latest projections show GDP growth slowing down, ranging from -0.8% (DOF) to 2% (ADB)
- Local travel and tourism significantly reduced during ECQ
- Global oil prices fell from \$66/bbl (end-2019) to \$23/bbl (31 Mar 20) due to Saudi-Russia price war

References: Philippine Statistics Authority, Land Transportation Office, MOPS. Regional refining margins based on 2019 Average Quarterly Price on Mean of Platts Singapore; crude price based on 2016-2019 average monthly price of DTD Brent crude as reported on Mean of Platts Singapore. Department of Finance ("DOF"), Asian Development Bank ("ADB"), Enhanced Community Quarantine ("ECQ") was declared in Luzon and some parts of the country starting March 15, 2020 and scheduled to end by April 30, 2020

Financial highlights

- Strong marketing delivery and refinery cost efficiencies cushion the impact of depressed refining margins
- Cash flow from operations remain sufficient to finance 2019 planned CAPEX

Net income after tax up 11%

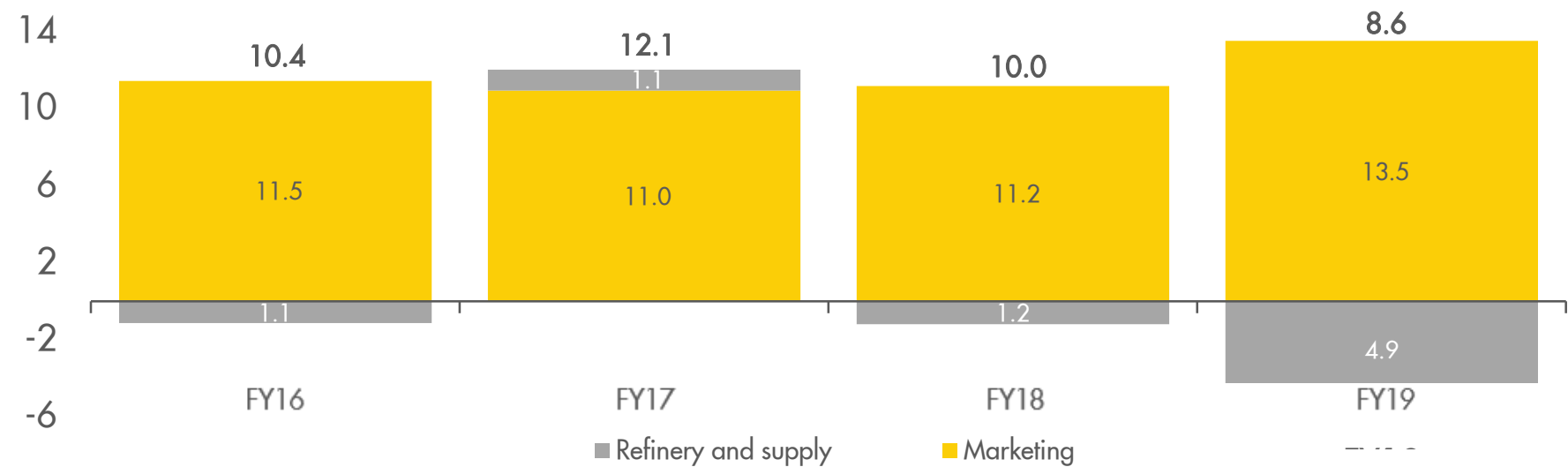


Note: Net income after tax figures include inventory holding gains/losses, net of tax for the following years: 2016 (PHP2.1b gain), 2017 (PHP2.9b gain), 2018 (PHP40m loss), 2019 (PHP1.4b). Volume split as follows: Retail (55%), Commercial (36%), Others (9%).

5.6	NIAT (PHPb)
5.8	Total volume (Bn litres)
6.9	Cash flow from operations (PHPb)
16	ROACE (FY19 %)
26	Gearing (%)

Core earnings grew despite challenging business environment

FY19 EBITDA Adjusted for COSA stands at PHP8.6b (PAS 17)



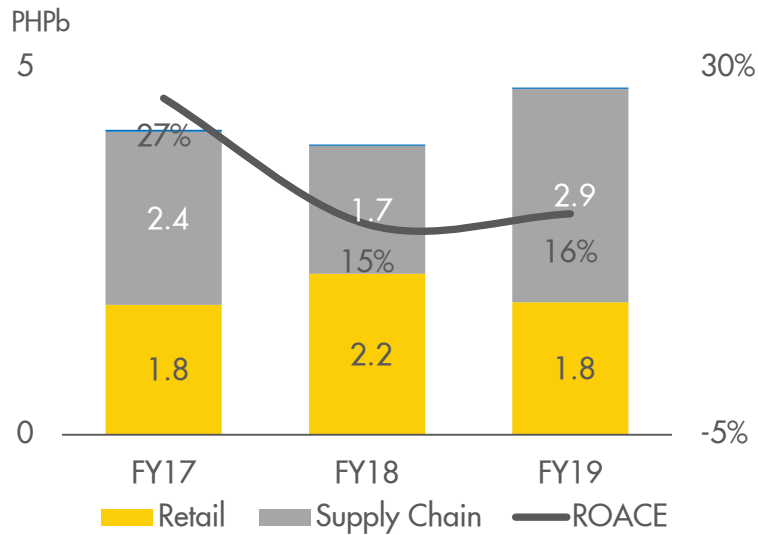
Note: Segmented figures are based on internal estimates. Using PFRS 16, EBITDA Adjusted for COSA for FY19 stands at PHP11.4 billion. Cost of Sales Adjustment (COSA) approximates the inventory gains/losses incurred by the company due to crude and oil price fluctuations. Using the first in first out method of accounting, cost of goods sold reflect costs 30 days earlier while revenues reflect current prices. The timing difference creates a significant impact on cost of sales. As a general rule, an increase in crude prices will create an inventory gain while a drop in crude prices will lead to an inventory loss. COSA is removed to reflect the underlying performance of the business. This methodology calculates the cost of goods sold as the monthly average of goods purchased and is consistent with the basis of reporting used by other oil refining groups.

Marketing	↑ Retail volume up 4%				↑ Marketing volume up 3%				↑ Premium fuel penetration				↑ Marketing volume up 4%			
	↑ Premium fuel penetration				↑ Premium fuel penetration				↓ Marketing volume down 4% due to power sector demand decline, TRAIN, high inflation				↑ Premium fuel penetration			
Supply Chain	↓ Refining margins ¹ down 46%				↑ Refining margins ¹ up 69%				↓ Refining margins ¹ down 81%				↑ Refinery cost savings			
	↓ Unplanned downtime				↑ Wins abandonment case Two-month refinery turnaround				↓ One-month refinery pitstop				↓ One-month refinery pitstop. IMO2020 and hydrogen facility site preparation			
													↓ Refining margins ¹ down 687%			

Note: Refining margins pertain to Arab Light Semi Complex refining margins based on MOPS. Pilipinas Shell maintains a \$2-3/bbl margin over this marker. EBITDA adjusted for COSA split under PAS 17 for comparability with prior periods: Retail (~120%), Commercial (~35%), Supply Chain (~55%)

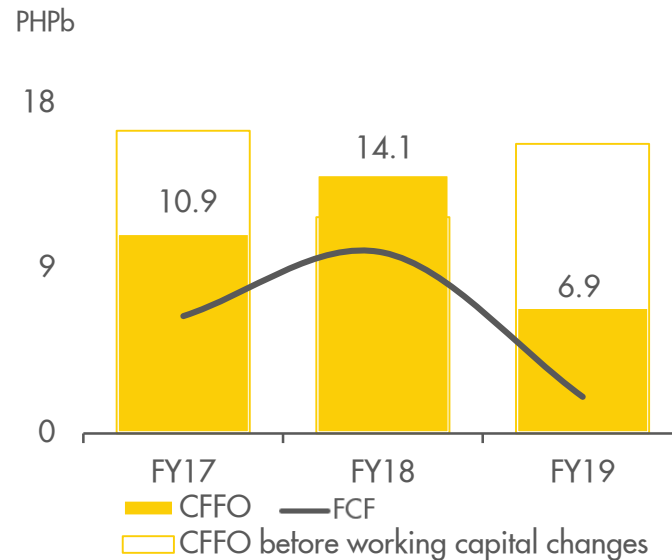
Healthy balance sheet and cash flow, gearing stays low at 26%

Capital Investments + ROACE



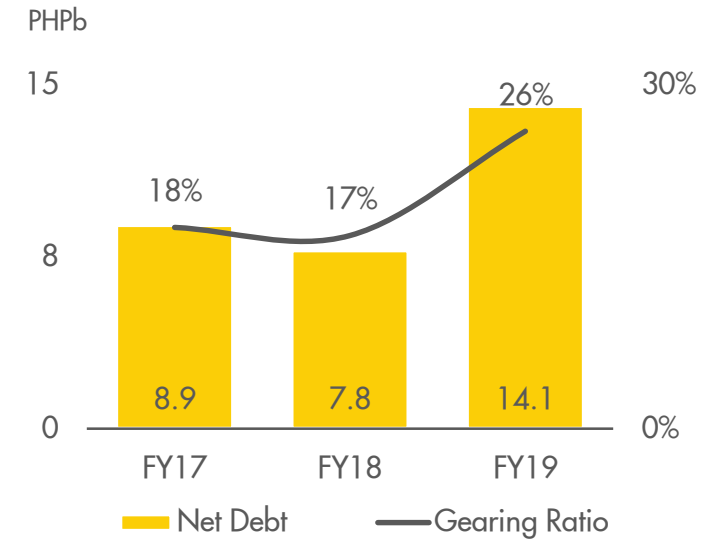
- Delivered PHP4.7b capital expenditure to grow retail footprint (40%), make the refinery more competitive (40%) and strengthen the supply chain (20%)

Cash flow from operations



- Generated PHP6.9b operating cashflow sufficient to cover 2019 capital expenditure

Net debt + Gearing

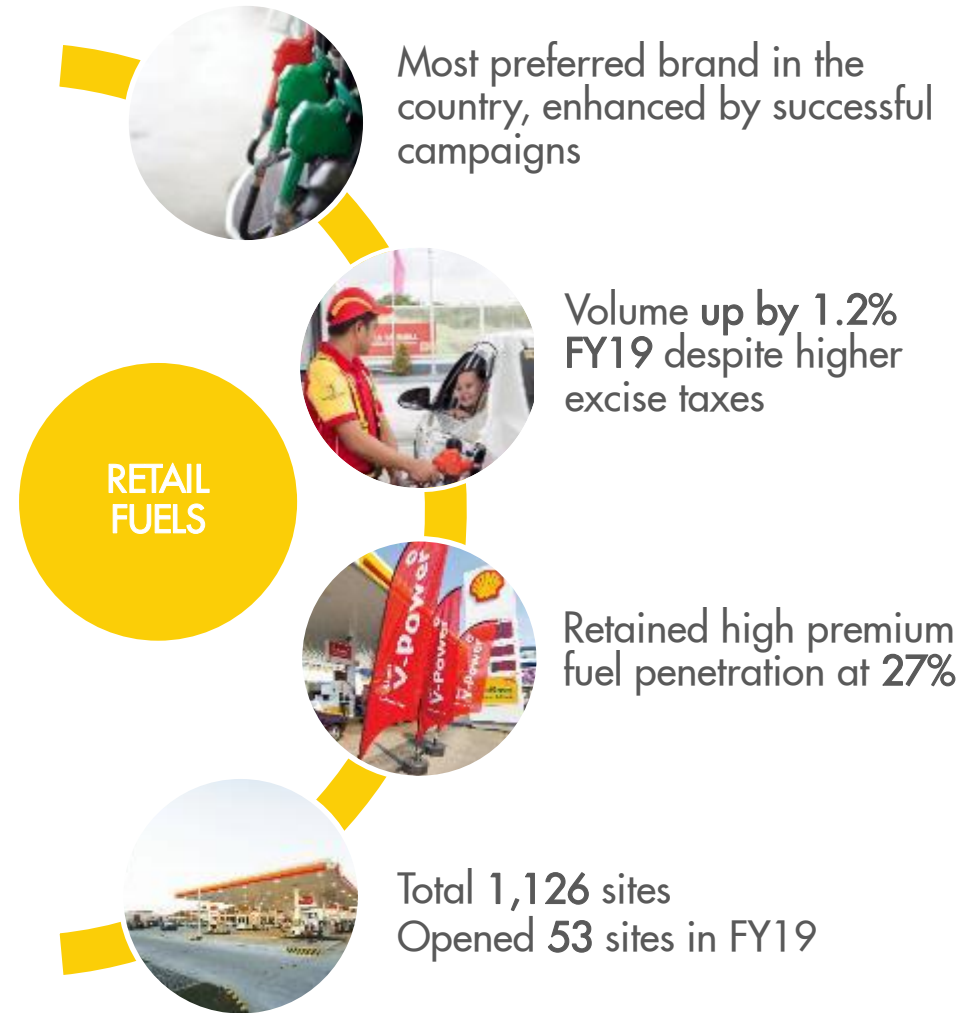


- Net debt increased due to short term loans for working capital bridge financing

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.

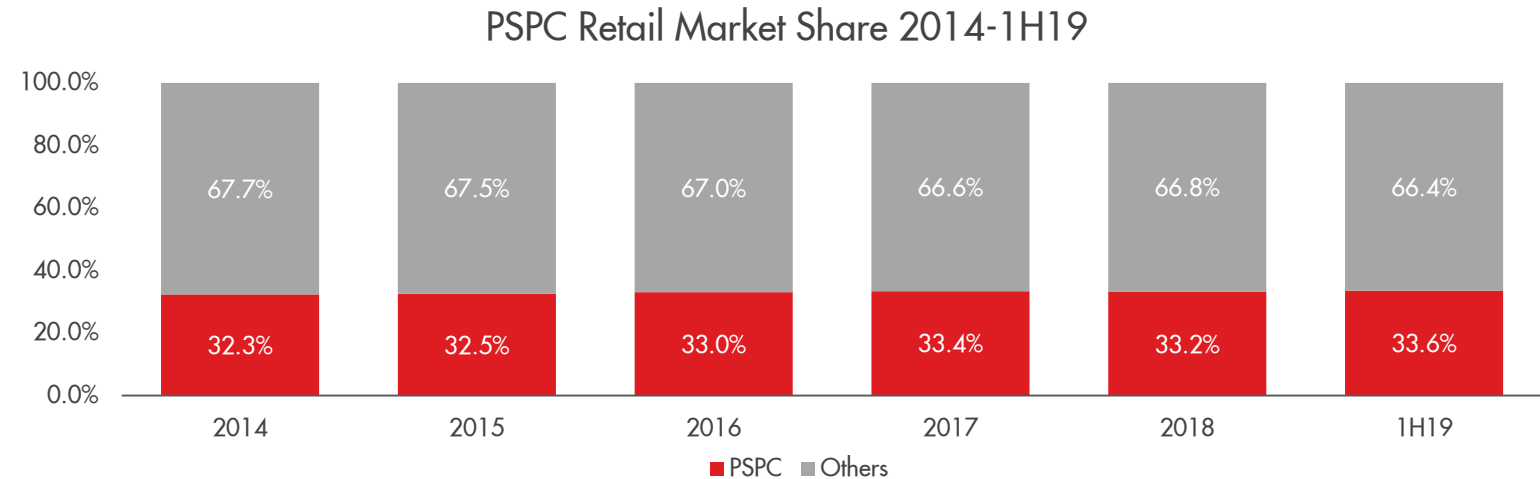
Targeted marketing, loyalty programs, and expansion of network contribute to retail growth

Strong delivery and disciplined expansion



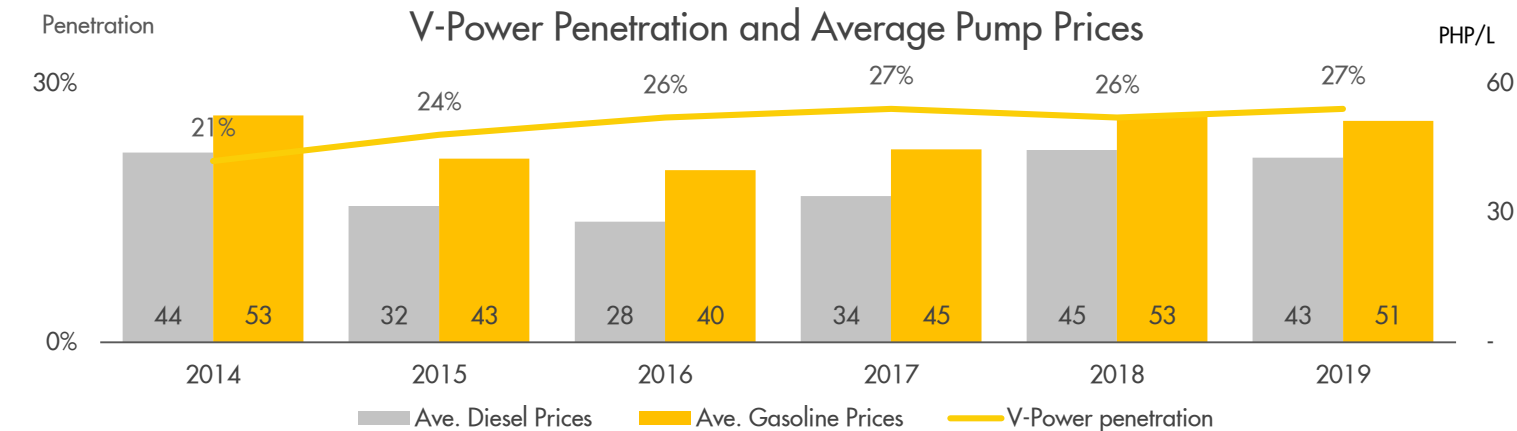
Retail delivered robust performance, beats industry growth

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



Reference: Company information, Petroleum Demand Reports from the Department of Energy. Market share computation excludes LPG and non-retail sales.

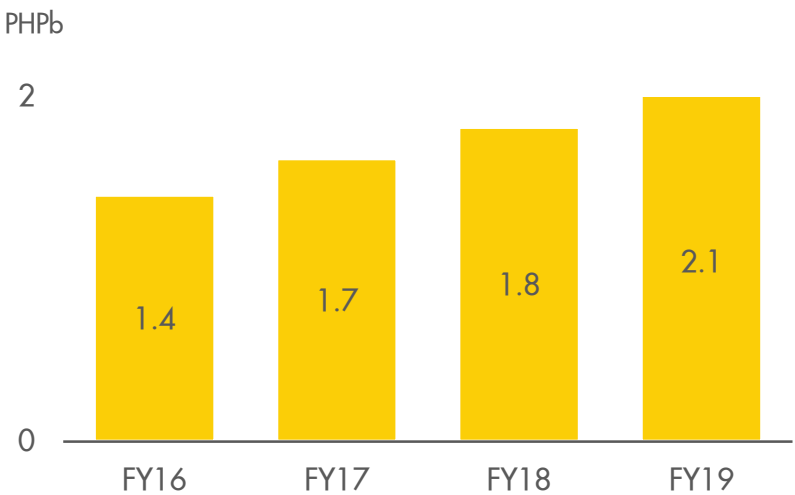
Higher premium fuel penetration amidst volatility in pump prices



Reference: Average diesel and gasoline prices based on nationwide PSPC pump prices for V-Power and Fuel Save.

Non-fuels
retailing
business
enjoyed
double-digit
growth

Consistent year-on-year growth



12% Non-fuels contribution to retail gross margins

+47% Increase in NFR Income since FY16

New store openings

	FY19	Total
Select & deli2go	21	207
SHOC+/HSC	39	368

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

New Generation Retail Stations



In Picture: Shell Mango Station in Cebu, the first global pilot site to further maximize real estate space in-stations (clip-ins, other non-fuel opportunities).

Commercial volumes up 8%, doubles margin delivery

Volume growth across all segments through unparalleled products and CVPs

Commercial fuels

- 9% volume growth through strengthened partnerships and differentiated CVPs

Lubricants

- Volumes increased by 8%; premium products sold up by 10% vs PY
- Remains the most preferred lubricants brand in sedan (Helix), motorcycles (Advance), and truck (Rimula)



Aviation

- Achieved 9% volume with new wins and successful renewals of all 2019 contracts

Specialities (Bitumen + Sulphur)

- Country's only Bitumen Production Facility, enabling export to five neighboring countries
- More than doubled operating profits in 2019
- Prepared to market Bitumen FreshAir, a differentiated and more sustainable product



In Picture: Asphaltting of roads in Bohol, a popular tourist destination in the PH. The province has strong eco-friendly initiatives that is aligned to Bitumen FreshAir's offering.

Refinery surpassed cost savings target, continues to identify tactics to improve competitiveness

Running safe and reliable operations

- Received 3 Global Manufacturing Excellence Awards in 2019 (Environmental, Process & Personal Safety)
- No Loss-Time Injury in FY19

Improving cost competitiveness of the refinery

PHP700m

FY19 cost savings above target of \$10M, from process efficiencies and contract renegotiations

PHP1.1b

Structural cost savings planned from 2019 to 2021

Pursuing growth opportunities and synergies



INTEGRATED HYDROGEN MANUFACTURING FACILITY

Enables the refinery to process more crude oil varieties into more quality fuels.



INTEGRATED ENERGY SYSTEM

Harnesses solar energy, natural gas and battery system. Solar farm to be completed this year.



IMO 2020 PREPAREDNESS

Refinery capable to run on full low-sulfur mode (LSFO). Started producing LSFO in December.

Energy that makes the future

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

Harnessing renewable energy, and energy efficient concepts in key assets



GRUNDBREAKING 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 ~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.

53

Retail sites equipped with solar panels as of FY2019

Sharing wider benefits where we operate



SHELL LIVEWIRE PH 2020: ENERGIZING ENTREPRENEURS

LiveWIRE program beneficiaries— which may include young Entrepreneurs & startups,—are provided entrepreneurship training and a chance to win a grant that will enable them to turn their bright ideas into sustainable enterprises.



EMPLOYEE VOLUNTEERISM

Year-round, Shell staff performs community events such as tree planting and coastal clean-ups, among others. Last January 2020, over 100 Pilipinas Shell employees volunteered to bring relief donations and set up facilities in Batangas for the Taal volcano eruption victims.

Fuel marking conducted in the North Mindanao Import Facility (NMIF) and Tabangao Refinery

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

Fuel marking poses an opportunity for the oil industry in the Philippines

- NMIF is the first terminal to implement fuel marking in Mindanao. Refinery is also the country's first refinery to undergo fuel marking
- Based on estimates by the Department of Finance (DOF) and the Asian Development Bank, taxes lost due to oil smuggling and misdeclaration can reach as high as PHP40b

Working together with the government for the successful implementation

- Pilipinas Shell provided the DOF access to 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



In Picture: (up) 90 million litre NMIF storage that caters to the growing energy needs in VisMin Region; (down) Tabangao Refinery has 11 crude tanks & 4 jetties in Luzon, supplying demand in Luzon & Northern Visayas

2020 Market Disturbances

IMO 2020

Significant decline in HSFO demand from international vessels bringing HSFO cracks down. Higher LSFO premiums seen.

COVID-19 PANDEMIC

- Luzon and some cities in the south undergo enhanced community quarantine (ECQ) starting March 15
- Flights cancelled starting March 20
- Transportation/movement of people and products constrained, except for essential goods and services
- Government infrastructure projects delayed

DRASTIC DECLINE IN CRUDE PRICE

Brent crude price down from \$66/bbl YE2019 to \$23/bbl by end March after a breakdown of talks between OPEC and Russia

PILIPINAS SHELL'S RESPONSE

PEOPLE SAFETY

- Business Continuity Plans in place to ensure safety of our people, customers, and the community, along with the safe operations of all our businesses
- Continued operations nationwide to support Filipinos with a stable supply of fuel and energy safely

FINANCIAL RESILIENCE

- Maintain strong balance sheet and leverage on undrawn credit lines of over PHP60b
- Conserve cash and revisit the phasing and levels of our planned CAPEX and further reducing operating expenses

SUPPLY CHAIN FLEXIBILITY AND VALUE PRESERVATION

- Capitalize on integrated value chain to drive E2E value and benefit from refinery and supply flexibility
- Leverage on Shell Group's support to quickly respond to drastic changes in demand and crude price volatility

Pilipinas Shell is committed to make the right sustainable decisions to protect the long-term interests of its shareholders

2020 Focus Adapting to the New Normal

- ✓ Be a World Class Investment Case
- ✓ Thrive in the Energy Transition
- ✓ Strong License To Operate



FY2020 TARGETS

GOAL ZERO COMMITMENT

No Fatality; 0 Lost Time Injury; 0 Spills & Environmental Non-Compliance

PHP4b

Target Capital Expenditure for 2020

Reduced by 25% in response to COVID 19 uncertainties

PHP0.5b

Target OPEX savings for 2020

Consistent with the cash conservation initiative

- Leverage balance sheet strength and undrawn credit facilities
- Proactive working capital and cashflow management
- Create flexibility to seize opportunities as the Philippines recovers from COVID 19



RETAIL and NON-FUELS RETAIL

Integrated Retail Offer

Deliver customer-centric sites while optimizing retail space and implementing sustainability solutions. Redefining convenience for customers.

50-70 New Retail Sites

15-20 New Select and Deli2Go stores

20-30 New Helix Oil Change centers

Great location • Compelling Offers • Great Service



COMMERCIAL

Commercial and Lubricants

Increase differentiated fuels and volume

Bitumen

Secure Build Build Build Projects and new contracts and introduce Bitumen FreshAir

Aviation

Secure volumes and optimize supply chain



MANUFACTURING AND SUPPLY CHAIN

Launch Growth Optimization Projects

Integrated Energy System and Hydrogen Manufacturing Facility

Deliver Cost Transformation Journey

Over PHP1b of structural cost savings from 2019 to 2021

Integrated supply chain flexibility



WORLD CLASS SAFETY PERFORMANCE AND RELIABILITY

2019 GLOBAL MANUFACTURING EXCELLENCE AWARDS
- ENVIRONMENTAL, PROCESS SAFETY & PERSONAL
SAFETY AWARDS RECIPIENT

AWARD-WINNING SOCIAL PERFORMANCE AND INVESTMENTS

RECOGNITION FROM ANVIL, SOCIETY OF
PETROLEUM ENGINEERS, GLOBAL SHELL

STRONG CORPORATE GOVERNANCE

I-ACGR SCORE OF 97%

ONE OF THE HIGHEST YIELDING STOCKS IN PSE

DIVIDEND YIELDS >5%
FROM 2017 TO 2019



MOST PREFERRED BRAND BY MOTORISTS

40% BRAND
PREFERENCE SHARE IN
Q4 2019;
HIGH V-POWER
PENETRATION AT 27%



FIRST AND ONLY BITUMEN PRODUCTION FACILITY IN THE COUNTRY

PREPARED TO SUPPORT THE COUNTRY'S
INFRASTRUCTURE PROJECTS
FIRST DELIVERY MADE IN AUGUST 2018

STRONG BALANCE SHEET

GEARING REMAINS BELOW
30% GIVING FLEXIBILITY TO
LEVER UP IN RESPONSE TO
BUSINESS EXIGENCIES



MOST EFFICIENT RETAIL NETWORK WITH NEW CONCEPTS IMPLEMENTED

EFFICIENCY INDEX OF MORE
THAN 2x OF INDUSTRY

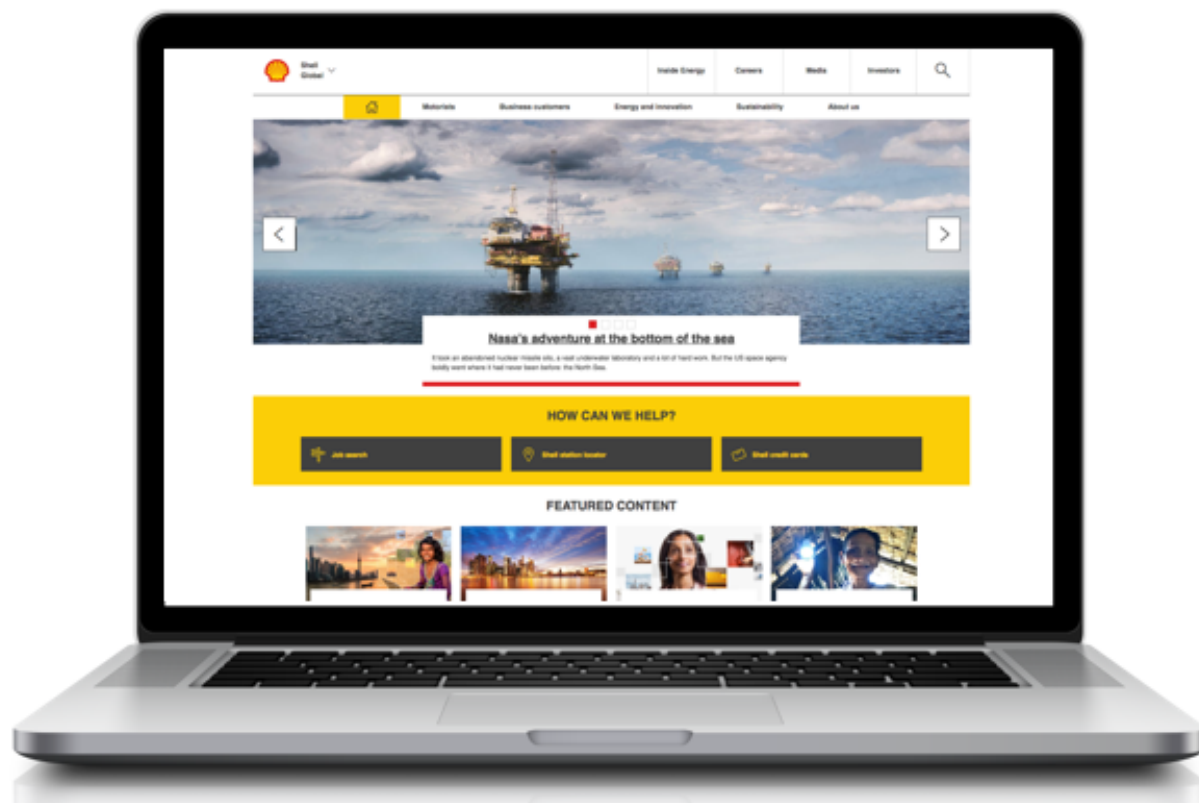
REFINERY PRODUCES LOW SULFUR FUEL OIL

FIRST PRODUCTION IN DECEMBER 2019
EXPORTING TO NEIGHBOURING COUNTRIES

INDUSTRY- LEADING RETURN ON CAPITAL

ROACE OF 16%

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