



Q1 2020 Results

Delivering a world-class investment case

Pilipinas Shell Petroleum Corporation
21 May 2020

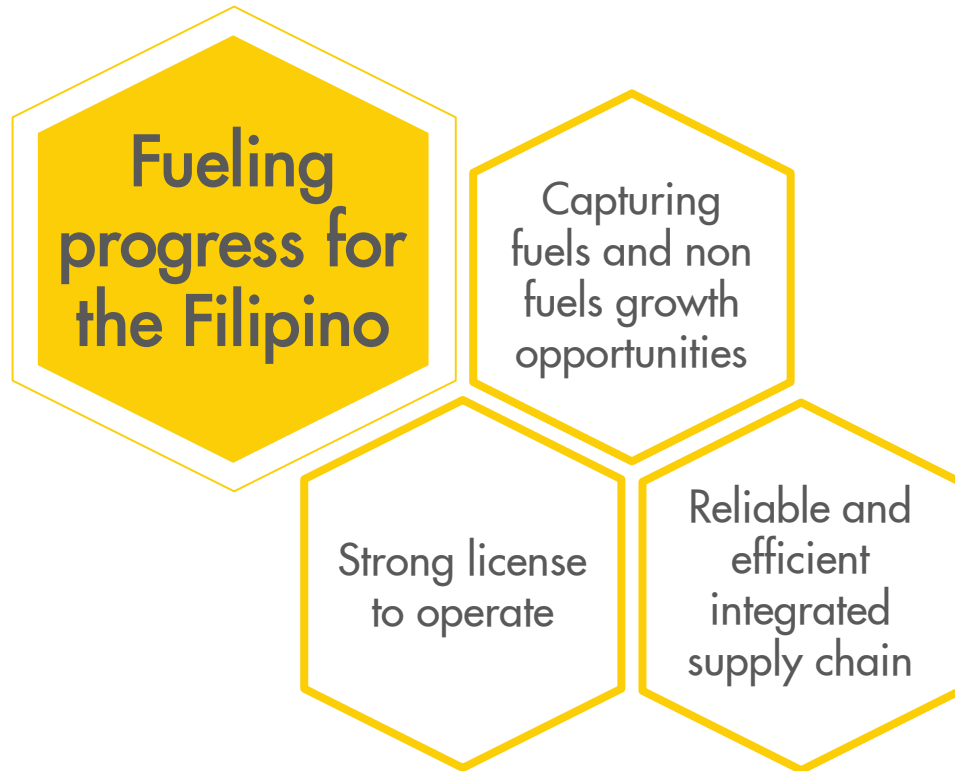
Definitions and cautionary note

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 2019 (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



Unprecedented crisis: uncertainty on timing of economic recovery, but poised to seize opportunities under the “new normal”

- Demand impacted by the COVID-19 pandemic
- Steep decline in crude prices due to price war between OPEC and Russia coupled with historic low refined product prices
- Strategies in place to thrive through the crisis:
 - Protect employees, customers, and community
 - Continue to serve customers while capitalizing on integrated value chain and supply flexibility
 - Preserve and generate cash to position the company for the subsequent economic recovery

Q1 2020

- PHP5.5bn net loss driven by inventory losses from the >\$40 drop in crude prices in Q1 and negative refining margins
- Gearing remains healthy at 37%

Global and domestic headwinds experienced in Q1

PH Economic slowdown

GDP contracts by 0.2% for the first time in 22 years. Last contraction experienced during the 1998 Asian Financial crisis; experts project slowdown to continue in the next two quarters.

Taal Volcano Eruption

Volcanic eruption in Southern Luzon last January prompted evacuations in nearby provinces and closure of a key local tourist destination for several weeks, including the suspension of all flights for one day

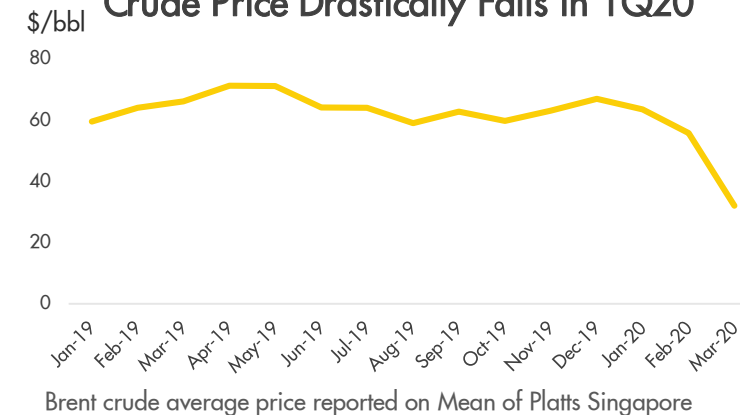
Drastic Decline in Crude Price

Brent declines from ~\$67/bbl during the start of the year to ~\$26/bbl by end of March following the breakdown of talks between OPEC and Russia

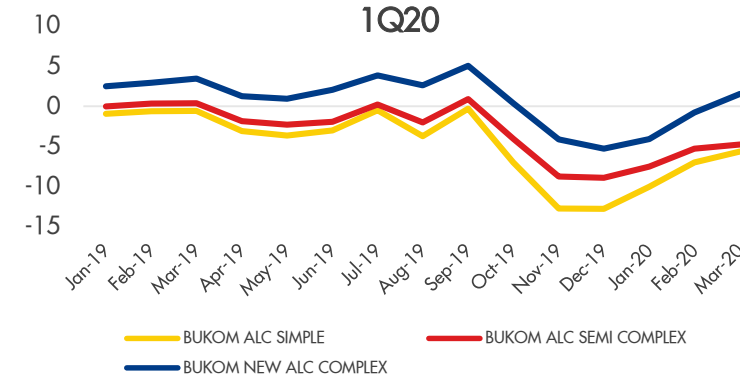
COVID-19 Pandemic

- Luzon and other parts of the country under enhanced community quarantine (ECQ) starting mid March
- Domestic and international flights cancelled starting March 20
- Mobility constrained, except for essential goods and services, leading to a drastic decline in fuel demand
- Negative refining margins for whole 1Q20 due to oversupply of products arising from the lockdowns initiated across the globe

Crude Price Drastically Falls in 1Q20



Key GRM Markers are still negative in 1Q20



Average Refining Margins of SG Arab Light Crude Refinery markers as reported on Mean of Platts Singapore (MOPS). SHILPH maintains a \$2-3/bbl margin over this marker.

May 2020

Marketing volume delivery up 6% pre-ECQ, COVID-19 significantly impacted demand

	Pre ECQ (Jan 1-Mar 13)	Post ECQ (Mar 14-31)	April Volume
Retail	Flat	-55%	-66%
Commercial	+16%	+20%	-33%
Aviation	+16%	-57%	-83%
Lubricants	+7%	-55%	-65%
Specialities	+16%	-87%	-91%
Total Marketing Volume	6%	-34%	-58%

Luzon and some parts of the country was placed on ECQ starting March 16. Following an initial extension to 30 April 2020, on April 24, 2020, the ECQ was further extended until May 15, 2020 for Metro Manila and several provinces in Luzon. Last May 12th, the government declared the modified ECQ (MECQ) starting May 16 until May 31 whereby in general, 50% of the workforce of specific services/industries are allowed to go back to work. Public transportation is still prohibited under the MECQ.

Under the Enhanced Community Quarantine (ECQ), malls and public establishments were closed, public transport via land, sea and air suspended, mass gatherings prohibited, and people were only allowed to leave their homes to access basic necessities. ECQ excludes essential industries: (a) basic utilities and critical services (e.g., oil and gas, water, electricity, internet, telecommunication); (b) production, processing and distribution of basic necessities (e.g., food, pharmacies, banks).

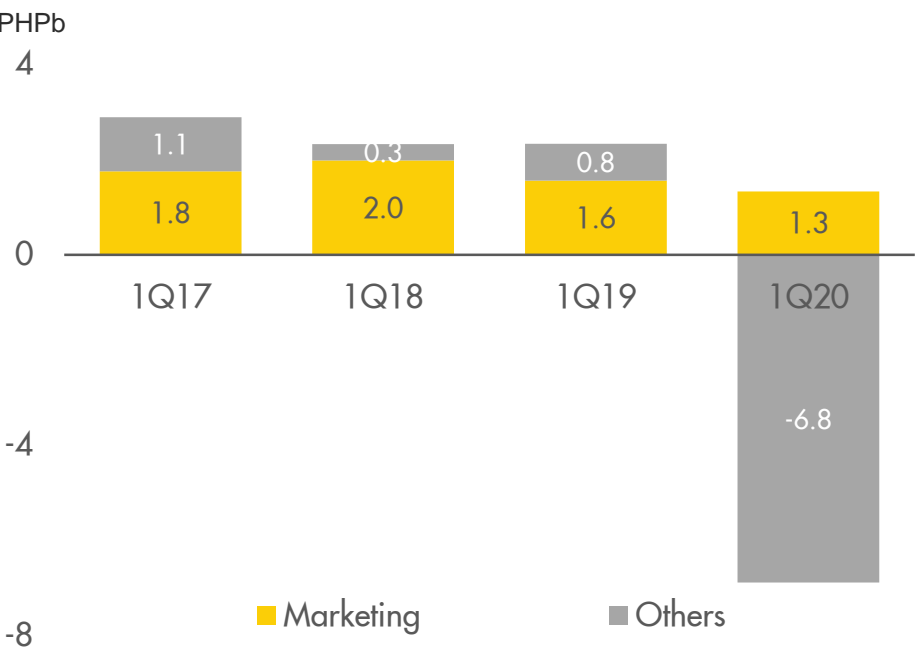
The Oil & Energy sector is classified as an essential service during the ECQ. Hence, Pilipinas Shell was able to continue to run its refinery and retail stations nationwide, ensuring the stable supply of fuel in the country.

The magnitude and duration of the demand impact will depend on the speed of the country's economic recovery, lifting of the ECQ, and consumer psychology against the virus. The trend seen in April is based on the full lockdown scenario and should not be used as a predictor of future volumes.

Financial highlights

- Marketing delivery wiped out by >60% drop in crude price (PHP5.6b inventory loss), refining margins deterioration, COVID-19
- Gearing increases but remains healthy at 37%

1Q20 books net loss of PHP5.5b



Net income/loss after tax figures include inventory holding gains/losses, net of tax for the following years: 1Q17 (PHPO.7b gain), 1Q18 (PHP1.1b gain), 1Q19 (PHP1.5b gain) 1Q20 (PHP5.6b loss); Volume split as follows: Retail (47%), Commercial (35%), Others (18%).

(5.5) NIAT (PHPb)

1.4 Total volume (Bn litres)

(2.9) Cash flow from operations (PHPb)

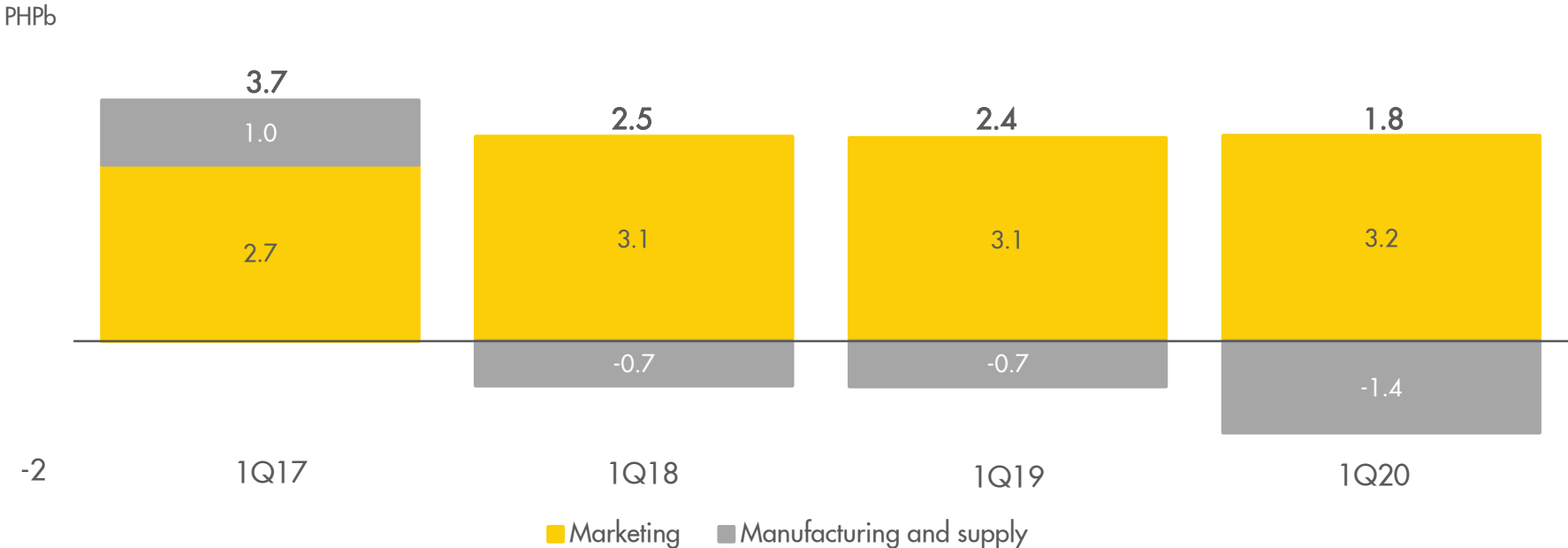
(4) ROACE (FY19 %)

37 Gearing (%)

6.4 Retained Earnings (PHPb) Unappropriated

Marketing EBITDA Adjusted for COSA slightly increases despite demand decline from the ECQ

1Q20 EBITDA Adjusted for COSA stands at PHP1.8b



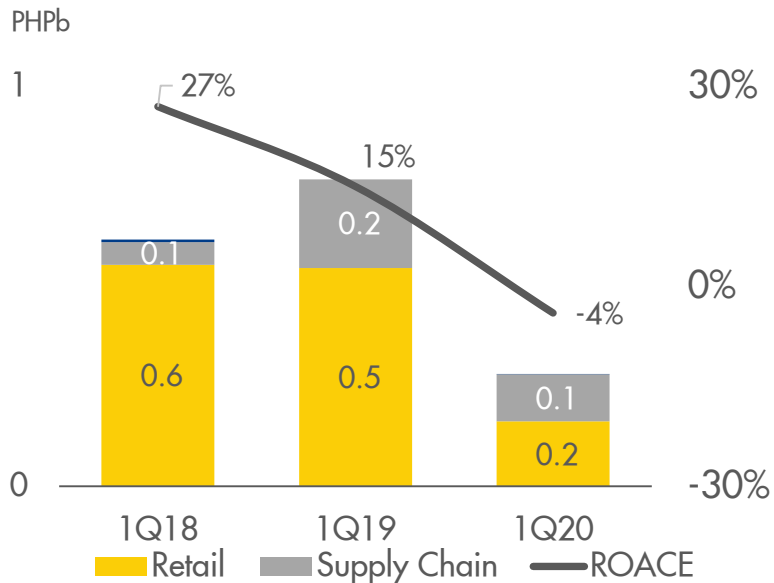
Note: Segmented figures are based on internal estimates. Cost of Sales Adjustment (COSA) approximates the inventory gains/losses incurred by the company due to crude and oil price fluctuations. Using the first in first out method of accounting, cost of goods sold reflect costs 30 days earlier while revenues 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	↑ High premium fuel penetration	↑ Marketing volume up by 3.6%	↑ Marketing volume up by 2.3%	↑ Strong marketing delivery (up by 6% pre ECQ, offset by slower demand post ECQ)
	↓ Lower demand in power sector due to rise in coal plants	↑ High premium fuel penetration	↑ High premium fuel penetration	↑ High premium fuel penetration
Supply Chain	↑ Strong Refining Margins	↓ Low regional refining margins, down 58% vs 1Q17	↓ Low regional refining margins, down 68% vs 1Q18	↓ GRM SG markers reach negative territory in 1Q20

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: Retail (~150%), Commercial (~30%), Supply Chain (~80%); EBITDA adjusted for COSA in 2019 and 2020 presented using IFRS16. Prior year periods presented in PAS17. In implementation of IFRS16 in 2019, PSPC adapted the modified approach which does not require adjustment of prior periods.

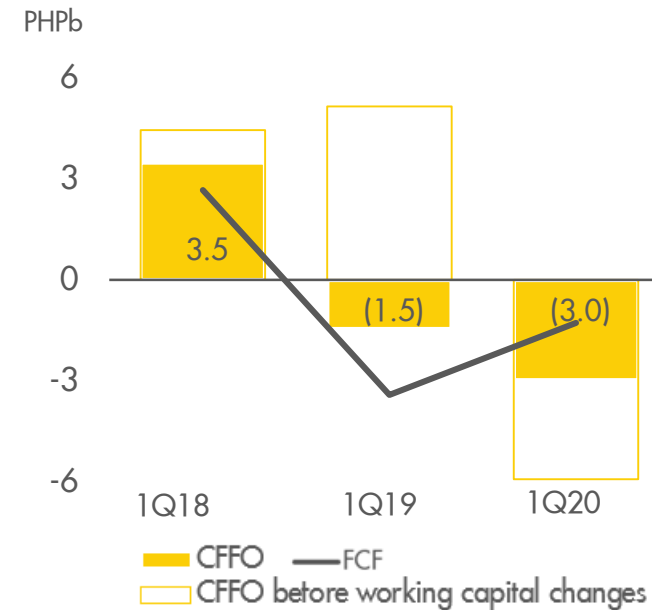
Cash flow impacted by drastic decline in demand post ECQ, gearing at 37%

Capital Investments + ROACE



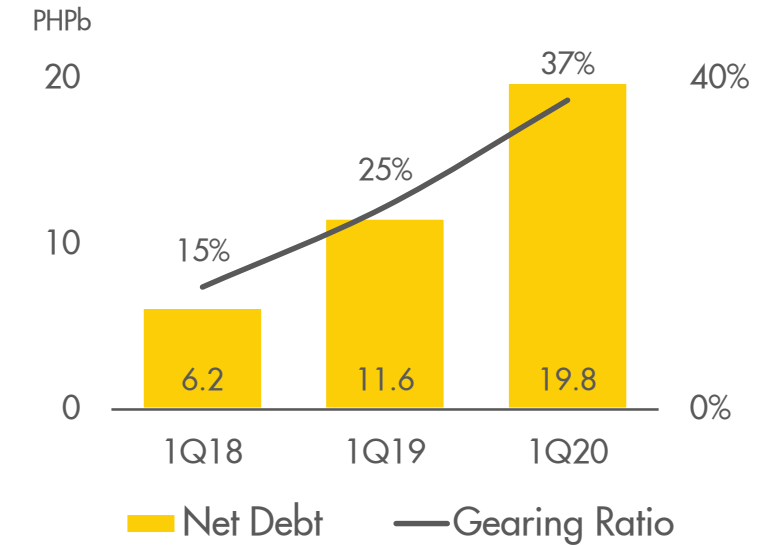
Delivered ~PHP0.3 b capital expenditure to grow retail footprint (58%), make the refinery more competitive (14%) and strengthen the supply chain (28%)

Cash flow from operations



CFO and FCF impacted by depressed refining margins and drastic demand decline from COVID 19

Net debt + Gearing



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

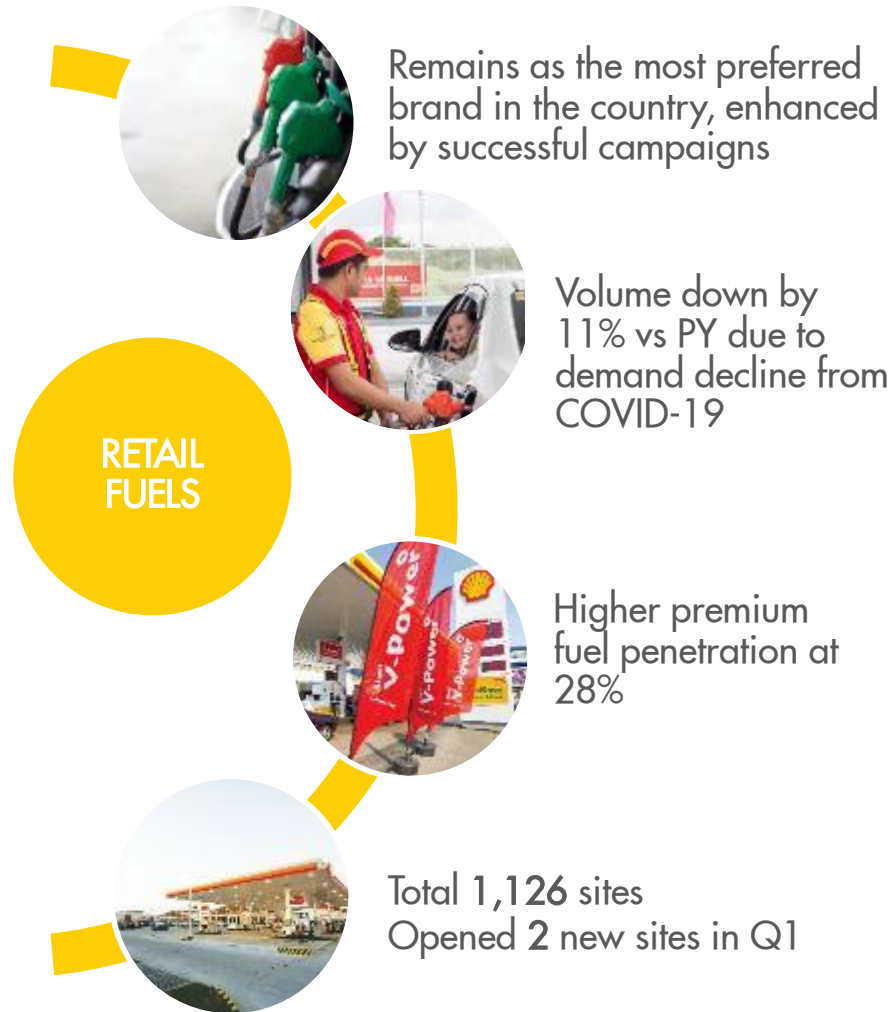
Notes: Return on average capital employed is defined as EBIT as a percentage of the average capital employed for the period. Capital employed consists of short-term borrowings and loans payable, and total equity. Average capital is calculated as the mean of the opening and closing balances of capital 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.

Retail impacted with COVID-19, plans in place to capture demand once ECQ is lifted

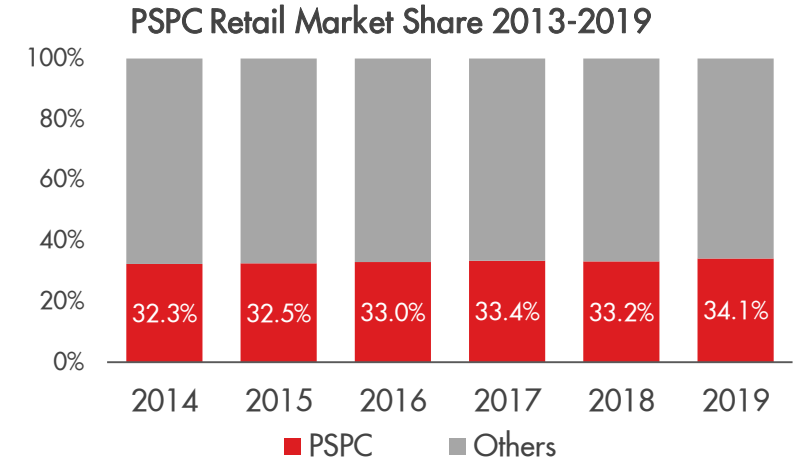
Pre ECQ (Jan 1-Mar 13)	Post ECQ (Mar 14-31)	April volume
Flat	-55%	-66%

- Retail managed to keep volume at par with last year's performance despite the Taal eruption and implementation of the last tranche of excise tax increase in January
- Retail stations remained open to serve the fuel needs of Filipinos

Strong delivery and disciplined expansion



Retail grows its market share from 32% in 2014 to 34% in 2019



Source: Department of Energy industry data

FUELS DISCOUNT AND FREE VITAMINS



As we face the new normal, Shell continues to help ease the burden of our heroes ("Bayani") who are working tirelessly to #flattenthecurve by providing support where we can.

NFR delivery relatively flat vs PY despite ECQ, sales approach enhanced to adapt to new normal

14% Non-fuels contribution to retail gross margins

+49% Increase in NFR Income since 1Q16

New store openings

	1Q20	Total
Select & deli2go	5	147
SHOC+/HSC	5	386

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

ENHANCED CONVENIENCE RETAIL OFFERINGS



Under the new normal, Retail created new ways to provide people's needs safely and with more variety

- ✓ In partnership with **Angkas**, an app-based passenger and delivery transport service, Select now offers grocery on-the-go delivered directly to the customers' homes
- ✓ In partnership with the country's leading fastfood chain, Shell Select now offers ready-to-cook **Jollibee Chickenjoy** that customers can prepare and enjoy at the comfort of their homes

All sectors delivered growth pre-ECQ, demand decline felt upon ECQ implementation

	Pre ECQ (Jan 1- Mar 13)	Post ECQ (Mar 14- 31)	April Volume
Commercial	Flat	-55%	-33%
Aviation	+16%	+20%	-83%
Lubricants	+7%	-55%	-65%
Specialities	+16%	-87%	-91%

Commercial fuels

- Base load plant customers continue to operate, loaded up tanks upon the announcement of the ECQ
- New wins in the Construction, Manufacturing and Wholesale sectors helped temper the impact of the ECQ in the quarter

Lubricants

- Premium penetration increased through effective marketing campaigns
- Strong partnership with existing customers delivered higher wallet share wins
- Industries served impacted by the ECQ



Aviation

- Achieved 2% volume increase vs PY despite Taal volcanic eruption and COVID-19
- Over 80% volume decrease seen in April as sky traffic was limited due to international and domestic flight cancellations

Specialities (Bitumen + Sulphur)

- Local sales increased by 25% vs PY
- Luzon construction operations were all stopped due to COVID 19 lockdown; only isolated areas in VISMIN continue to finish Q1 awarded projects

Supply chain remains flexible and resilient, customers assured of uninterrupted fuel supply



TABANGAO REFINERY

- Outstanding HSSE compliance with close to zero unplanned downtime
- Will temporarily be turned into import terminal starting mid-May 2020 due to demand decline and significant deterioration in refining margins
- Cash preservation measures ongoing. Proactive maintenance activities will be conducted while the refinery is on temporary shutdown

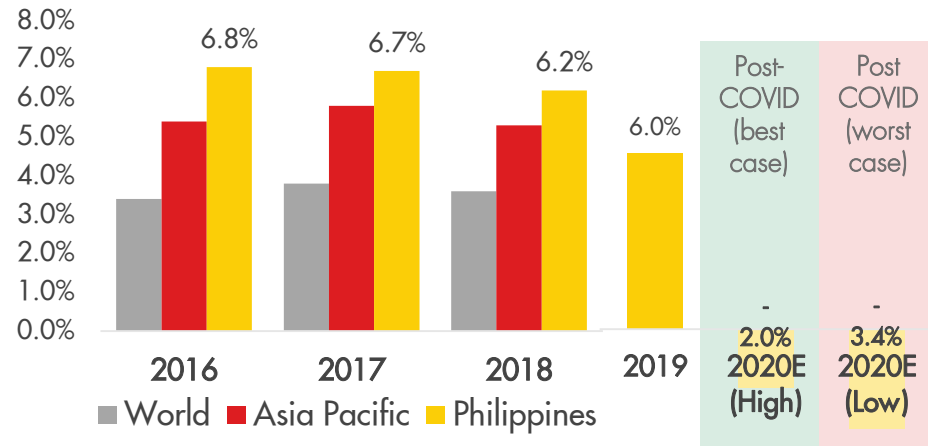


SUPPLY AND DISTRIBUTION

- Strong HSSE Performance
- All depots are open and operational but with adjusted/compressed operating hours during the ECQ
- The joint operations of the NMIF and the Refinery as import terminals will help ensure the uninterrupted supply of fuels to serve the needs of the Filipinos

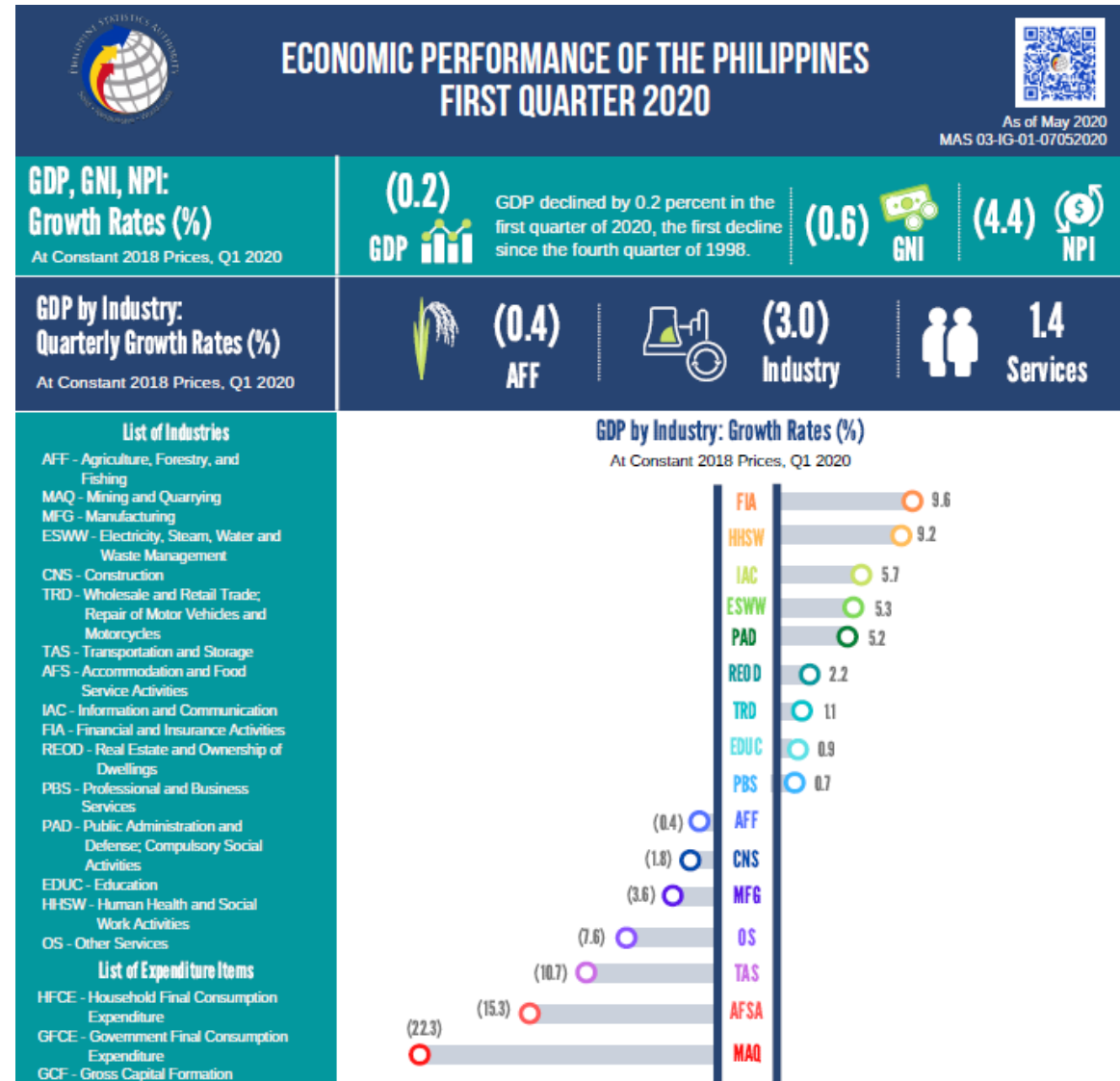
Philippines: Economy is forecasted to shrink this 2020

Philippines grew faster than most countries but is expected to contract due to the COVID-19 pandemic



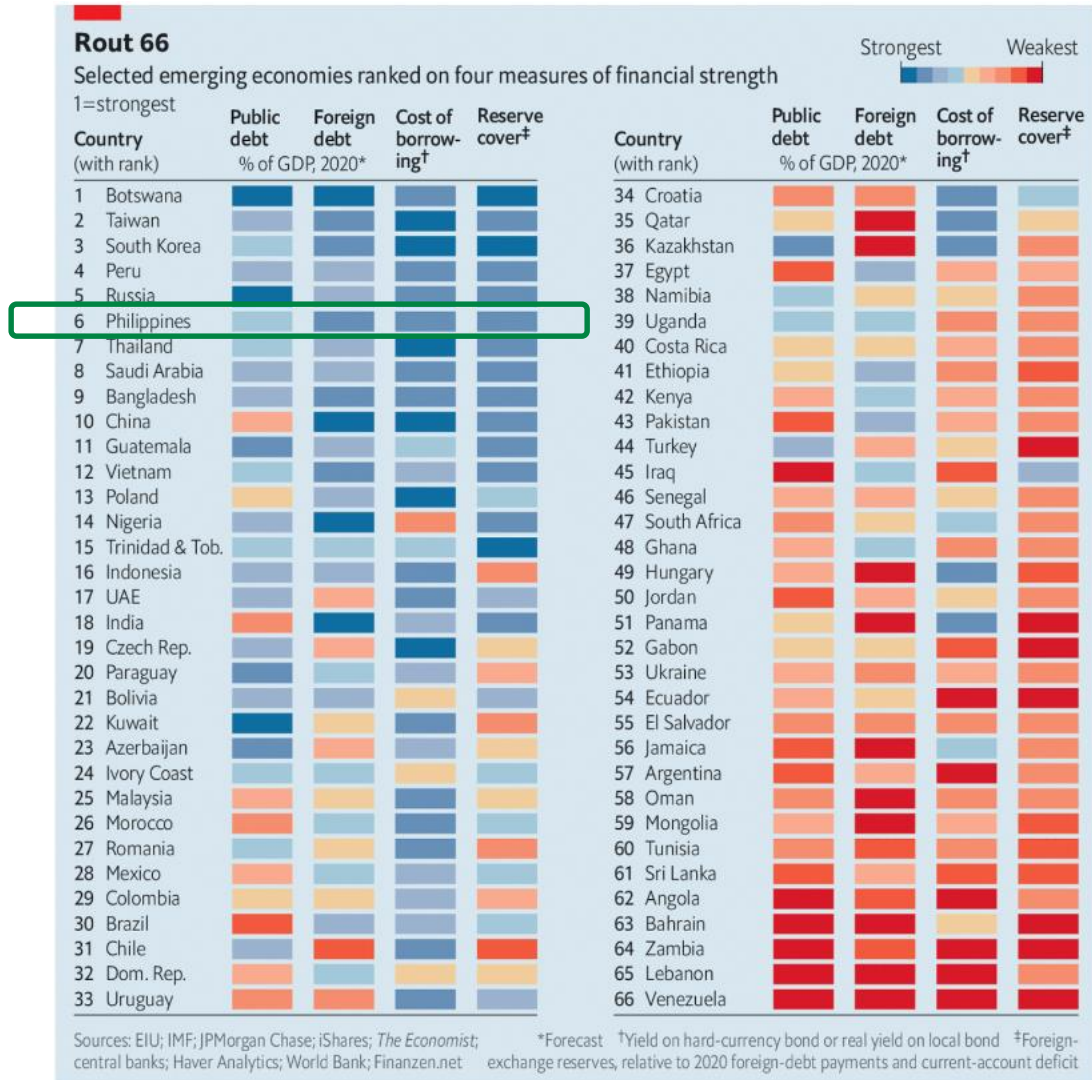
Based on published GDP data and presentation made by the National Economic Development Authority as of May 14, 2020, The Economist. GDP forecasts of analysts range from -2% (Fitch) to -4.8% (Nomura).

- PH GDP shrank by 0.2% in 1Q20
- The Service Industry (1.4%) is the main contributor to the Q1 20 PH GDP Growth
- Construction, Manufacturing, Transportation and Mining/Quarrying Industries shrank in 1Q20 because of the COVID-led operational halts



Source: Philippine Statistics Authority 1Q2020 GDP Report

Philippines: Strong fiscal and financial position to address the crisis



6th

Strongest country of emerging economy;
May 2020
-The Economist

- Amongst 66 countries
- Strong on all financial resilient measures against public and foreign debt, cost of borrowing, reserve cover
- PH ranks higher than neighbouring countries such as Thailand, China, India, and Vietnam

BBB+

2020 S&P credit rating

- Aggressive investment program while maintaining financial discipline
- Maintained credit rating despite the COVID-19 pandemic
- Moody's rating upgrades PH from 'BBB positive' to a 'Baa2 stable' outlook

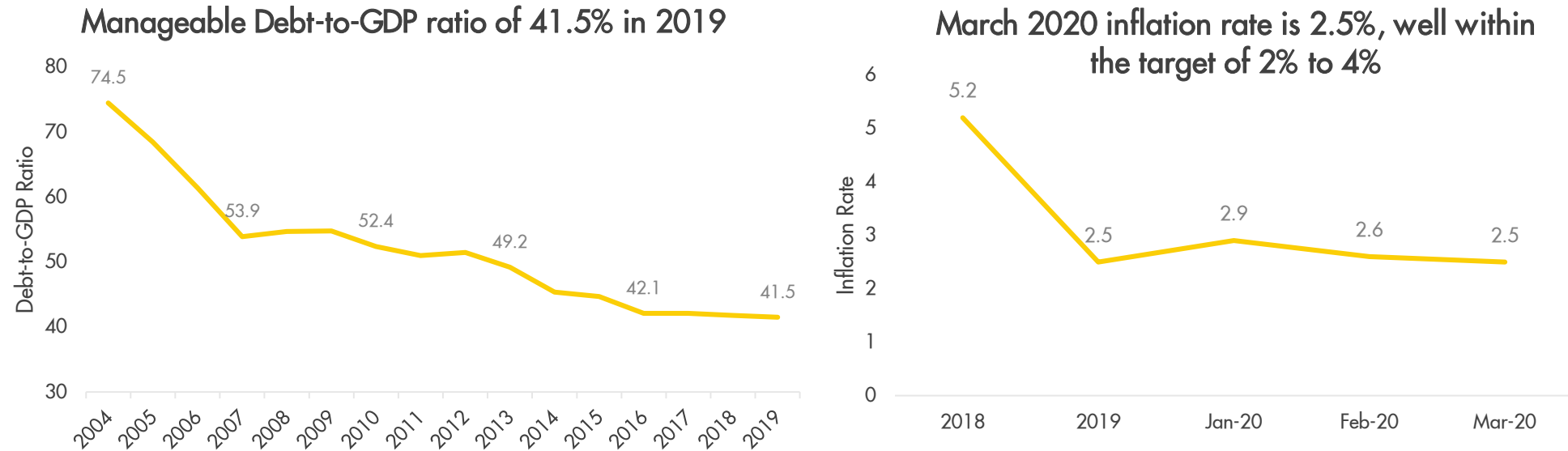
1.85%

Work force increase by July 20

- More than 1M individuals, or about 1.85% from PY will join the workforce this 2020
- Median age of 26 years old

Macroeconomic indicators: Philippines will remain resilient

The Philippines is poised for recovery after the COVID19 pandemic



Source: Dept of Finance Report on COVID-19 Socio-Economic Response as of April 21 2020

The government plans to resume key activities to spur the recovery from the crisis

June - Dec 2020

- Prioritize Build-Build-Build resumption
- Stimulate private consumption
- Targeted tax incentives (CIT from 30% to 25%)
- Liquidity and equity infusion thru the financial sector

2021 onwards

- Allocate budget to BBB, digital infrastructure, and health.
- Use flexibility for faster delivery
- Use crisis as opportunity to implement structural reforms

Impact of quarantines imposed on local demand

Transportation and key commercial sectors acts as leading indicators of SHLPH's demand

RETAIL

Public	ECQ	MECQ	GCCQ
Bus	Not Allowed	Not Allowed	Allowed with safety protocols
Jeepney	Not Allowed	Not Allowed	Allowed with safety protocols
Transport network	Not Allowed	Not Allowed	Allowed with safety protocols
Public shuttle	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols
Private	ECQ	MECQ	GCCQ
Company Shuttle	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols
Personal Vehicle	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols
Motorcycle	Not Allowed	Allowed with safety protocols	Allowed with safety protocols

Not Allowed Allowed with safety protocols
Source: PH Inter-Agency Task Force Guidelines

1.26%

1Q20 Consumer Confidence Index vs 1.31% 4Q19

- Sustained positive sentiment for 1Q2020
- Percentage of households with savings at an all-time high of 36.6%
- In the short-term, consumer sentiment will be less upbeat due to negative impact on household income

Source: Bangko Sentral & Pilipinas 1Q20 Consumer Expectation Survey

COMMERCIAL

Sector	ECQ	MECQ	GCCQ
Entertainment, Recreation	Not Allowed	Not Allowed	Not Allowed
Tourism	Not Allowed	Not Allowed	Not Allowed
Repairs	Not Allowed	Partially allowed	Allowed with safety protocols
Education	Not Allowed	Not Allowed	Partially allowed
*Construction	Not Allowed	Allowed with safety protocols	Allowed with safety protocols
Logistics Services	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols
Sector	ECQ	MECQ	GCCQ
Manufacturing (Essentials)	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols
Utilities	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols
Energy	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols
Mining/Quarrying	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols
Cement/Steel	Partially allowed	Allowed with safety protocols	Allowed with safety protocols

Not Allowed Partially allowed Allowed with safety protocols
Minimum 50% Work from Home, Maximum 50% On-Site

*workers accredited by the DPWH, and follows DPWH DO No.35

Source: PH Inter-Agency Task Force Guidelines

22.3%

1Q20 Business Confidence Index vs 40.2% 4Q19

- Business sentiment across sectors less upbeat due to insufficient demand, except for construction sector which is a government priority
- Firms expect tighter financial conditions but easy access to credit

Source: Bangko Sentral & Pilipinas 1Q20 Business Expectation Survey

Historically fuels volume growth has a 60-70% correlation with GDP growth. However, this formula may no longer hold as we are operating in very rare circumstances given that this is the first time in 20 years that the country is projected to have negative GDP growth. The oil and gas sector is considered a vital part of the economic recovery of the Philippines. We are hopeful that demand will pick up in line with improvement in economic activity as industries reopen and people regain confidence to drive. Finally, the oil industry's recovery is heavily dependent on the magnitude and speed of economic recovery of the sectors it serves.

2020 Focus Adapting to the New Normal



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 COVID19 uncertainties

Php1b

Target OPEX Savings for 2020

- Doubled identified target savings from PHP0.5bn as of March 2020
- Employees will not be receiving discretionary performance-related bonuses for their 2020 performance

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

- ✓ Be a World Class Investment Case
- ✓ Thrive in the Energy Transition
- ✓ Strong Partners in Nation-Building



RETAIL and NON-FUELS RETAIL

Further grow the business with Integrated Retail Offers while maximizing assets

Deliver customer-centric sites with fuels, NFR (convenience retail including clip-lns, lubes, co-locators), and B2B offers while optimizing retail space and implementing sustainability solutions. Redefining convenience for customers.

45-55 New Retail Sites

15-20 New Select and Deli2Go stores

20-30 New Helix Oil Change centers

Great location • Compelling Offers • Excellent Service • Innovation



TOTAL COMMERCIAL

Commercial and Lubricants

Increase differentiated fuels and volume

Specialities

Secure Build Build Build projects, capitalize on strong VisMin position, and introduce Bitumen Freshair

Aviation

Secure volumes and highlight customer value propositions



MANUFACTURING AND SUPPLY CHAIN

Integrated supply chain flexibility

Continue with the Cost Transformation Journey

Over PHP1b of structural cost savings from 2019 to 2021

Adaptable projects to support the business

Re-base premise of growth projects based on volume recovery

Pilipinas Shell's Response to the Pandemic



CARE FOR PEOPLE

- Safety and health protocols followed in all operating sites (refinery, depots, retail sites)
- Extended support to Shell-frontline business partners (>16,000 people) while on ECQ
- PPE Donations to healthcare institutions
- Field and office-based employees on work from home arrangement



CONTINUE SERVING OUR CUSTOMERS

- Continue operations nationwide to support Filipinos with stable supply of fuel and energy
- Capitalize on integrated value chain to drive E2E value and benefit from supply flexibility
- Leverage on Shell Group's support to quickly respond to drastic changes in demand and price volatility



SURVIVE CRISIS, THRIVE IN THE NEW NORMAL

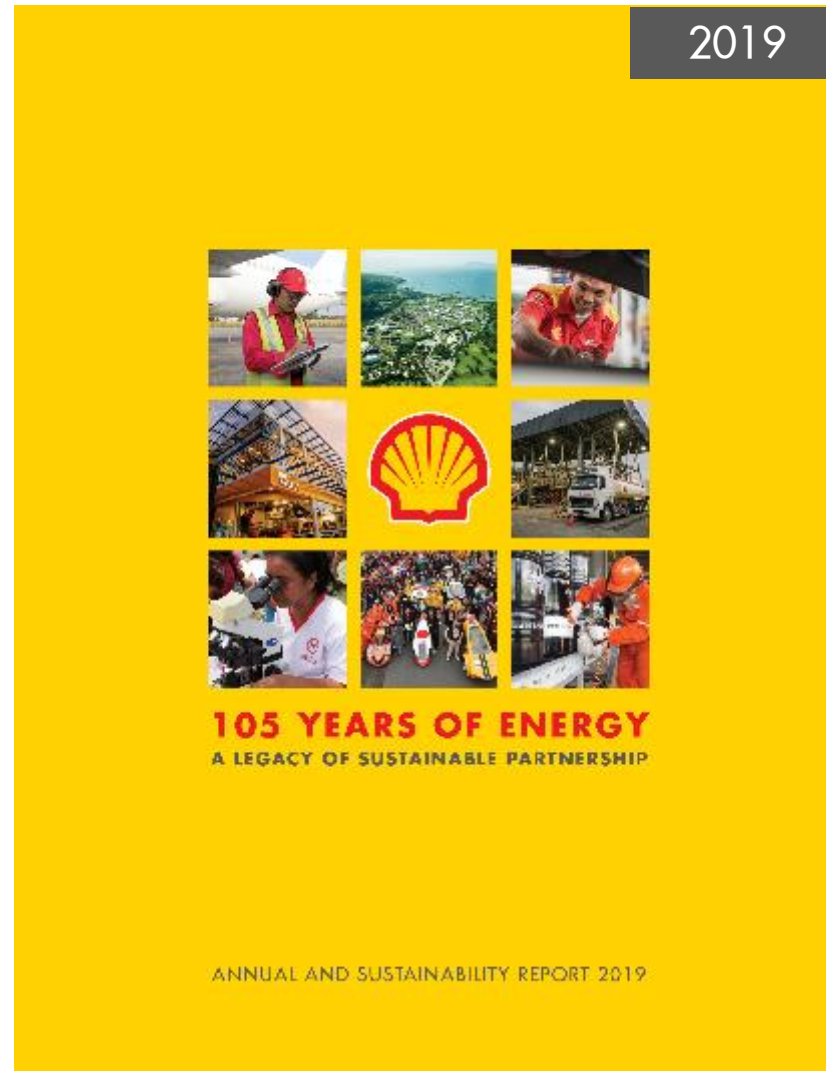
- **Cash preservation:** identify activities and expenses that can be re-phased or cut, strengthen credit collection, maintain strong balance sheet position
 - PHP1bn OPEX reduction
 - ~25% decrease in CAPEX (~PHP1bn)
- **Cash generation:** remain poised to win in the market, win all available opportunities

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

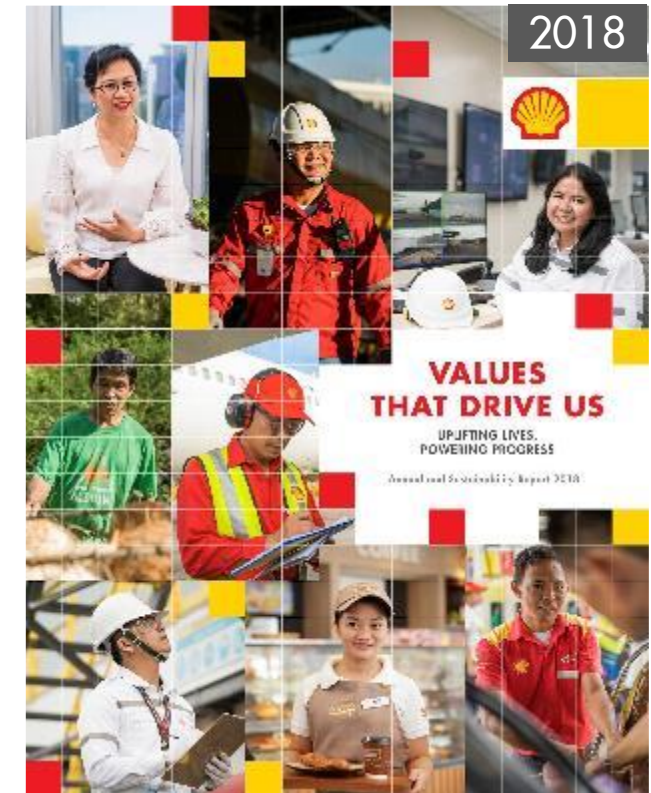
105 Years Of Energy: Pilipinas Shell's fourth Annual and Sustainability Report

This year, we showcase our company milestones, achievements and innovations – our 105 years of energy in the Philippines

Please visit <https://pilipinas.shell.com.ph/investors/financial-reports.html> for more information on our sustainability story



AWARD-WINNING PUBLICATIONS



Winner, The 2020 Gold Standard Award For Reporting and Accountability
The Company won this award for the 2018 Annual Sustainability Report, "Values That Drive Us – Uplifting Lives, Powering Progress"

