



Q1 2021 RESULTS

A RESET AND REFOCUSED STRATEGY

May 17, 2021

Pilipinas Shell Petroleum Corporation

#MakeTheFuture

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

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Summary



Key Messages

- Volume picks up as economy opens, remains below pre-pandemic levels
- Customers continued to be served safely nationwide, capitalizing on integrated supply chain's increased reliability
- Sustainable products/services offered across segments; premium product push remains a priority

1Q 2021

- PHP1.0b Net Income driven by marketing delivery, inventory gains
- PHP1.1b Core Income (excl inventory gains, CREATE bill impact)
- Financial resilience remains a priority, gearing at 46%

Economic recovery measures strengthened as COVID-19 pandemic persists nationwide

Economy picks up: 1Q GDP improves to -4.2% from -8.3% (4Q) & -9.5% (FY20)



- Certain sectors such as health, finance & public administration remain resilient
- F&B, leisure, real estate industries still badly hit by the pandemic

SHLPH Commercial businesses responding well to the economy (except Aviation)

COVID cases surge starting March



- Stricter mobility restrictions imposed in key cities as COVID cases surge
- Vaccination on-going; 7.8 million doses arrived in PH for distribution

SHLPH in process of procuring vaccines to inoculate employees and forecourt champions

Corporate Recovery & Tax Incentives for Enterprises (CREATE) Act signed into law last Mar 2021



- Corporate Income Tax reduced from 30% to 25% starting July 1, 2020
- Net Operating Loss Carryover (NOLCO) application extended from 3 to 5 years

SHLPH recognizes ~PHP1b deferred tax adjustments against income

Source: Philippine Statistics Authority; <https://taxreform.dof.gov.ph/tax-reform-packages>; <https://doh.gov.ph/covid-19/case-tracker>; <https://www.straitstimes.com/asia/se-asia/coronavirus-philippines-capital-comes-back-to-life-although-virus-threat-lingers> PHOTO:EPA-EFE; <https://www.rappler.com/newsbreak/data-documents/tracker-covid-19-vaccines-distribution-philippines>

Philippine Quarantine Timeline and Impact on PSPC Volume Delivery

		1Q20	2Q20	3Q20	4Q20	1Q21
METRO MANILA and LUZON *HUCs	Pre-Enhanced Community Quarantine	ECQ	General Community Quarantine (GCQ)	Mod. ECQ	General Community Quarantine (GCQ)	ECQ
MAJOR VISMIN CITIES/PROV	Pre-Enhanced Community Quarantine	ECQ	Modified/GCQ (discretion left with LGUs)	Mod. ECQ	Modified General Community Quarantine (GCQ)	
CEBU CITY	Pre-Enhanced Community Quarantine	ECQ	GCQ	Mod. ECQ	Modified General Community Quarantine (GCQ)	
PSPC VOLUMES vs PY	Mobility	-11%	-47%	-28%	-22%	-14%
	Commercial	17%	-19%	-3%	-8%	-12%
	Aviation	2%	-80%	-77%	-70%	-71%
	Lubricants	-15%	-56%	-15%	-18%	12%
	Specialities	-15%	-84%	-58%	-70%	27%
	Total Marketing	-2%	-41%	-24%	-22%	-16%
	Total PSPC	3%	-22%	-24%	-9%	-31%

Note: HUC = Highly Urbanized Cities (e.g. Laguna, Pangasinan, etc.). Major cities/provinces in the Visayas and Mindanao regions include Iloilo province, Aklan province, Cebu province; Davao City, etc. 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, telecoms); (b) production, processing and distribution of basic necessities (e.g., food, pharmacies, banks).

Sources: PH Inter-Agency Task Force Guidelines; <https://www.officialgazette.gov.ph/> <https://www.cebucity.gov.ph/executive-order-no-082-a/>

Pilipinas Shell Petroleum Corporation

Quarantine restrictions

- Not Allowed
- Allowed with safety protocols
- Allowed but with high restrictions

RETAIL

Public	ECQ	MECQ	GCQ
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	GCQ
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

COMMERCIAL

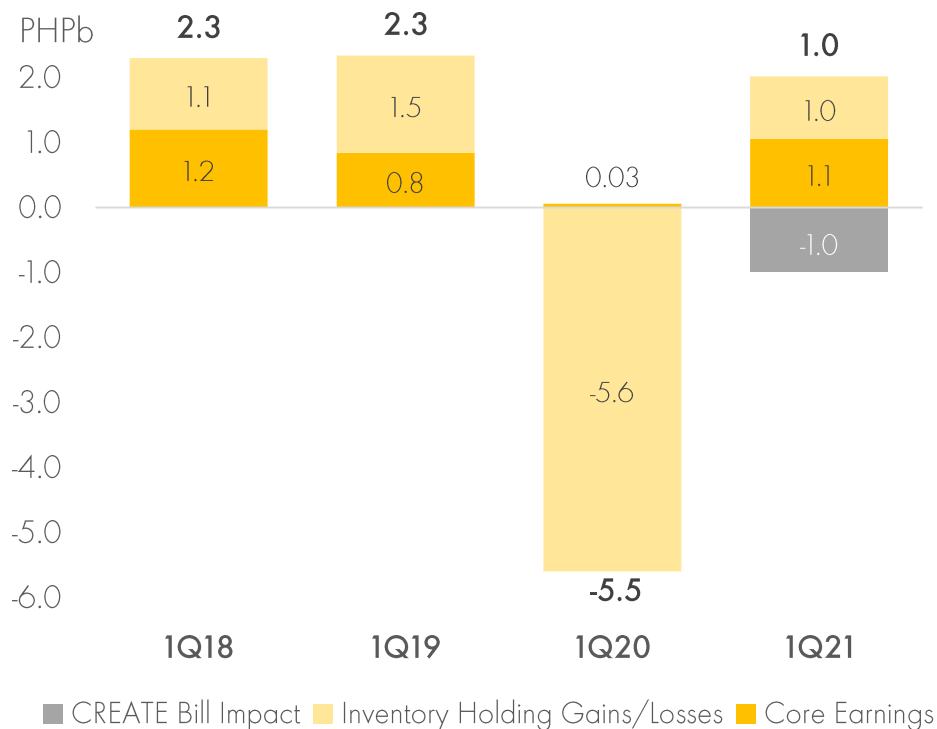
Sector	ECQ	MECQ	GCQ
Entertainment/Recr	Not Allowed	Not Allowed	Not Allowed
Tourism	Not Allowed	Not Allowed	Not Allowed
Construction	Not Allowed	~*BBB only	Allowed with safety protocols
Logistics Services	~Essential logistics only	~Essential + 50% workforce	Allowed with safety protocols
Manufacturing	~Essential only	~Essential + 50% workforce	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	Allowed with safety protocols	Allowed with safety protocols	Allowed with safety protocols

*BBB = PH Government's Build Build Build Program

Financial highlights



2021: A promising start



Note: (1) Inventory holding gains/losses driven by changes in crude/finished products prices is removed to reflect the underlying performance of the Company. 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. (2) CREATE bill was signed into law last March 26, 2021 effective July 1, 2020. This requires deferred tax assets adjusted from 30% to 25% resulting in remeasurement losses of PHP1.0b

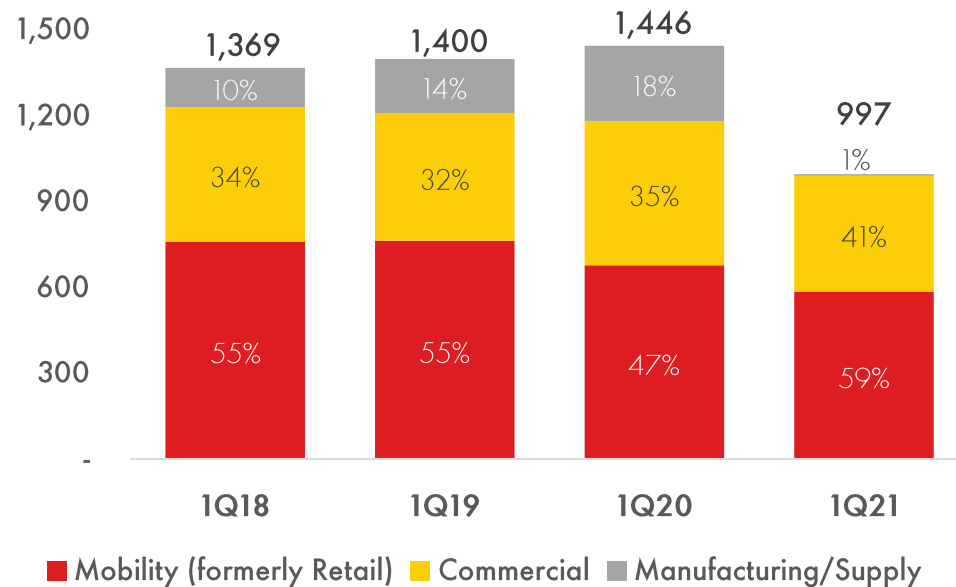
- Net income at PHP1.0b up from PY's PHP5.5b loss
- Net Income excl CREATE impact at PHP2.0b

1.0	NIAT (PHPb) Core income at PHP1.1b
1.0	Total volume (Bn litres)
(3.5)	Cash flow from operations (PHPb) CFFO excl working capital at +3.9
(20)	Rolling ROACE (%) Q1 discrete ROACE at 7%
46	Gearing (%)
(3.3)	Retained Earnings (PHPb) Unappropriated



Volume picks up as economy opens, but remains below pre-pandemic levels; premium products push continues

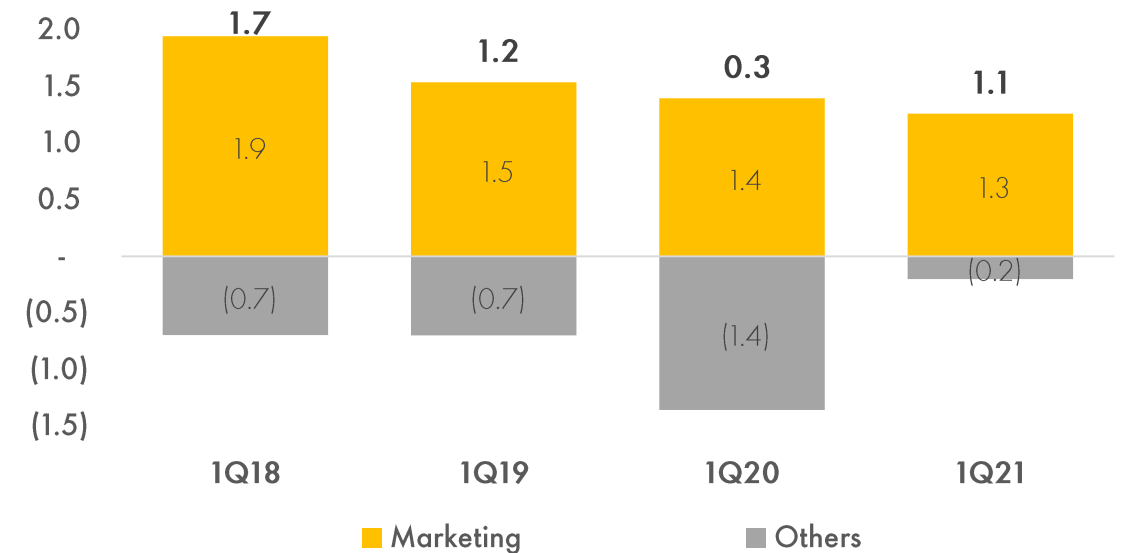
Volume Split (ML)



Note: 2021 Commercial Volume breakdown - Commercial Fuels (89%), Aviation (5%), Bitumen (4%) and Lubricants (2%)

Excluding Refinery sales, Total PSPC volume delivery at -21% of pre-pandemic volumes

Core Income Split (PHPb)



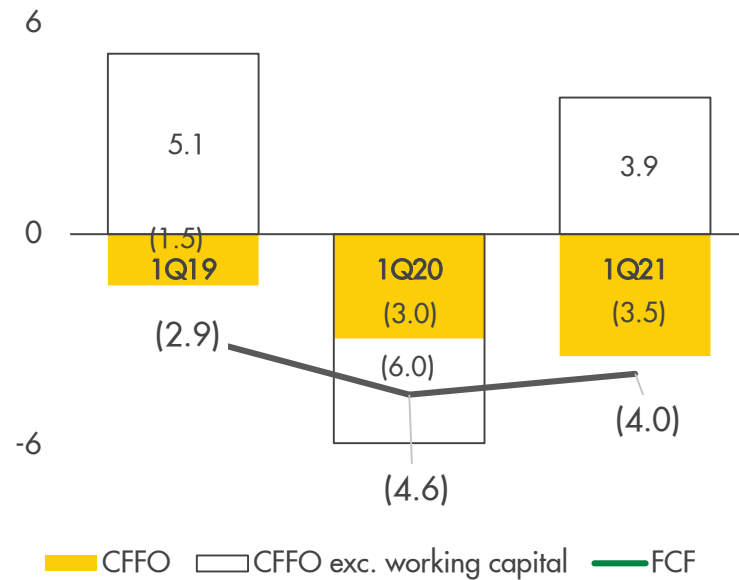
Note: Marketing is defined as Mobility (formerly Retail) and Commercial; Others defined as Manufacturing, Supply, & Corporate Costs

Mobility and Commercial income remain stable; Supply and Manufacturing Core Loss significantly less due to refinery closure



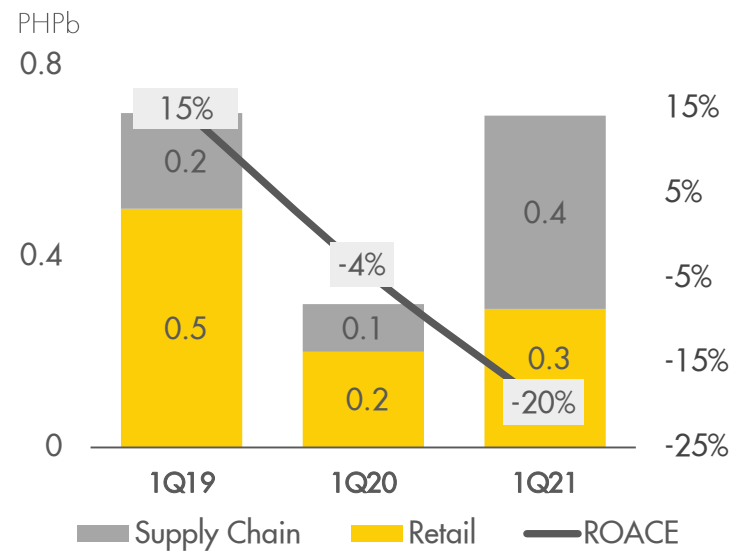
Debt remains manageable, investments continue as planned

Cash flow from operations



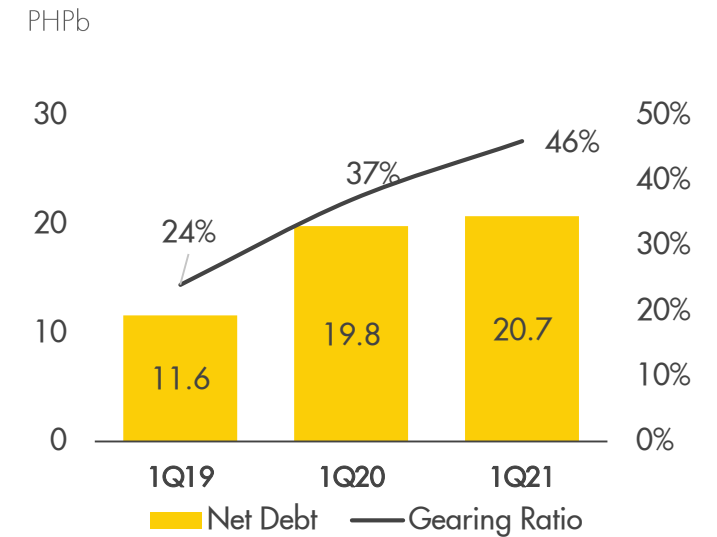
Excluding working capital impact, CFFO at PHP3.9b vs -PHP6.0b in up. Working capital up due to payment of majority of refinery-related obligations and higher inventory prices.

Capital Investments + Rolling ROACE



CAPEX continue to grow retail footprint and strengthen supply chain. Discrete Q1 ROACE at 7%.

Net debt + Gearing



Gearing increase due to refinery one-offs recognized in 2020.

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).

Increase in COVID cases impacting volume recovery & network expansion

MOBILITY FUELS



Most preferred brand in PH, enhanced by successful campaigns



1Q 21 volume down 14% vs PY
PH lockdowns started 2H March 2020



Premium fuel penetration up at 28%



~1,100 sites
1 new site; ~25 under construction; ~40 under permitting. 9 renovations completed



Next Generation Mobility Station: Marilao Bulacan



Paved using Shell BituFresh Air



Two-floor convenience stores



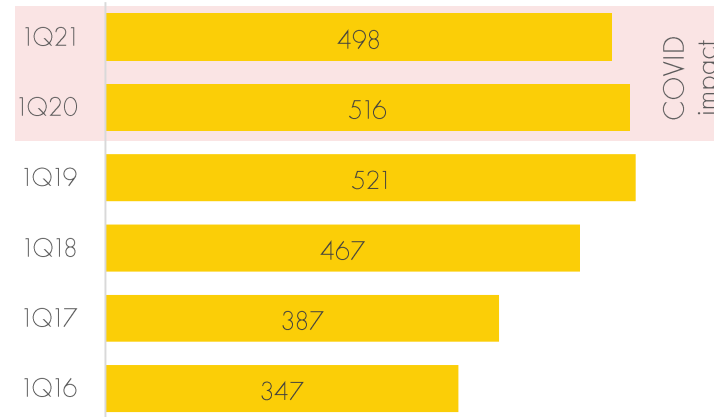
In Picture: New Next Gen Site features BituFresh for road pavements, Shell Helix Oil Lube Lounge, & Select store with maximum utilization for co-locators

Non-Fuels Retail continues expansion, introduces new offers

- Non-fuels Retail includes:
- Shell Select & Deli2Go
 - Co-locators
 - Lube Bays: HSC/SHOC+

NFR Gross Profit Contribution

PHPm



+43%

Increase in Non-Fuels Retail Gross Profit since 1Q16
Down 3.5% vs PY pre-COVID level

NFR Store Footprint

Store format	Total
Select Express NEW!	~225
Select & Deli2go, Select+	~150
SHOC+/HSC	~400

Shell Lube Bay Formats

- **Shell Helix Oil Change Plus:** Oil Change, Safety Checks & Light Maintenance
- **Helix Service Center:** Complete Vehicle Maintenance (eg. wheel alignment and ATF dialysis)
- **Shell Advance Motor Care Express:** Oil change and service for motorcycles



Select Store Formats

SELECT EXPRESS



Size: ~30sqm

SKUs: Top 100

Key features: Sells basic products/necessities required in the community

SELECT



Size: 60-80sqm

SKUs: 2-5k

Key features:- Single floor store with Deli2go

SELECT+



Size: 80-100sqm

SKUs: 2-5k, 3-5 clip-ins

Key features: 2-floor store with Deli2go, co-locators, clip-ins

B2B volume responding well, Aviation remains challenged

Premium penetration up across all segments

Commercial fuels

- Essential sector volumes remains resilient (power, manufacturing, mining)
- New wins in Construction and Fishing
- Premium Fuels penetration remains strong

Lubricants

- Volume up 12% vs PY
- New wins: transportation & mining sector
- Accelerated digitalization: Keeps customer informed & revitalized with relevant offers

Aviation

Volumes remain depressed with continued flight restrictions due to COVID-19



Specialities (Bitumen + Sulphur)

- Volume up 27% vs PY
- Bitumen displaying healthy volumes
- Significant contribution seen from BituFresh, our sustainable product segment
- Sustains market leadership



Bitumen FreshAir used in Camiguin Airport Runway – part of the government's Build Build Build Program.

19 Commercial Contracts won as of Q1 2021



TABANGAO FACILITY SHIFTS TO 100% RENEWABLE ENERGY

Tabangao Import Facility fully powered by renewable energy through own solar farm and purchased energy (ie. Geothermal, Solar & Hydro power)



TABANGAO CONVERSION PHASE 1: ON TRACK

- Asset Selection & Systems Review
- People Readiness
- Inventory optimization & Tank Conversions

SUPPLY AND DISTRIBUTION

- **Strong HSSE Performance**, zero incidents
- **99% on-time and in-full** pick-up and road delivered
- On track to deliver Tabangao Import Facility Savings
 - PHP175m savings realized in Q1
- Subic Import Terminal fully operational servicing the demand of Northern Luzon customers



1Q 2021 News

PARTNERSHIPS



Pilipinas Shell partners with Grab PH to spur mobility and on-demand delivery in Cebu. By providing meaningful support to Grab's driver and delivery-partners, Pilipinas Shell and Grab Philippines encourage and motivate driver and delivery-partners to be on the road and help local businesses continuously serve their consumers. The partnership helped open revenue streams for these enterprises and partners to get back on their feet.

RECOGNITION



Pilipinas Shell was recognized by the Bureau of Customs (BOC) as one of the top taxpayers of the Manila International Container Port (MICP), the only energy company to receive such an honor for 2020. Despite the challenges brought by the pandemic, Pilipinas Shell continued to diligently pay its taxes on all imports helping MICP exceed collection targets by >130% for FY2020.



Corporate Governance

INDEPENDENT DIRECTOR

Mr. Tetangco was a former Bangko Sentral ng Pilipinas (BSP) Governor ; the only banker to have served two six-year terms in the said position.

- He has a distinguished central banking career of over four decades where he delivered measures that helped the country overcome various shocks and crises, including the re-stabilization of the foreign exchange market and the financial system during the 1997 Asian Financial Crisis and minimizing the impact on the domestic banking system of the Global Financial Crisis in 2007-2008. He is credited with strengthening the BSP's ability to promote economic growth amid a stable macro environment through its monetary and banking policies.

He is a seasoned adviser to Philippine private corporations.

- He currently sits on the board of private corporations in the health care, auto, hotel, leisure and tourism development, integrated property development, telecommunications, and credit information sectors. He is also a trustee in foundations involved in education, health services and social welfare.

Other Credentials

- MAP 2015 Management Association of the Philippines Man of the Year
- Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009
- Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan
- Master's in Public Policy and Administration with concentration in Development Economics at the University of Wisconsin-Madison, USA as a Central Bank scholar



AMANDO M. TETANGCO, JR.

Independent Director, effective May 11 2021

Board Audit & Risk Oversight and Sustainability
Committee Member

PILIPINAS SHELL PETROLEUM CORPORATION



LEVERS

Innovative marketing strategies enabled by world-class supply chain

Disciplined cost & capital management

Move towards low carbon operations

COMPETITIVE ADVANTAGE

Strong footprint & history in the Philippines

Shell Group integration

Leading corporate governance, reputation, & world class talent

Q&A

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