



Q2 2021 RESULTS

A RESET AND REFOCUSED STRATEGY

August 13, 2021

Pilipinas Shell Petroleum Corporation

#PoweringProgress

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 2020 (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



Key Messages

- Improvement in volume & profitability sustained; remains below pre-pandemic levels. High premium product penetration.
- New supply chain contributing to improved performance – greater supply reliability and cost-competitiveness.
- New innovative products and value propositions introduced; more lower carbon alternative features implemented on assets

1H 2021

- PHP2.2b Net Income driven by marketing delivery
- PHP2.0b Core Income (excl inventory gains, CREATE bill impact)
- Improved cash flow generation resulting to improved levels of borrowing and gearing to 41%

Economy is improving but is challenged with the entrance of the COVID Delta variant & pockets of case resurgences

PH out of recession with 11.8% 2Q21 growth



- Moody's Philippines Baa2 rating and stable outlook remain intact
- 6.2% of PH population fully vaccinated as of July 2021; Vaccination program expedited

SHLPH businesses responding well to the economy

COVID cases surged sparingly; Delta variant now present in PH



- Daily average cases surged to 8-10k/day in the first 2 weeks of Q2 but managed to go down to 5k level after.
- NCR is on ECQ for 2 wks this Aug 2021 to control the Delta cases in PH

SHLPH continues to support staff via WFH; will provide free vaccine for employees

Finished Product Prices increases, Negative Refining Margins worsen



- ~20-30% increase in finished products (diesel/gasoline) prices since Jan '21
- Refining margins: -1 usd/bbl (complex), -5 usd/bbl (simple)

SHLPH working capital requirements increase; negative refining margins avoided

Source: Philippine Statistics Authority;; <https://doh.gov.ph/covid-19/case-tracker>; <https://www.officialgazette.gov.ph/downloads/2021/06jun/20210628-IATF-RESOLUTION-123-C-RRD.pdf>; https://www.gmanetwork.com/news/news/nation/797470/doh-6-of-8-delta-variant-fatalities-were-local-cases/story/?fbclid=IwAR04oWGYRvO8PiwEEXNESKdrqldaoiz6VRSs_R7Z8_c9DghqyU7pVujLc PHOTO:EPA-EFE; <https://www.rappler.com/nation/experts-urge-government-step-up-fight-coronavirus-rising-cases-new-variant>
Pilipinas Shell Petroleum Corporation

Philippine Quarantine Timeline and Impact on PSPC Volume Delivery

		1Q20	2Q20	3Q20	4Q20	1Q21	2Q21		
METRO MANILA and LUZON *HUCs	Pre-Enhanced Community Quarantine	ECQ	General Community Quarantine (GCQ)	Mod. ECQ	General Community Quarantine (GCQ)		ECQ	Mod. ECQ	GCQ
MAJOR VISMIN CITIES/ PROV	Pre-Enhanced Community Quarantine	ECQ	Modified/GCQ (discretion left with LGUs)	Mod. ECQ	Modified General Community Quarantine (GCQ)		GCQ	Mod. ECQ	
CEBU CITY	Pre-Enhanced Community Quarantine	ECQ	GCQ	ECQ	Mod. ECQ	Modified General Community Quarantine (GCQ)			
PSPC VOLUMES vs PY	Retail	-11%	-47%	-28%	-22%	-14%	29%		
	Commercial	17%	-19%	-3%	-8%	-12%	-1%		
	Aviation	2%	-80%	-77%	-70%	-71%	71%		
	Lubricants	-15%	-56%	-15%	-18%	12%	125%		
	Specialities	-15%	-84%	-58%	-70%	27%	90%		
	Total Marketing	-2%	-41%	-24%	-22%	-16%	18%		
	Total PSPC	3%	-22%	-24%	-9%	-31%	-18%		

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, telecomms); (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/>

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

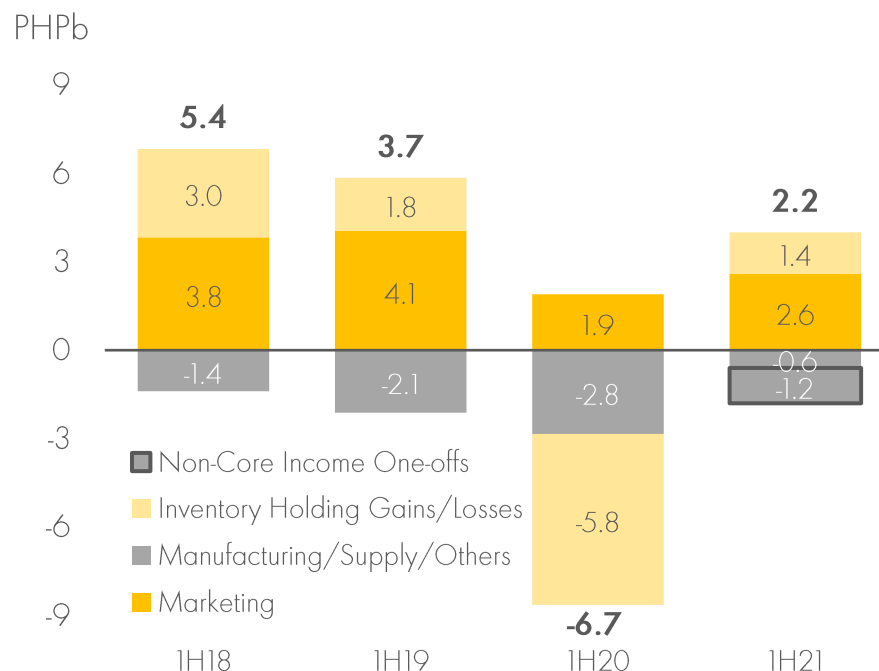
Sector	ECQ	MECQ	GCQ
Entertainment/Recr	Not Allowed	Not Allowed	Not Allowed
Tourism	Not Allowed	Not Allowed	Not Allowed
Construction	Not Allowed	~*BBB only	Allowed with safety protocols
Logistics Services	~Essential logistics only	~Essential + 50% workforce	Allowed with safety protocols
Manufacturing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



1H21 performance bounces to Php2.2Bn



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 PHP2.2b up from PY's PHP6.7b loss
- Net Income excl CREATE impact at PHP3.2b

2.2

NIAT (PHPb)

Core income at PHP2.0b

2.0

Total volume (Bn litres)

1.2

Cash flow from operations (PHPb)

CFFO excl working capital at +7.6

(14)

Rolling ROACE (%)

1H21 discrete ROACE at 11%

41

Gearing (%)

(1.9)

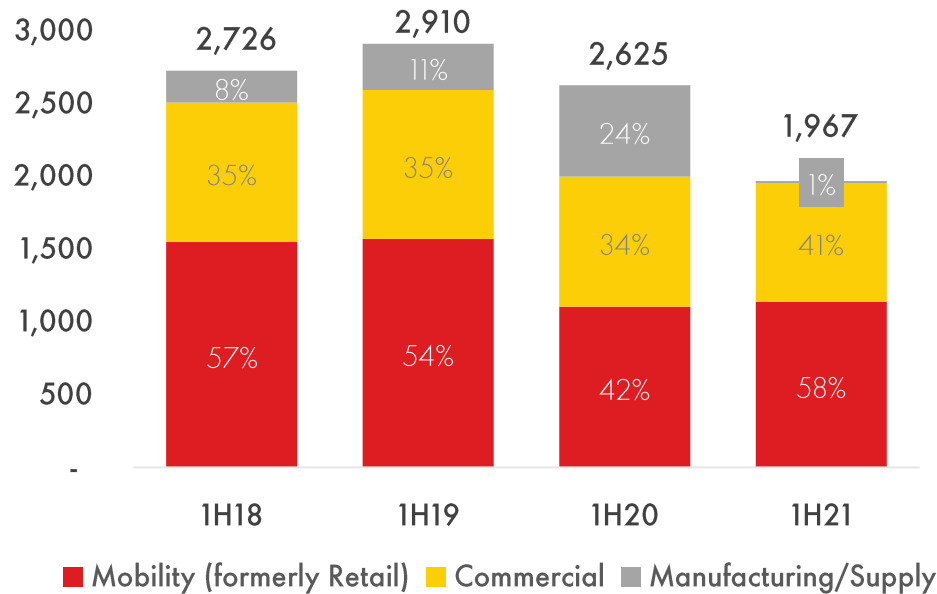
Retained Earnings (PHPb)

Unappropriated



Volume affected with pockets of quarantine implementations in major cities; premium penetration maintained

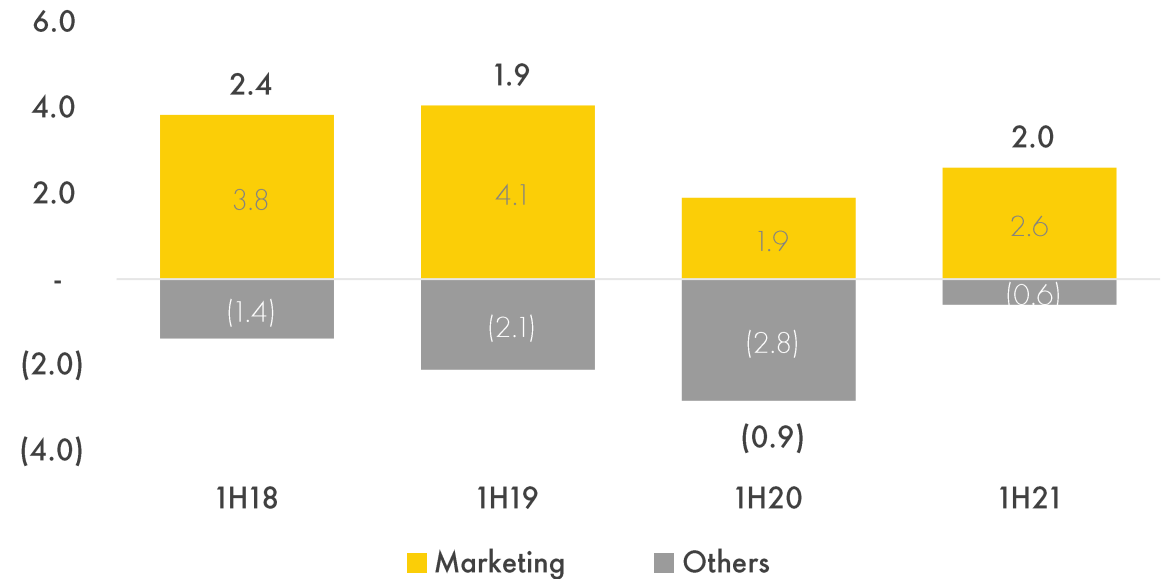
Volume Split (ML)



Note: 1H2021 Commercial Volume breakdown – Commercial Fuels (89%), Aviation (6%), Bitumen (3%) and Lubricants (2%)

Excluding Refinery sales, Total 1H21 PSPC volume delivery at -2% of PY. Discrete 2Q21 marketing volume is 18% higher vs 2Q20.

Core Income Split (PHPb)



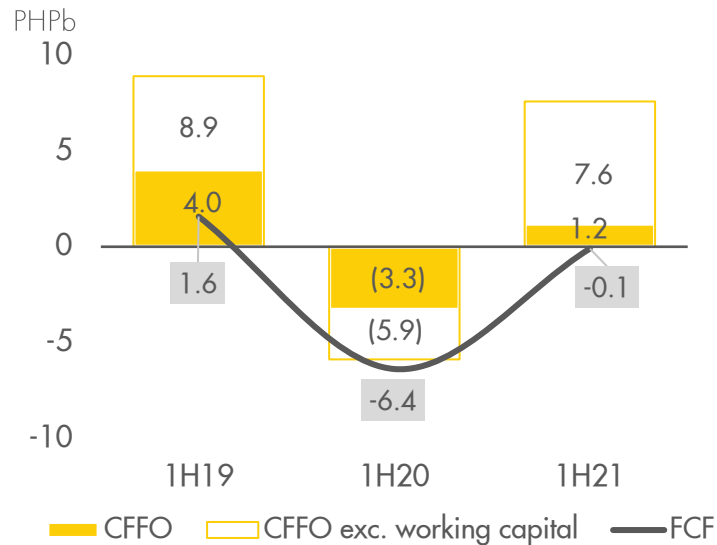
Note: Marketing is defined as Mobility (formerly Retail) and Commercial; Others defined as Manufacturing, Supply, & Corporate Costs

Mobility and Commercial income improves but not yet back to pre-pandemic levels; Supply & Corporate Costs core loss significantly less with the new supply chain strategy



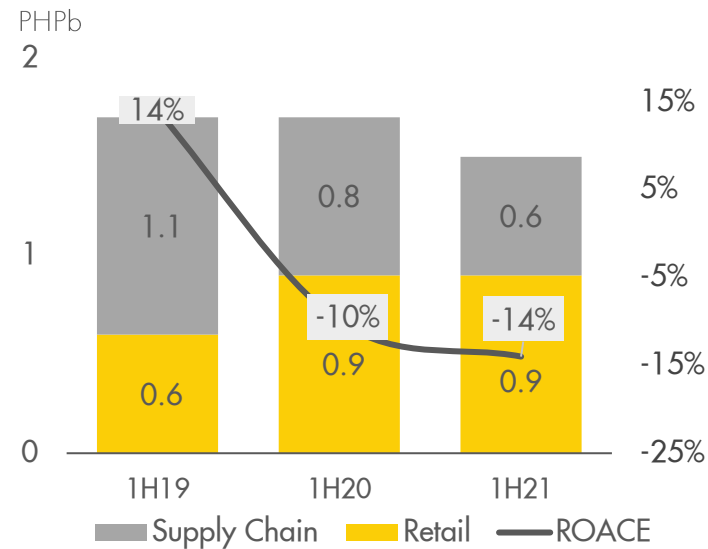
CFFO recovers to positive territory; Gearing and debt improves

Cash flow from operations



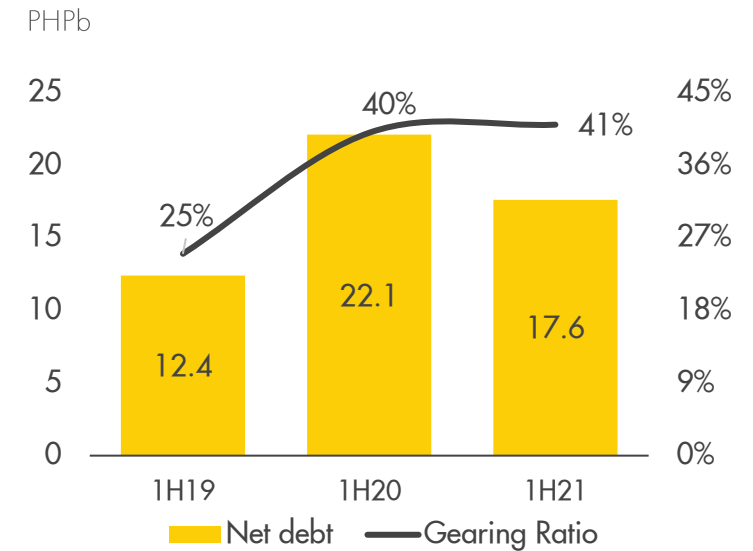
Stronger net earnings lifts CFFO to positive territory. Excluding working capital impact, CFFO at +PHP7.6b vs -PHP5.9b in PY.

Capital Investments + Rolling ROACE



CAPEX continue to grow retail footprint and strengthen supply chain. Discrete YTD 2021 ROACE at 11%.

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).

Network expansion catches up; Innovation & digital presence improves customer experience

500K GO+ MEMBERS REACHED!



Let's continue making journeys safer, smarter, and more rewarding!

GO WELL 

MOBILITY FUELS



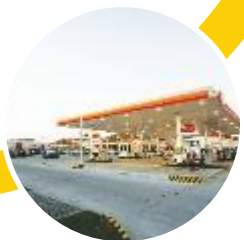
Most preferred brand in PH, enhanced by successful campaigns



1h 21 volume up by 3% vs PY
Lockdown in NCR at 1H of April 2021



Premium fuel penetration maintained at 28%



~1,100 sites
15 new sites; 26 under construction



Gallery-themed Mobility Station in Cebu City

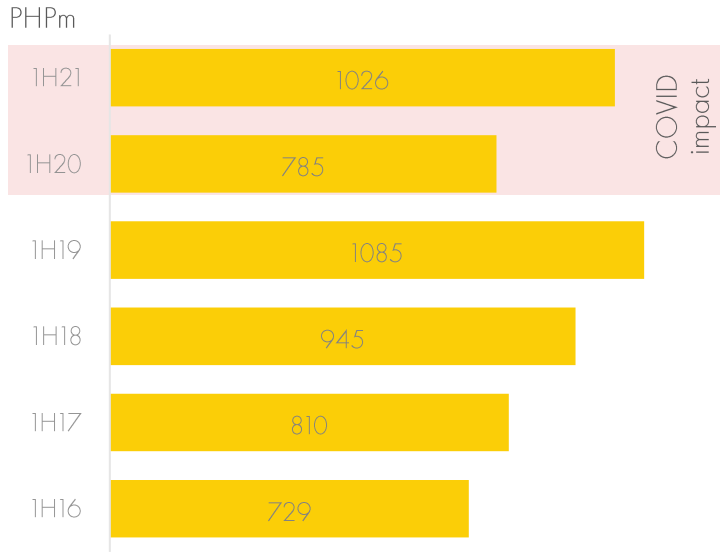


In Picture: Gallery-themed site features integrated mobility offers, lower carbon assets such as solar panels, unique relaxing seating experience with more than 80 paintings from renowned Filipino artists

Non-fuel Retail sustains recovery, introduces new offers

The new integrated offerings redefines convenience in-stations with the goal of maximizing value for every station trip

Gross Profit Contribution to Mobility



+41% Increase in Convenience Retail Income since 1H16
Up 30.6% vs PY

Total convenience retail stores

Store format	Total
Select Express	~235
Select & Deli2go	~153
SHOC+/HSC	~415

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



TAKE CARE OF YOUR VEHICLE

Helping consumers take care of their vehicles



Car Care Line



Car Wash

ALLIANCES AND CLIP-INS

Maximizing income through site space utilization



Cha-Time



Pop-Up Stores



Retail

Volume recovers as economy opens up but remains below pre-pandemic level

Innovative products & value propositions introduced

Commercial fuels

- Essential sector volumes remains resilient
- New value proposition in safety & operations
- Customer wins in power, manufacturing & construction

Aviation

- 2Q21 volume recovers by 71% vs PY. However, 1H21 volume is still -44% vs 1H20; -68% pre-COVID

Lubricants

- 1H21 Volume up 51% vs PY, 11 key customer wins
- Premium product growth, deeper consumer penetration
- Introduction of Shell Coolant Longlife Plus product



Shell Coolant Longlife Plus was introduced in the market this Q2 through extensive distributorship, coupled with online business partner trainings and launch events/promotions.

Specialities (Bitumen + Sulphur)

- Doubles 1H income vs PY
- Improving monthly volumes challenged with the start of the rainy season
- Well-positioned for opportunities in the construction sector

Shell InstaPave, with its innovative quick-application technology, was used for road rehabilitations in North Luzon.





Shell Import Facility Tabangao (SHIFT) inauguration ceremony last June 30, 2021

SUPPLY AND DISTRIBUTION

- **Strong HSSE Performance**, 713 days of goal zero
- **99% on-time and in-full** pick-up and road delivered
- On track to deliver Shell Import Facility Tabangao (SHIFT) Savings
 - PHP350m savings realized in 1H21
- On track to deliver CAPEX program
 - ~Php150Mn for SHIFT's Bottom Loading capability expansion and biofuel storage
 - ~Php400Mn for Asset Integrity equipment & system upgrades
- >Php100Mn of freight optimization between Subic & Tabangao Import Terminal improves cost performance to date
- Operations remain resilient against the demand variation brought about by travel restrictions from quarantine implementations
- More digital used in inspection and dispatching



Q2 2021 News

PARTNERSHIP



Shell V-Power gasoline named as Suzuki Motorcycles preferred fuel.

Suzuki recommends Shell V-Power fuels, because of the efficiency and protection that they bring to the bikes' engines, powering their performance for all kinds of travel. Customers who purchase a Suzuki motorcycle will receive a free Shell GO+ card, preloaded with 200 points, which will provide them benefits that can make their travels safer, more efficient, and more comfortable. Suzuki motorbike riders can also receive free roadside assistance on Shell's 1,100 retail stations nationwide.

RECOGNITION



Pilipinas Shell wins 1 Gold and 4 Silver Asia Pacific Stevie Awards.

It won its first ever gold award under the Innovations in Investor Relations category. It also won four other silver awards on the following areas - Award for Innovation in Community Relations or Public Service Communications, Award for Innovation in Customer Service Management, Planning & Practice, Most Valuable Corporate Response and Most Exemplary Employer.

SUSTAINABILITY



Building the heights of a “circular economy”, North Mindanao Import Facility (NMIF) Eco Brick Hub goes operational in Cagayan De Oro. The facility can recycle ~3,000 to 6,000 kilos of plastic, producing 60,000 bricks a month. The bricks will be used as lower carbon alternatives for Pilipinas Shell asset constructions. The hub provides at least 20 jobs to the porters' association. It also utilizes 10-kW solar energy to power the facility.



Corporate Governance

NON-EXECUTIVE DIRECTOR



Nina D. Aguas
Non-Executive Director,
effective May 11 2021
Related Party Transaction
Committee Member

A business leader with over 30 years experience in retail, wealth, investments and private banking. Ms. Aguas is currently the Executive Chairman of Insular Life, the first woman CEO of the Company after 106 years of operations. She managed various businesses and operations in large international companies in developed and emerging markets globally. She was recognized by Forbes Magazine as one of the 25 Asia Power Businesswomen in 2019. She was also chosen to be a member of the Advisory Council for Gender and Development by the World Bank Group in 2018. Ms. Aguas has already been part of our directorship from 2016-18.

VP - WHOLE SALE COMMERCIAL FUELS



Albert Lim
VP- WCF
effective Aug 1 2021
Currently the WCF
Business Development
and Pricing Manager

A well-rounded Shell Commercial Fuels leader with over 20 years experience both locally and globally. Albert joined as a Sales Account Manager and served marketing roles in the PH and East region, and International Marine back-office operations as well. He was responsible in the implementation of Fuel Oil Plus for the East and played a pivotal role in WCF's marketing turnaround plan in Thailand. As PH WCF's leader, Albert pioneered initiatives on hedging and exposure management, integrated planning and portfolio optimization activities that allowed Commercial Fuels to deliver its plan in the past three years.

VP - SUPPLY AND DISTRIBUTION



Kit Arvin Bermudez
VP- S&D
effective Aug 1 2021
Currently the Mobility
(formerly Retail)
National Sales Manager

A Shell multi-business Downstream leader with over 20 years experience, most notably known on strong operational delivery focus. Kit joined as a Select Operations Manager and has since served in different leadership capacities in Downstream businesses in global, regional and local management roles. He has been based in Italy, Oman, Singapore and the Philippines. A strong and consistent performer with a high degree of credibility as supported by his numerous Shell Awards. He currently is the National Sales Manager, who has led PH Retail in achieving its highest business profitability on record in 2019.

PILIPINAS SHELL PETROLEUM CORPORATION

STRATEGIC INTENT

Strong partner in nation building

Powering progress

Meeting the country's energy needs today and tomorrow



Attractive dividends

Generating strong cash flow at competitive returns



Protect the environment

Moving towards lower carbon operations, products, and solutions



STRATEGIC LEVERS

Customer centricity

Competitive supply chain network

Disciplined cost and capital management

COMPETITIVE ADVANTAGES

World-class talent

Shell brand and integration

Leading corporate governance and reputation

Q&A

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