



Q3 2021 RESULTS

A RESET AND REFOCUSED STRATEGY

November 16, 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

- Focus on value delivery continues; Strong premium product penetration across businesses despite volatile business environment
- Future-forward, customer-centric investments continue to prepare for demand pick-up on-site
- Low carbon operations yield efficiencies; sustainability agenda pushed

YTD 3Q 2021

- PHP3.4b Net Income recovery from PY loss of PHP13.9b
- PHP2.0b Core Income (excl inventory gains, CREATE bill impact)
- Borrowing levels reduced, gearing at 44%

Rising COVID-19 cases in 3Q; strict quarantines implemented in key cities impacting mobility

New lockdown measures encouraging increased economic activity



- PH Credit ratings maintained (S&P: BBB+, Moody's: Baa2)
- Nov '21: 38% of adults fully vaccinated, gov't eyes 1M daily inoculation

SHLPH prepares increased capacity for demand resumption

Higher COVID cases in 3Q, inoculation accelerated



- From Sept daily average cases of ~20k down to ~2k this Nov; more vaccines administered nationwide
- New granular quarantine guidelines aim to support faster economic recovery

~97% of SHLPH employees vaccinated; Q3 Vaccination Program supported the success

Significant increase in Finished Product Prices; global travel easing



- ~50% increase in finished products (diesel/gasoline) prices since Dec '20;
- Major economies eases international travel restrictions

SHLPH working capital requirements increase but remains manageable; Aviation industry improves

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	3Q21	FY20	YTD 3Q21			
METRO MANILA and LUZON *HUCs	Pre-Enhanced Community Quarantine	ECQ	General Community Quarantine (GCQ)	Mod. ECQ	General Community Quarantine (GCQ)	ECQ	Mod. ECQ	GCQ	ECQ	Mod. ECQ	Alert 4		
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	ECQ	GCQ			
CEBU CITY	Pre-Enhanced Community Quarantine	ECQ	ECQ	Mod. ECQ	Modified General Community Quarantine (GCQ)			Mod. ECQ	GCQ				
PSPC VOLUMES vs PY	Retail	-11%	-47%	-28%	-22%	-14%	29%	-12%	-27%	-2%			
	Commercial	17%	-19%	-3%	-8%	-12%	-1%	-22%	-5%	-12%			
	Aviation	2%	-80%	-77%	-70%	-71%	71%	62%	-59%	-24%			
	Lubricants	-15%	-56%	-15%	-18%	12%	125%	13%	-26%	36%			
	Specialities	-15%	-84%	-58%	-70%	27%	90%	-43%	-63%	15%			
	Total Marketing	-2%	-41%	-24%	-22%	-16%	18%	-15%	-23%	-6%			
	Total PSPC	3%	-22%	-24%	-9%	-31%	-18%	-17%	-13%	-23%			

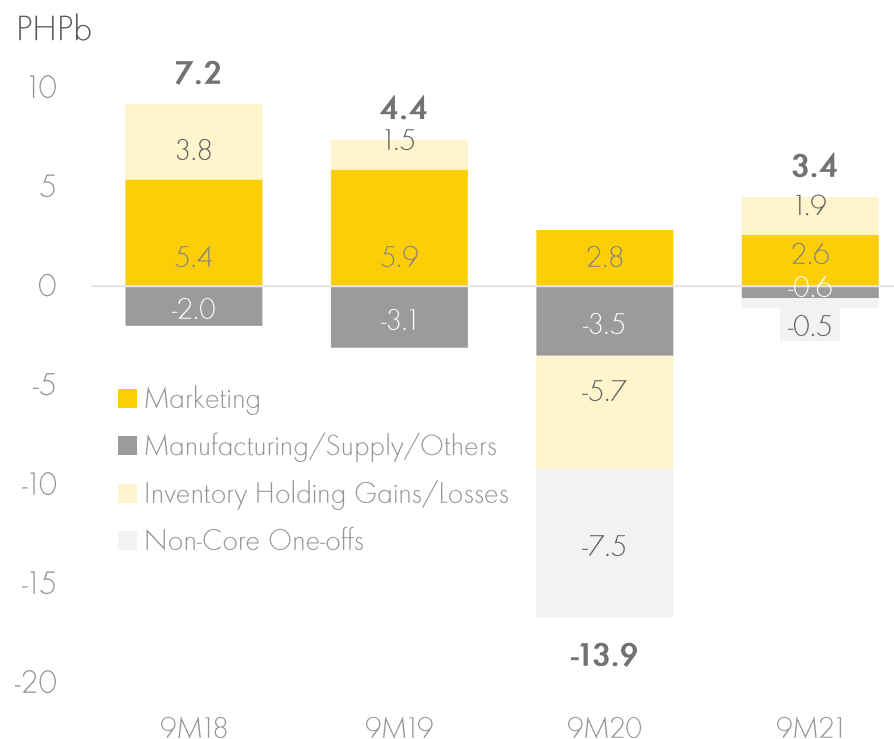
Note: HUC = Highly Urbanized Cities (e.g. Laguna, Pangasinan, etc.). Major cities/provinces in the Visayas and Mindanao regions include Iloilo province, Aklan province, Cebu province; Davao City, etc. Under the Enhanced Community Quarantine (ECQ), malls and public establishments were closed, public transport 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/>

Financial highlights



YTD3Q21 earnings recovers to Php3.4b



- Net income at PHP3.4b up vs PY's PHP13.9b loss
- Net income excl CREATE impact at PHP4.4b

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

3.4

NIAT (PHPb)

Core income at PHP2.0b vs PY -0.7b

2.8

Total volume (Bn litres)

(1.1)

Cash flow from operations (PHPb)

CFFO excl working capital at PHP10.1b

9

Rolling ROACE (%)

9M21 ROACE at 15% vs PY -32%

44

Gearing (%)

(0.8)

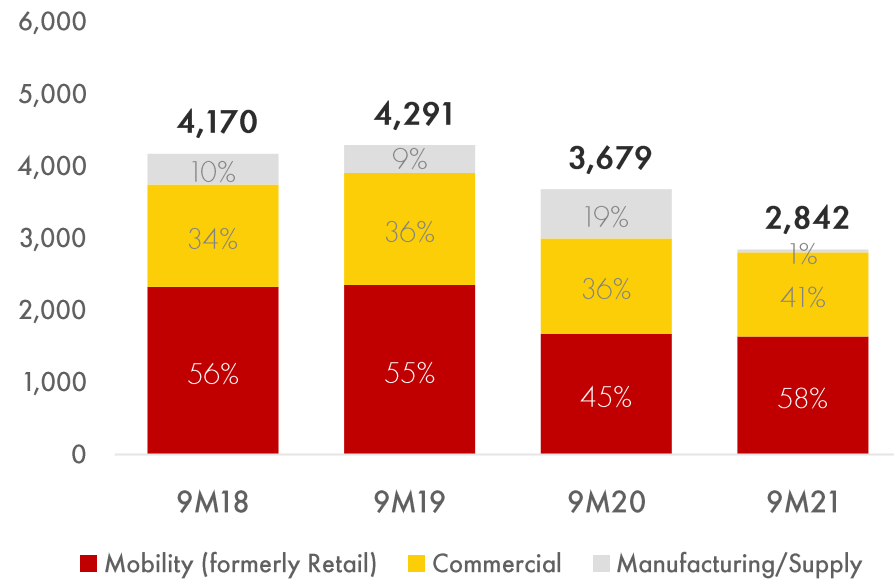
Retained Earnings (PHPb)

Unappropriated



Increased COVID-19 restrictions impacted mobility; shift on premium products & convenience retailing intensified

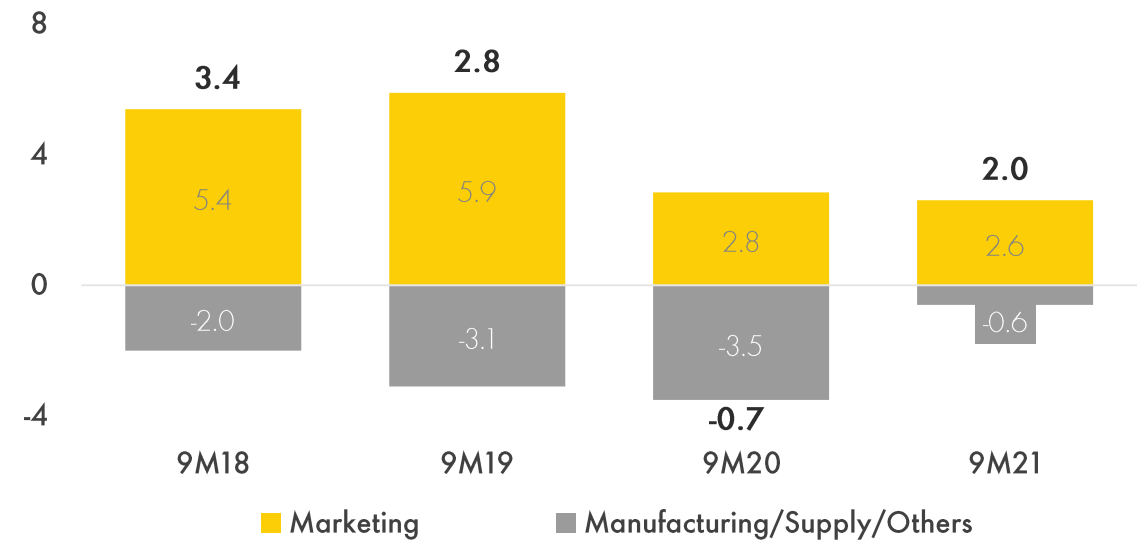
Volume Split (ML)



Note: YTD 3Q2021 Commercial Volume breakdown – Commercial Fuels (88%), Aviation (7%), Bitumen (2%) and Lubricants (2%)

Excluding Refinery sales, 9M21 volume delivery at -6% vs PY

Core Income Split (PHPb)



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

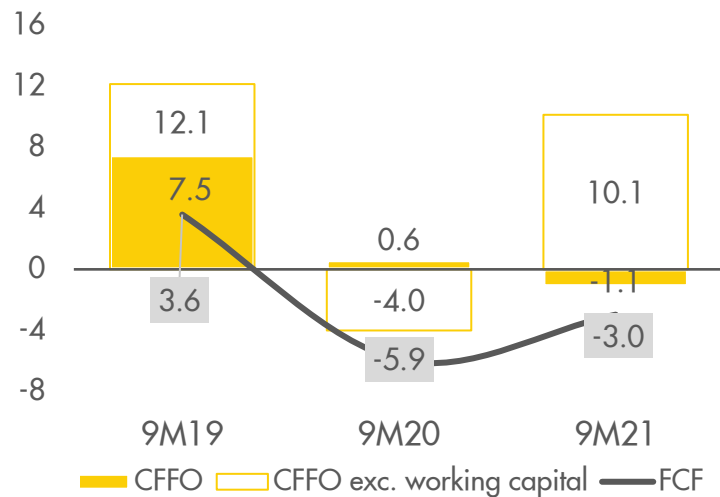
Volume decline offset by the strong, and still increasing premium penetration across all businesses



Borrowing levels reduced despite higher working capital from increasing oil prices

Cash flow from operations

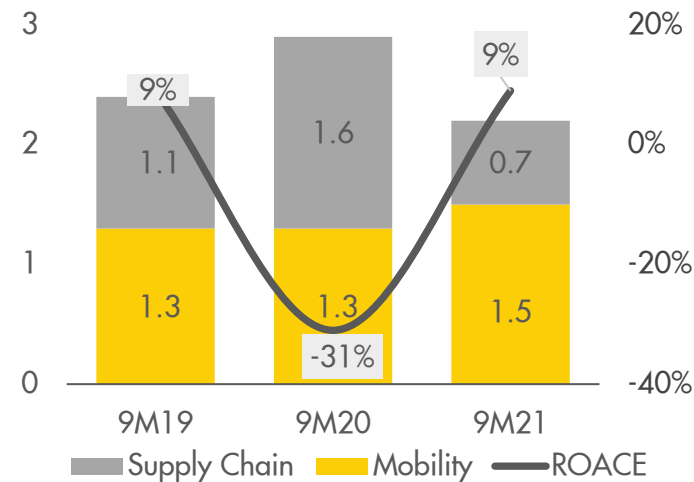
PHPb



Strong net earnings drive positive CFFO before working capital at PHP10.1b. ~50% increase in finished products prices vs Dec 2020 drives higher working capital requirements

Capital Investments + Rolling ROACE

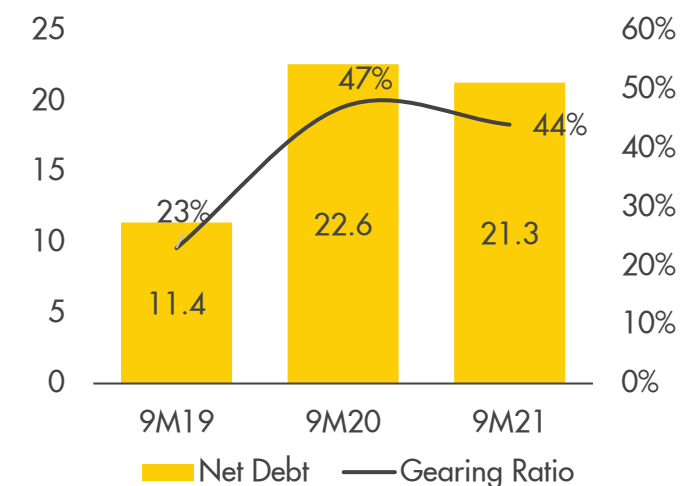
PHPb



CAPEX continue to grow mobility footprint and strengthen supply chain. Discrete 3Q21 ROACE at 15% vs PY -32% .

Net debt + Gearing

PHPb



Net debt down despite increase in working capital requirements

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).



MOBILITY

Fuels premium penetration at its highest; Network footprint expansion continued

Maximizing value through more Company-Owned sites

MOBILITY FUELS



Most preferred brand in PH, enhanced by successful campaigns



9M21 volume at -2% vs PY
Aug-Sept 2021: NCR lockdown



Premium fuel penetration increased to 31%.



~1,110 sites
25 new sites; 18 under construction

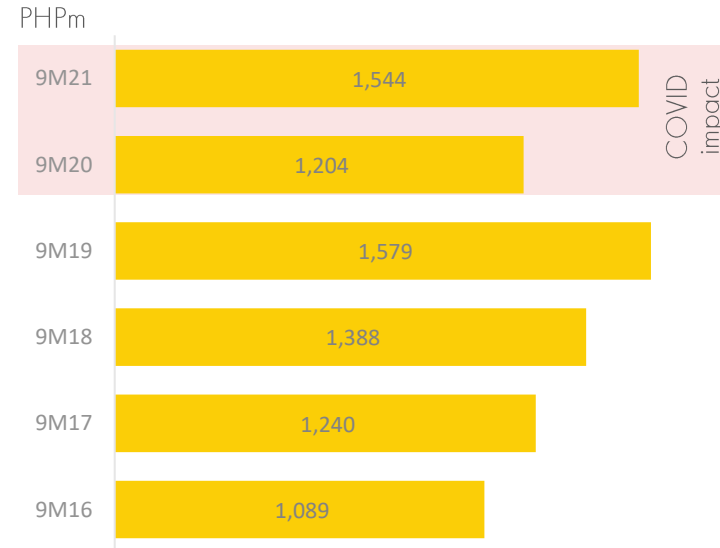


THE FIRST MOBILITY SITE OF THE FUTURE - SHELL ACIENDA SILANG CAVITE

Vehicle servicing resurges, co-locators re-open onsite

Unique, diverse customer-centric offerings per site encourages increased store spending, digital integration continues

Gross Profit Contribution to Mobility



+42% Increase in Convenience Retail Income since 9M16
Up 28% vs PY

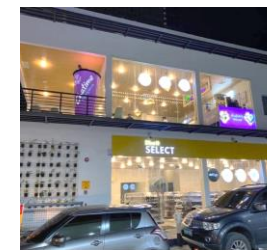
Total convenience retail stores

Store format	Total
Select Express	~219
Select & Deli2go	~156
SHOC+/HSC	~424

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



On-site marketing campaigns encouraged foot traffic and increased store spending.



Favorite snack brands made available; targeted to local market

More than 20 brands in various stations and still increasing

COVID restrictions affected sector sales, construction remains a key opportunity

Unique value propositions overall improves market competitiveness

Commercial fuels

- Supply reliability remains a key customer value proposition
- Power sector up from Malampaya turnaround
- Customer wins in cement & construction

Aviation

- 3Q21 volume recovers by 62% vs PY. However, YTD3Q21 volume is still -24% vs YTD3Q20; -66% pre-COVID

Lubricants

- YTD3Q21 Volume up 36% vs PY, 14 key customer wins
- Premium product growth, deeper consumer penetration
- New innovative offerings like Shell Coolants and Helix OW outperforms target delivery

Shell lubricants secures key customers in the automotive and motorcycle sectors. Differentiated lubricant products tailor-fit for the needs of our customers.



Specialities (Bitumen + Sulphur)

- Triples YTD3Q21 income vs PY
- YTD3Q21 Volume improves by ~50%;
- Premium products remain a differentiator



Shell Bitumen Freshair was used in the road pavement of the new icon of the South – the Cebu Cordova Link Expressway (CCLEX). Spanning 8.5 kilometers, CCLEX will link mainland Cebu in Cebu City to Mactan Island through the municipality of Cordova. With navigational clearance of 51 meters for shipping traffic and design speed of 80-90 kilometers per hour (kph), the toll expressway is expected to serve at least 50,000 vehicles daily.

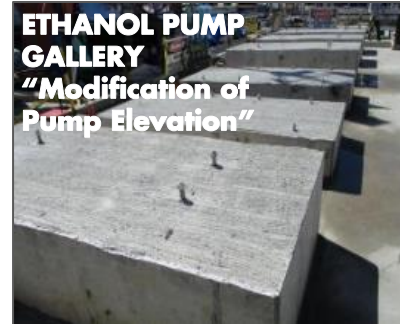


SUPPLY AND DISTRIBUTION

- **Strong HSSE Performance**, 805 days of goal zero
- **98% on-time and in-full** pick-up and road delivered
- Operations remain resilient against the demand variation from quarantine-led travel restrictions from quarantines

Tabangao transformation to full Import mode:
Continuing CAPEX development for long term volume growth requirements.

YTD SAVINGS **PHP900m** via E2E Optimizations, Collaborations & use of Renewable Energy



**SUSTAINABILITY
IN OUR
OPERATIONS**

100%

4kt
CO₂
reduction

Renewable Power for SHIFT (use of 5,220 Solar panels, Hydro & Geothermal energy via SEPH). 1st in Shell Philippines.



>6,800 trees, in which an equivalent quantity of carbon is stored

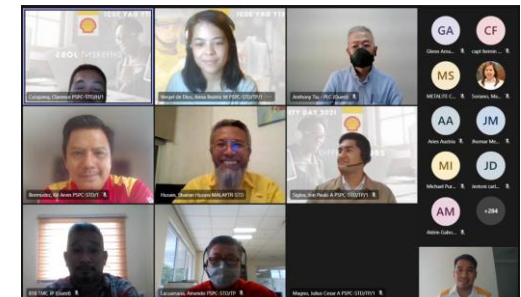


9.8 mln KMs, driven using average sized Lorry



Safety Day 2021.

Industry Life-Saving-Rules was reminded across sites and with our business partners.





Q3 2021 News

INVESTOR RELATIONS



Inclusion in FTSE Micro-Cap Equity Index

Effective September 20, 2021

CORPORATE GOVERNANCE

1st PH Energy Company
to support

TCFD

TASK FORCE on
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

INVESTOR RELATIONS



SEC approves PSPC Equity Restructuring Application

SHLPH's FY20 Retained Earnings deficit amounting to PHP4.3b will be wiped out against its additional paid-in capital of PHP26.2b. The move was approved by PSPC's Board of Directors as disclosed last March 2021.

RECOGNITION



'Green Innovation Award' win in the 2021 Asia Corporate Excellence & Sustainability Awards (ACES) was presented to Pilipinas Shell for the usage of 'eco-bricks' in the construction of its site commercial buildings.

SUSTAINABILITY



Pilipinas Shell Head Office is now LEED Certified. The Taguig office obtains the LEED Green Building Silver rating under Interior Design and Construction: Commercial Interiors Category. This means that the Company has developed indoor spaces that offer a healthy, sustainable and productive work environment as recognized by the U.S. Green Building Council.



Q3 2021 Thought Leadership



Pilipinas Shell CEO highlights the role of energy in shaping Asia's economic and human development. Mr. Romero joins the Asian Forum on Enterprise for Society (AFES) 2021 panel discussion, sharing Pilipinas Shell's efforts on producing clean and sustainable energy in strong collaboration with consumers.



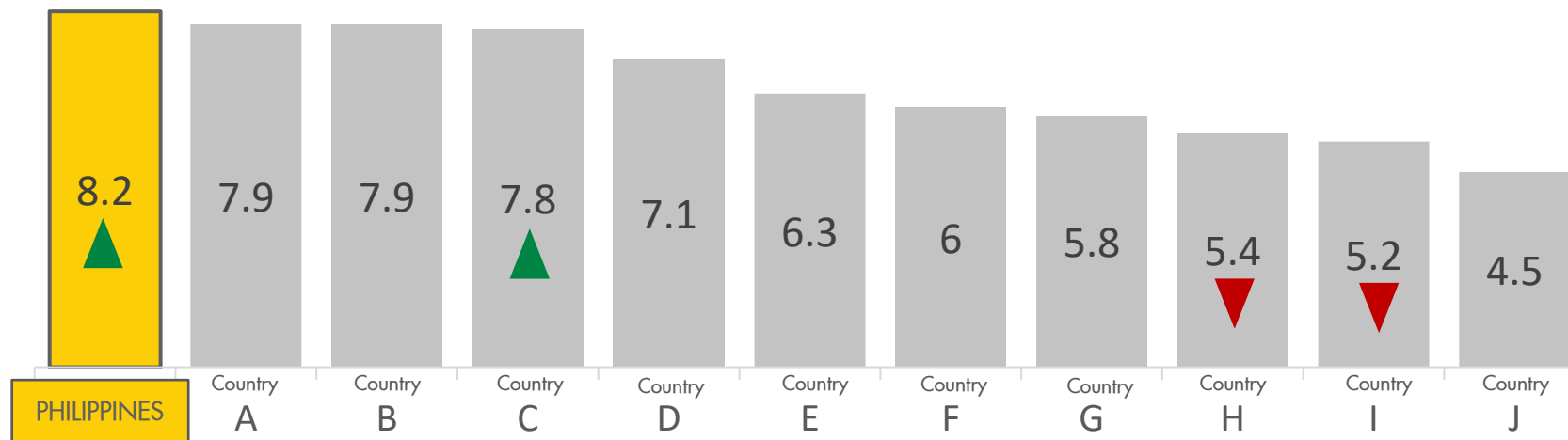
Pilipinas Shell hosts a series of thought leadership sessions– starting with Innovations in Transport. Joined by the country's industry leaders both from the public and private sectors, the discussion tackled the challenges in the transport ecosystem and the effort to progress together. The event is the 1st episode of the Pilipinas Shell-sponsored event, Future Festival - a series of events that aims to tackle four critical pillars in society to keep moving Filipinos forward.



Pilipinas Shell supports the 9th PH Electric Vehicle Summit. Our Mobility General Manager, Randy Del Valle, was one of the esteemed panel members in the dialogue, tackling the key sector contributions in shaping the e-mobility future of the Philippines.



Pilipinas Shell receives highest Trust Score rating for 2021

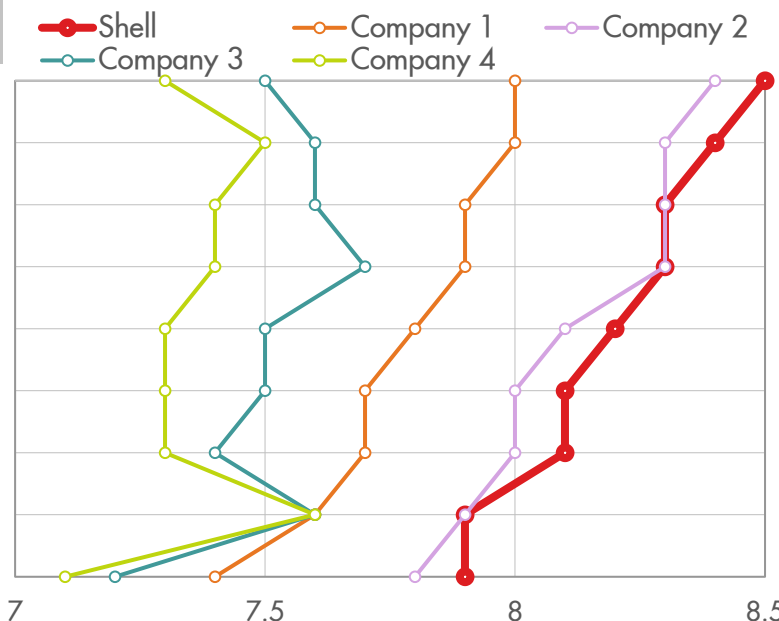


#1 in the Royal Dutch Shell Group for 4 years in a row

Embodies Shell's key personas:
Collaborative, Optimistic,
Committed, Self-assured

Top Drivers of Trust

- Provide you with high quality products and services
- Run its own operations safely
- Act according to the highest standards of business ethics
- Contribute to the economic success of your country
- Make a positive overall contribution to society
- Actively help deliver cleaner energy
- Benefit the local communities where it operates
- Price its products fairly
- Minimise the environmental impact of its operations



#1 Trust Score rating in all top drivers of trust vs PH peers

Source: 2021 IPSOS Shell Brand and Reputation Tracker



Senior Management Appointment

CHIEF EXECUTIVE OFFICER



LORELIE OSIAL

**President and Chief Executive Officer
Executive Director
– effective 01 Dec 2021**

Lorelie is currently the Global Vice President – Finance Process Expenditure.

She leads the transformational journey of Expenditure through sustainable improvements, innovation and digital/artificial intelligence/machine-learning solutions while embedding a user-centric mindset and developing capabilities for the future. Her organization, of more than 700 staff, partners with more than 50 countries across all businesses in the Royal Dutch Shell (RDS) Group.

A member of the Shell Companies in the Philippines Country Coordinating Team.

She represents the Finance community of ~2,000 professionals in the country (including that of Pilipinas Shell), in the Country Coordination Team that is accountable with the overall wellbeing of ~4,000 staff nationwide. She is also a member of the East Talent Development Team, advocating Filipino talents for international roles in the RDS Group.

A Shell transformational leader with over 20 years of experience locally and globally.

- 2016-18 Finance Director and Country Controller, Shell Philippines Exploration BV; the operator of Malampaya Deepwater-to-Gas Project
- 2013-16 Finance Manager Projects – Shell EP International Ltd / Basrah Gas Company (BGC) in Iraq; the world's largest flare reduction project where she was responsible for the startup and provision of world-class Finance to a portfolio of approx. 80 projects with a USD 17Bn capital investment in a pioneering environment
- 2009-13 Head of Project Accounting/Sr. Project Accountant – Iraq South Gas Utilization Project – Shell EP Intl Ltd (SEPIL)

Others

- Chair of the Board of Trustees in 2 pension funds and was formerly a member of the Board of Directors of the British Chamber of Commerce in the Philippines.

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