



Q2 2022 RESULTS

A RESET AND REFOCUSED STRATEGY

August 17, 2022

Pilipinas Shell Petroleum Corporation

#PoweringProgress

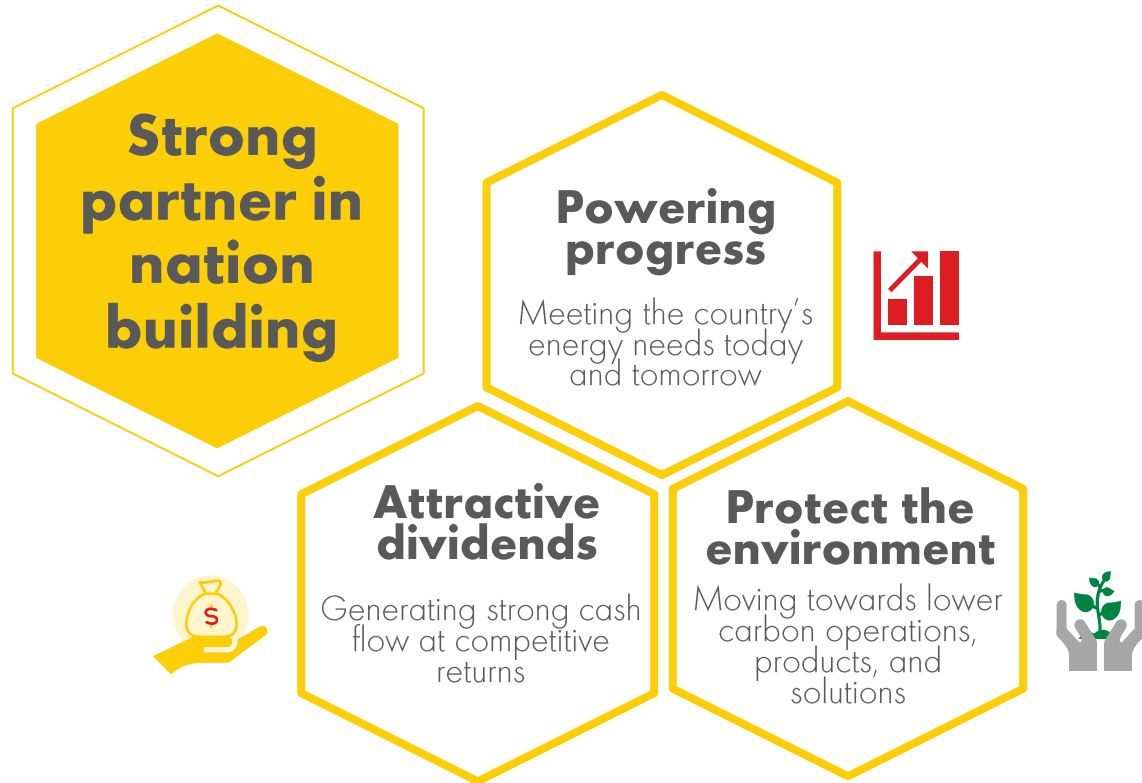
Definitions and cautionary note

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 2021 (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

- Dividend payout (PHP1/share) resumes after the pandemic
- Marketing footprint growth and supply enhancement continues to support growing PH energy needs – supply reliability and cost-competitiveness ensured
- More and cleaner energy solutions introduced: Shell Recharge (electric vehicle charging) and B2C Carbon Offset

1H 2022

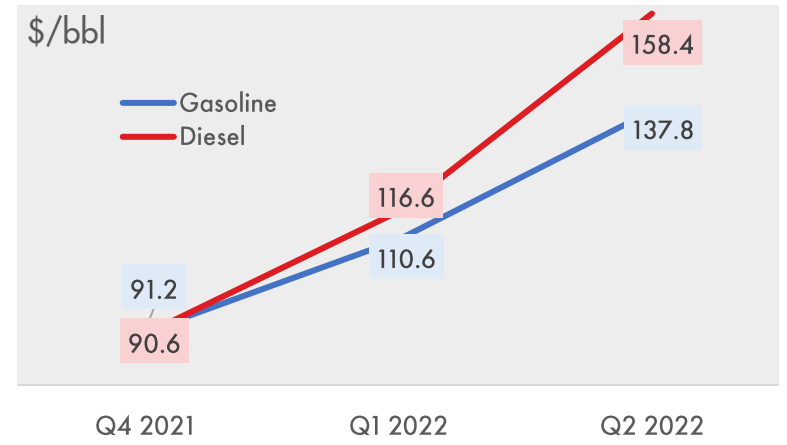
- PHP7.8b Net Income, Core Income at PHP1.4b
- Marketing delivery and cashflow management enabled controlled borrowing levels despite high working capital requirements from soaring finished product prices – gearing now at 42%

Macroeconomic environment remains challenged; finished product prices at all-time high

PH GDP growth slowed down to 7.4% in 2Q22; high inflation moderated consumer spending

PH Mobility eases to Alert Level 1 in Metro Manila and Highly Urbanized Cities nationwide for whole of 2Q22

Finished Product Prices soars to all-time highs this 2Q22



- Impact of high inflation (record-high inflation at 6.1% this Jun 2022) on consumers outweighed activity normalization. Food & transport costs increase.
- PHP weakened to 17-yr low as of Jun 2022.

- Alert Level 1 is the lowest COVID-19 risk classification defined as the 'new normal'
- Traffic anticipated to increase in coming months; hybrid F2F school setup starts this Aug 2022; establishments on full capacity

- ~80% increase in product prices in both diesel and gasoline (average price in Jun 2022 vs Dec 2021)
- Global supply remains relatively tight with the continued Russia-Ukraine war

SHLPH businesses responding with targeted customer-centric offers

SHLPH accelerates network growth nationwide in anticipation for full demand comeback

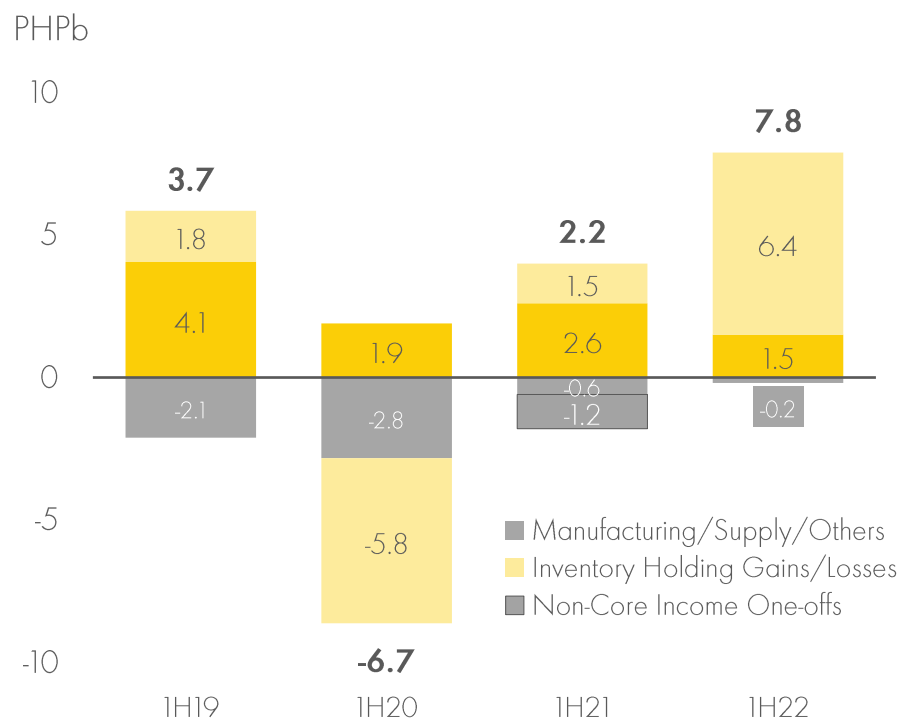
SHLPH continues prudent capital management and cash management tactics; Supply reliability assured with Shell Trading

Source: Philippine Statistics Authority; https://realtime/verb=NewsStory/ric=nl8N2ZG4J4;Bangko_Sentral_ng_Pilipinas_Media_and_Research_Press_Releases (bsp.gov.ph) Peso weakens to 17-year low; <https://www.philstar.com> PHOTO: EPA/EFE; <https://www.rappler.com/nation/experts-urge-government-to-prioritize-fighting-covid-19-rising-cases-new-variant> <https://newsinfo.inquirer.net/1589823/fwd-break-metro-manila-stays-under-alert-level-1-until-may-15> <https://psco.gov.ph/OPScontent/infoprocesmay16-31-alertlevelsystemclassification> <https://www.philstar.com/headlines/2022/05/27/2184095/metro-manila-remain-under-alert-level-1> <https://www.cnnphilippines.com/news/2022/6/15/Metro-ManilaAlertLevel1June30.html> <https://newsinfo.inquirer.net/1634798/deped-full-face-to-face-classes-guidelines-out-after-august-15> <https://www.rappler.com/nation/philippines-allows-full-operational-capacity-establishments-under-alert-level-1/>

Financial highlights



1H22 Net Income at PHP7.8b, ROACE at 30%


7.8
NIAT (PHPb)

Core income at PHP1.4b

2.0
Total volume (Bn litres)
1.7
Cash flow from operations (PHPb)

CFFO excl working capital at +13.7b

30
Rolling ROACE (%)

1H22 discrete ROACE at 20%

42
Gearing (%)
9.1
Retained Earnings (PHPb)

PHP4.6b of Unrestricted RE available for dividends

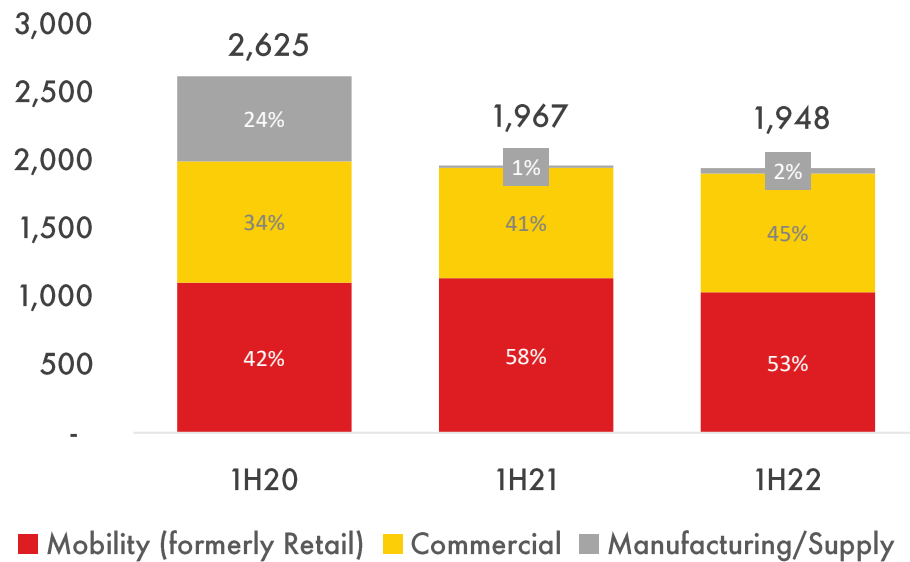
SHLPH resumes dividend payout of PHP1/share payable this Sept 2022

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) Calculation of core income starting 1H2022 will be obtained by excluding one-offs and by offsetting supply chain inventory holding gain/loss with marketing-driven lag loss/gain. This is done to reflect an integrated view of the end to end purchase to sale process of the company. Due to various global phenomenon in 2022, fuel prices have become extremely erratic vs prior years which significantly drove the values of inventory holding gains and lag losses. Previous treatment was to retain lag loss/gains in marketing. This however does not show the true picture of the company's integrated marketing performance, especially in 2022. (3) 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



CAPEX spending on track; Industry-leading ROACE at 30%

Volume Split (ML)

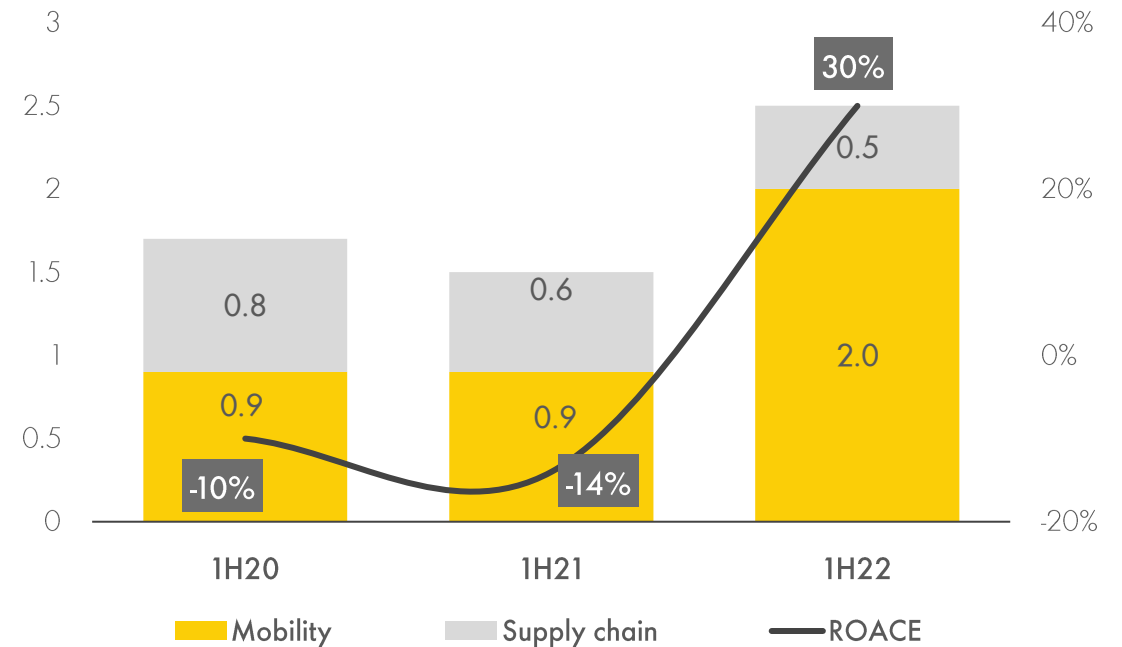


Note: 1H2022 Commercial Volume breakdown – Commercial Fuels (86%), Aviation (9%), Bitumen (3%) and Lubricants (2%)

Excluding Refinery sales, Total 1H22 PSPC volume delivery at -1% of PY. Discrete 2Q22 marketing volume at -1% vs PY.

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.

Capital Investments + Rolling ROACE (PHPb)

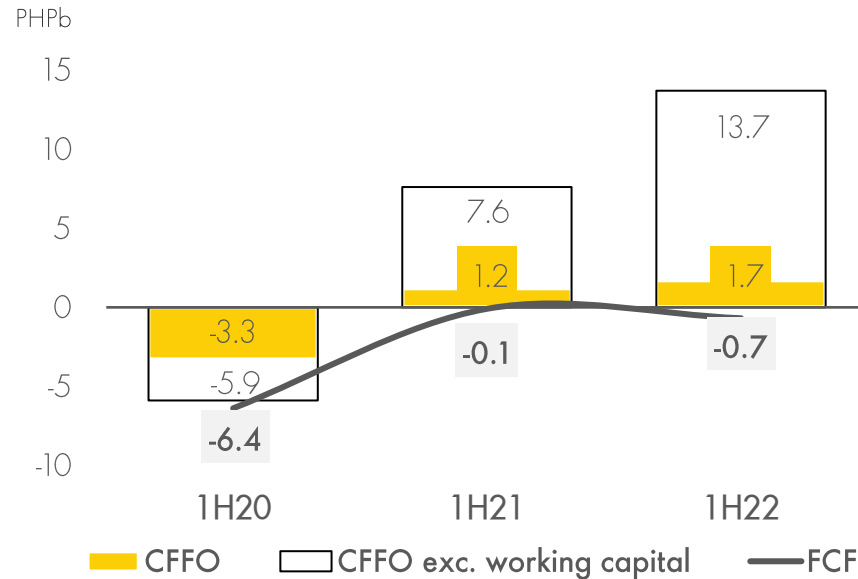


ROACE now at positive territory. Delivered CAPEX spending of PHP2.5b to grow our mobility (formerly retail) footprint (80%) and strengthen supply chain (20%).

Significantly higher inventory prices impacts cash flow and borrowings; gearing at manageable level

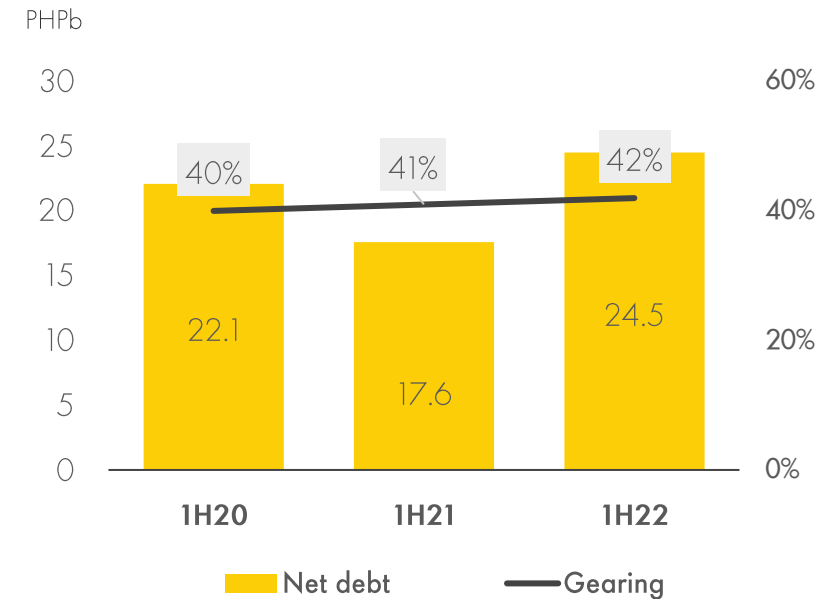


Cash flow from operations



Excluding working capital impact, CFFO at PHP13.7b.
Working capital up due to significantly higher inventory prices (average finished petroleum product prices up ~80% price in Jun 2022 vs Dec 2021) and identified one-off payments.

Borrowings + Gearing

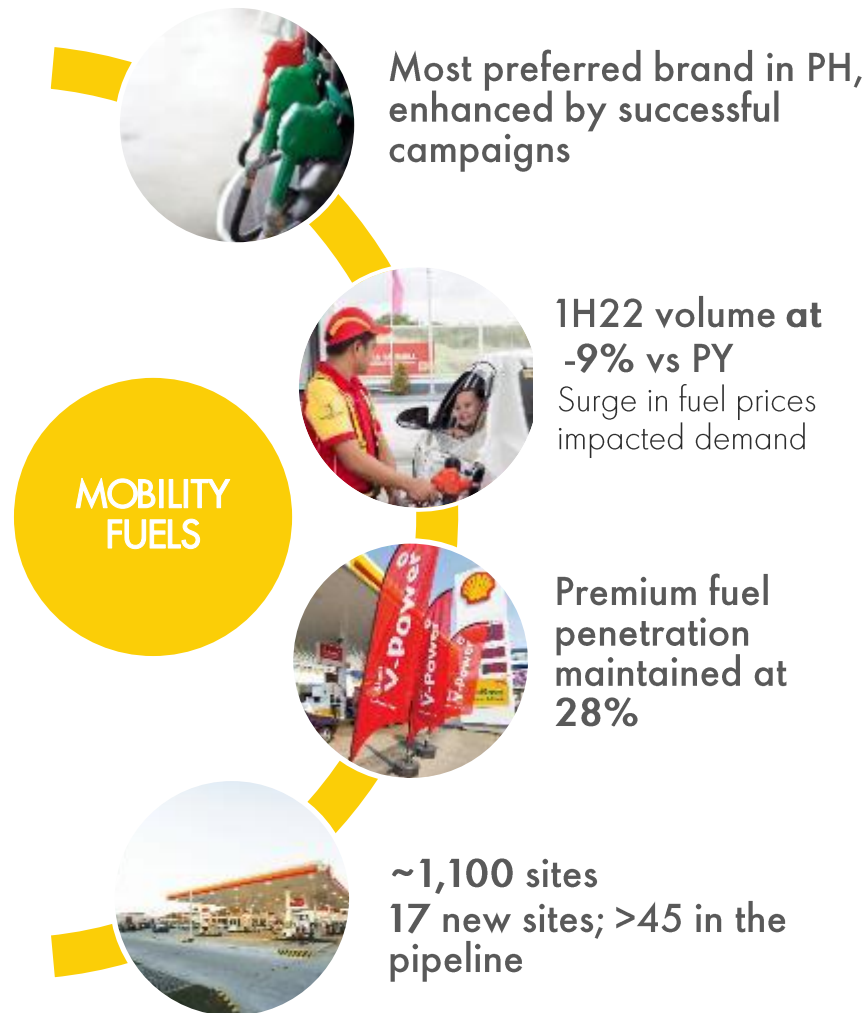


Gearing improved quarter on quarter despite ~80% increase in product prices (average price in Jun 2022 vs Dec 2021)

Note: 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 embarks on inorganic network expansion, accelerating growth ambition

Targeted offers tempers demand volatility brought by surge in fuel prices



Pilipinas Shell to expand via Northern Star partnership



Accelerating our network footprint growth: The partnership adds no less than 100 sites in Pilipinas Shell's nationwide portfolio throughout the expected life of the deal, particularly in North Luzon areas - La Union, Ilocos Sur, Ilocos Norte, Abra and Mountain Province.

See more information here: <https://pilipinas.shell.com.ph/media/current-year-press-releases-news/pilipinas-shell-to-expand-market-with-northern-star.html>

Campaigns across customer segments strengthens brand preference nationwide



In Picture: Doctor Strange promotions; Shell V-Power Trip to Singapore Raffle Promo; Discounted PHP3/L gasoline bundling with Shell Lubricants purchase; Pilipinas Shell sponsors Hot Air Balloon Festival in Pampanga and Manila Sports Car Club Mazda sports car race

Shell Recharge – the fastest charging station in the Philippine Expressways!



First electric vehicle (EV) charging station opened last July 2022 at SLEX Mamplasan - the first and most powerful DC Fast Charger for EVs along the expressways that traverse North and South Luzon, making driving and charging an EV more convenient.



180-kW high performance ultra rapid charger that can charge an EV vehicle to optimal battery charge levels in ~30-45 minutes!



Initial station has two EV charging points with CCS2 (combined charging system) connectors that allows two vehicles to charge simultaneously



24/7 staff assistance; Time-based parking charging service with our retailer partners

SHLPH Pioneers First Carbon Offset Offer to B2C in Asia (Shell)

PSPC has now extended its Nature-based solutions (NBS) carbon offset offerings to B2C. Carbon offset was initially offered to B2B Fleet customers – with Knowles and Mazda as pioneering clients

1

For an additional service fee per liter, drivers can opt “to drive carbon-neutral” by compensating for the equivalent carbon emissions from their fuel purchase through carbon offsets.

2

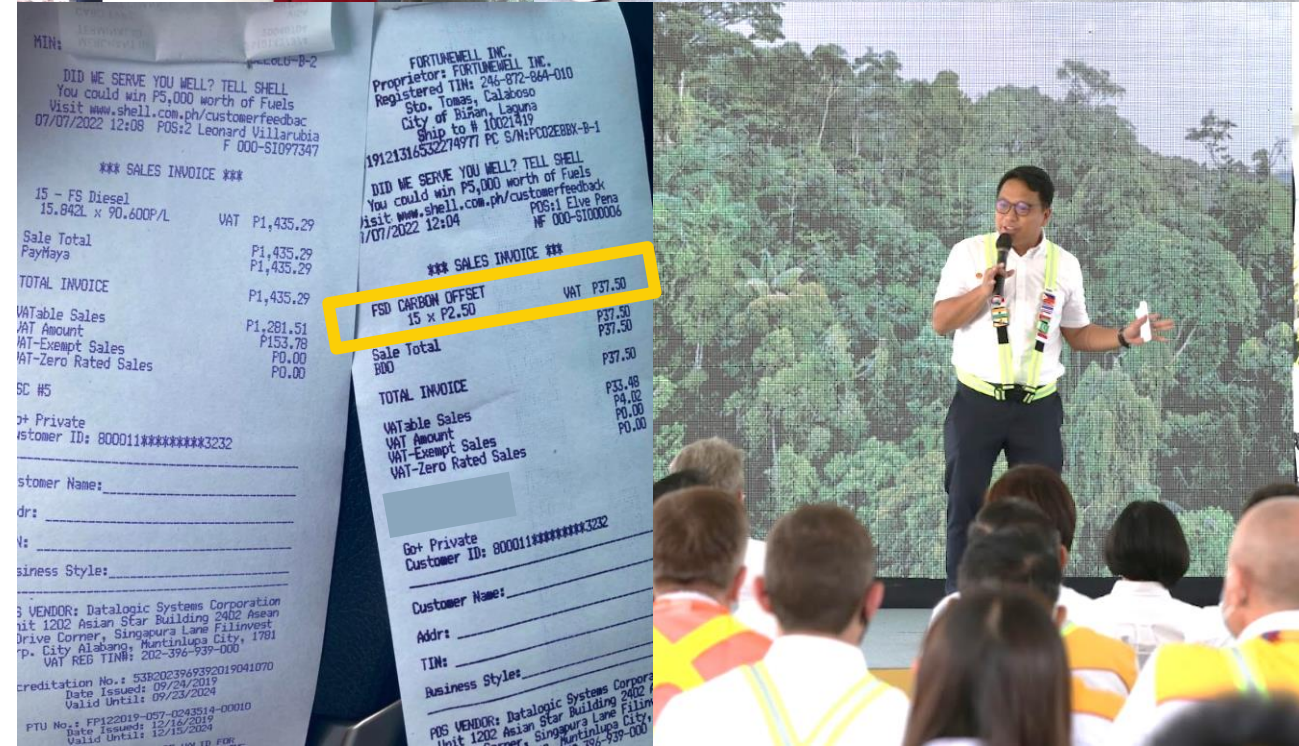
The offsets are assigned with equivalent carbon credits from the Shell Group's independently verified global portfolio of Shell NBS afforestation, reforestation, and conservation projects.



Will be rolled-out to other Shell Mobility stations nationwide progressively.



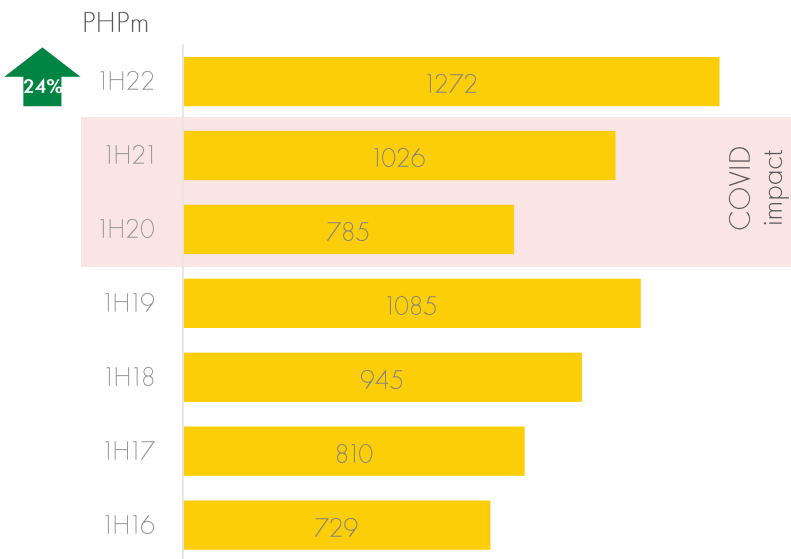
SHLPH exploring opportunities for NBS generation projects locally.



Double digit growth vs PY across all segments

Sustained Retailer engagements; High Convenience Retail supplier participation in promotions; Strong marketing initiatives for Lubricants continued

Gross Profit Contribution to Mobility



+75% Increase in Convenience Retail Income since 1H16
Up 24% vs PY

Total convenience retail stores

Store format	Total
Select Express	~223
Select & Deli2go	~198
SHOC+/HSC	~462

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



Evolving offers in our Convenience Retail Stores:
Seasonal promotions and driver-centric integrated food offers; Shell Ride e-bike; Car Care Product Lines and full range of lubricant products available in our wifi-enabled Car Care Lounge

Volume delivery improves across sectors; Sustainable products offered to help customers in decarb journey

Continuous strong partnerships with sectors and cross-selling across categories enable growth

Commercial fuels

- Increased sales in spot market
- New Fuel Oil grade brings volume growth
- Higher volumes in Power; new wins in marine & construction

Aviation

- 1H22 volume up by 49% vs 1H21; -52% vs pre-COVID. This is driven by increase in consumer confidence to travel and opening of borders as Covid situation improves globally

Lubricants

- 1H22 volume up 5% vs PY, 11 key customer wins
- Premium sales double across categories
- Market share growth momentum continues with increased independent workshop store penetration nationwide.



Construction and Road *(formerly Specialities, Bitumen)*

- 1H22 volume up 8% vs PY,
- Improving monthly volumes challenged with the start of the rainy season
- Well-positioned for opportunities in the construction sector



Decarbonizing the Construction Industry: Pilipinas Shell's Construction and Road business sponsored a talk and roundtable discussion with the leaders of the Philippine Constructors Association Inc. (PCA) last June 2022 on the sector's pathway to sustainability. Pilipinas Shell offers customer-centric sustainable solutions and is the leading partner supplier of low-carbon products in the PH const. & road business.



Tabangao's 3rd Bottom Loading Gantry goes live last June 2022

- Operational enhancement to support the growing marketing demand in Greater Metro Manila
- Strengthens terminal's BCP capability
- Enable double shifting of lorries and optimize loading window

SUPPLY AND DISTRIBUTION

- **Strong HSSE Performance**, zero incidents
- **99% on-time and in-full** pick-up and road delivered
- **Continued reliable supply** of high-quality fuels from various refineries through Shell Group's global trading and supply team; operational preparations for Habagat season
- **100% compliant** on the government's Fuel Marking initiatives; NMIF Terminal on automated marking soon
- CAPEX Program **on-track**, Darong import facility build continues

World-class terminals recognized by local government



Pilipinas Shell Petroleum Corporation

Pilipinas Shell's North Mindanao Import Facility (NMIF) team earned the Pahinungod 2022 Award given last Jun 22 for its contribution in 'giving back to the city's progress'. Among the awardees are 70 institutions from various industries and companies.



Pilipinas Shell was recognized for its support in the mangrove and coastal clean-up activity in partnership with the Philippine Coast Guard (PCG) in Caraga, as part of the 24th Marine Environmental Protection Command (MEPCOM) of said agency.



Pilipinas Shell was presented w/ a Plaque of Appreciation last Jul 22 by Tagbilaran Mayor Jane Yap for its partnership w/ the city for its implementation of the Company's Sustainable Development Programs during the city's 56th Charter Day Celebration.



Q2 2022 News

RECOGNITION



Pilipinas Shell was recognized with the highest conformance rating for Internal Audit practice.

It secured the highest possible conformance rating awarded by External Quality Assurance Reviewers (EQAR) for the professional practice of Internal Audit – a testament to our leading high corporate governance standards. The Review was conducted by independent assessors from Punongbayan & Araullo (P&A), a member firm of Grant Thornton.

PARTNERSHIP



Convert your Shell GO+ points to PAL

Mabuhay Miles! Pilipinas Shell and Philippine Airlines launched a partnership that allows drivers to convert their Shell Go+ points to PAL Mabuhay Miles to get them closer to their next dream destination. Drivers can get 1 Mile for every 3 Go+ points for at least 30 Go+ points. "This goes beyond the core aviation business operations and amplifies the essence of collaborations in the industry to provide end-to-end benefits for traveling customers," says PSPC CEO, Lorelie Osial.

RECOGNITION



Department of Energy (DOE) honors Shell stations with Seal of Excellence.

DOE honored three PSPC stations with its prestigious Seal of Excellence for its strong commitment to provide quality service to the public, while maintaining the highest standards of cleanliness and hygiene in its facilities. DOE also recognized 20 Angkas riders for their capable real-time monitoring of pump prices at selected gas stations, which they performed as part of a partnership with Pilipinas Shell.



Corporate Governance

NON-EXECUTIVE DIRECTOR



Stuart Chaplin
Non-Executive Director,
effective Aug 1 2022
Board Audit & Risk
Oversight and Sustainability
Committee Member

A Shell Group Finance leader with directorships in various renewable energy businesses in Asia. Mr. Chaplin is currently the Vice President Finance of Shell LNG Marketing & Trading and Shell Energy Asia & Australia, Global Shipping & Maritime. He is a former Chief Risk Officer of Shell Trading & Supply from 2015 to 2020. He is a Director of Cleantech Solar, a solar developer based in Singapore and operating across India & Southeast Asia, and of FuelNG, a joint venture between Keppel Offshore & Marine and Shell. He is also a former trustee of Shell Foundation and a member of its audit & investment committees. He is a fellow of the Chartered Institute of Management Accountants (CIMA) and the Association of Corporate Treasurers (AMCT).

VP - HUMAN RESOURCES



Paulo Arias
VP- Human Resources
effective Aug 1 2022
Nomination Committee
Member

A Shell Group HR leader with over 30 years of experience globally. Mr. Arias is currently the Global Head of International Mobility and Reward Operations and the Center Lead for HR Operations in the Philippines. He sits in Manila, supervising a 550-staff community. An engineer by background, he started his career in the Tabangao Refinery Operations team and has been assigned with his first HR role in the UAE after 13 years of various business roles. He has held different HR roles globally since then, HR Manager in Chemicals Singapore, Policy Adviser in Upstream Netherlands and as a Director in Shell Offshore Services B.V. He holds an MBA from Univ. of NSW and underwent the Strategic HR Management Program from the IMD.



Rewarding shareholders with PHP1/share dividends on Sept 2022

Shifts Dividend Payout to Semi-Annual

Historical dividend payout

Dividends	2017 ¹	2018	2019	2020	2021	2022
Pay-out ratio for prior year earnings	80%	80%	95%	Postponed; net loss & negative RE due to COVID19 pandemic and closure of the Refinery		42%
Dividend/share (PHP)	3.73	5.14	3.00			1.00
Dividend yield on Board Meeting Date ²	5.2%	8.8%	6.0%			5.6%*

Note: ¹Dividends paid out for 2016 earnings include payment to existing stockholders pre-IPO; ²Dividend Payout divided by share price on Board Meeting Date; *based on August 9, 2022 closing price

One of the **highest dividend-yielding stocks** in the Philippine Stock Exchange

KEY DATES

Declaration Date	Aug10
Record Date	Aug 25
Payment Date	Sept 19

DIVIDEND PAYOUT POLICY CHANGE FROM ANNUAL TO SEMI-ANNUAL

**Effective 2023 onwards*

The amount of dividends will be reviewed periodically by the Board in light of the Corporation's earnings, financial condition, cash flows, capital requirements and other considerations while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Corporation can operate on a standalone basis, reinforcing that the dividend basis remains the same (of min 75% of previous year's Audited Net Income After Tax).

Note: For queries regarding dividend pay-out, please reach out to PSPC-Investor-Relations@shell.com

We are now

SHELL PILIPINAS CORPORATION

This introduces the Company's wider future-forward approach towards energy transition that will broaden it beyond petroleum, pivoting towards more sustainable, cleaner energy solutions for the Filipino people, community and environment.

Note: Corporate Name Change is subject to Shareholders' and Securities and Exchange Commission's approval

Pilipinas Shell Petroleum Corporation



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

Discover more at
www.pilipinas.shell.com.ph



pilipinas.shell.com.ph/investors.html



facebook.com/Shell

