



Q3 2022 RESULTS

A RESET AND REFOCUSED STRATEGY

November 16, 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

- Volume recovery and strong premium product penetration across businesses tempers impact of inflation and Peso depreciation
- Future-forward, customer-centric offers aptly supported demand recovery in a safe & reliable manner
- More integrated cross-business selling nationwide; including sustainability-focused products and services

YTD 3Q 2022

- PHP4.4b Net Income up ~30% from PY of PHP3.4b
- PHP1.8b Core Income (excl inventory gains and one-off items)
- 39 mobility sites opened; Commercial volume increases by 22%; NFR delivers 25% growth

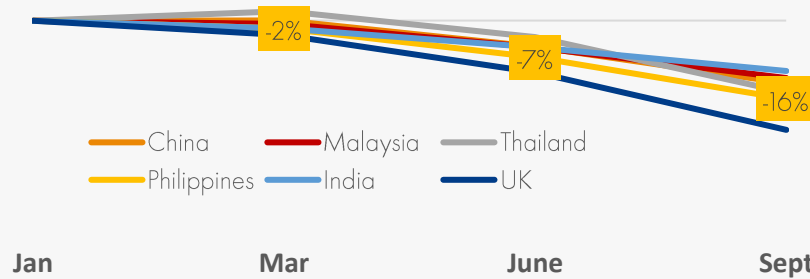
Global environment, including the Philippines, remains challenged in Q3

Oil prices decreases from 2Q peak

GLOBAL

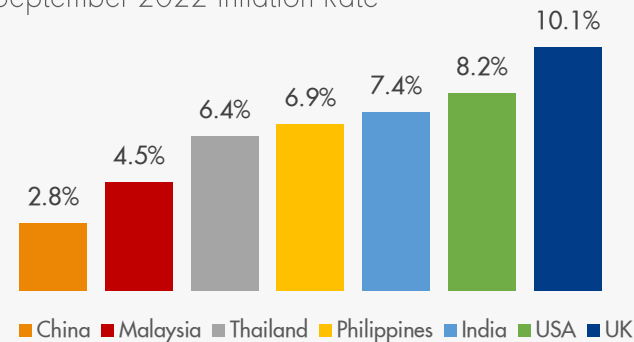
PH: Impacted by Fed rate increase & USD strengthening

Currencies vs USD as of September 2022



High inflation generally felt globally

September 2022 Inflation Rate

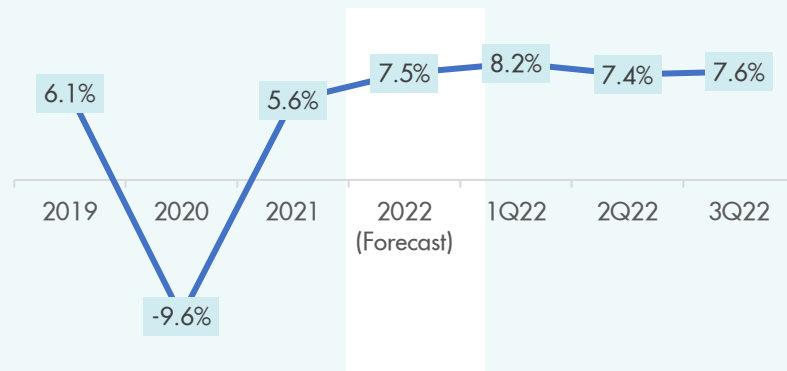


Fuel prices on decreasing trend from 2Q to 3Q

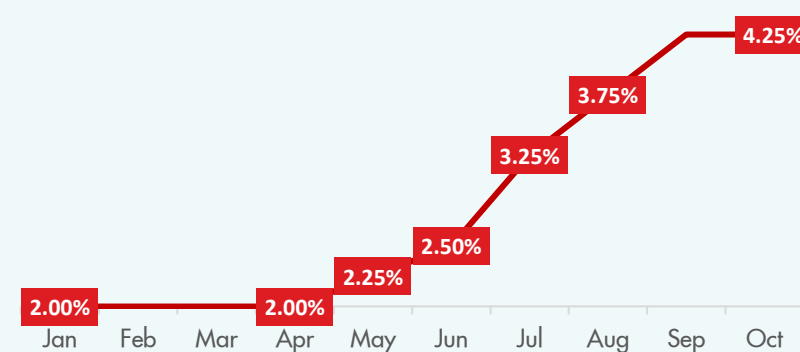
	Gasoline	Diesel	Fuel Oil	Aviation
2021 AVE	78.3	77.6	64.4	75.1
22-Jan	96.2	99.1	76.1	95.7
22-Feb	108.3	110.7	82.6	106.2
22-Mar	127.4	141.7	103	133.5
22-Apr	123.5	148.8	111.1	134.4
22-May	141.2	153.4	104.5	143
22-Jun	148.8	176.8	99	164.3
22-Jul	116.5	145.3	79.4	134.9
22-Aug	107.2	139.7	78.2	132.2
22-Sep	93.8	129.1	66.2	120.8
2022 AVE	118.1	138.3	88.9	129.4

LOCAL

2Q22 Philippine GDP slightly below FY22 expectations



BSP continue to raise rates, more than doubles interest by Oct 22

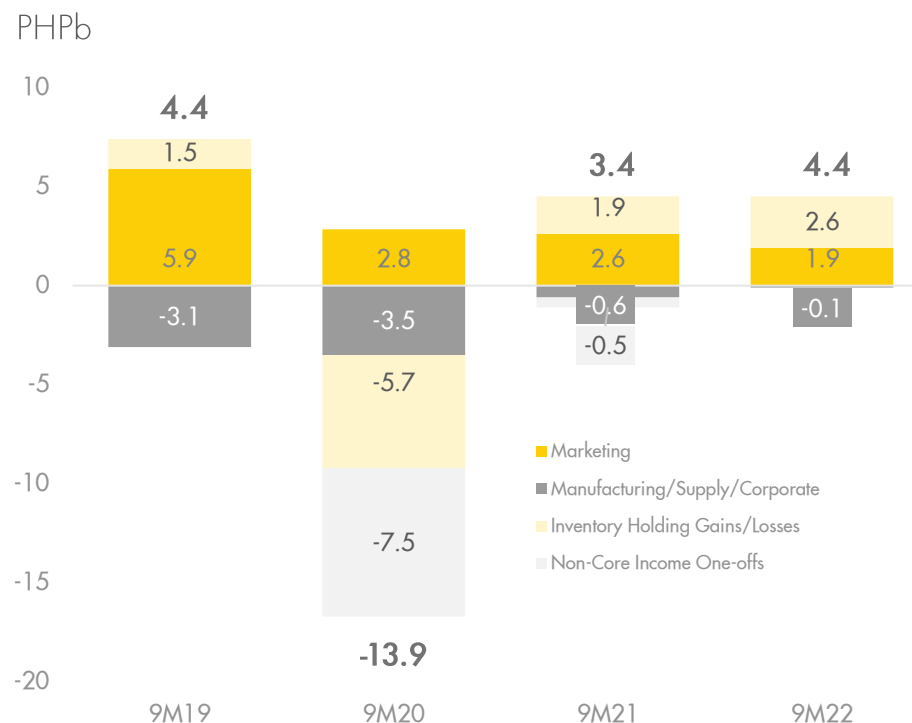


Sources: <https://www.cnbc.com/2022/10/19/ukinflationrate-rises-to-10point1percent-as-food-and-energy-prices-continue-to-surge.html>; <https://www.wsj.com/articles/us-inflation-september-2022-consumer-price-index-11665628037>; <https://www.theguardian.com/business/2022/sep/29/australias-inflation-rate-eases-slightly-to-6.8-in-august-thanks-to-modest-fuel-price-rises>; <https://www.reuters.com/markets/europe/skorea-annual-consumer-inflation-softens-second-month-sept-2022-10-04/>; <https://www.reuters.com/markets/asia/japans-aug-consumer-inflation-hits-near-8-year-high-2022-09-19/>; <https://www.reuters.com/markets/asia/japans-aug-consumer-inflation-hits-near-8-year-high-2022-09-19/>; https://www.businessstandard.com/article/economy-policy/top-headlines-india-s-cpi-inflation-rises-to-7.4-wipro-q2-net-falls-9-122101200952_1.html; <https://psa.gov.ph/priceindices/cpiir>; <https://www.bloomberg.com/news/articles/2022-09-22/almighty-dollar-runs-rampant-in-an-increasingly-divided-world>

Financial highlights



YTD3Q22 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

- Net income at PHP4.4b up vs PY's PHP3.4b
- Core income at PHP1.8b

4.4

NIAT (PHPb)

Core income at PHP1.8b

3.0

Total volume (Bn litres)

Up 6% vs PY

(2.8)

Cash flow from operations (PHPb)

CFFO excl working capital at PHP10.8b

15

Rolling ROACE (%)

9M22 ROACE at 13%

53

Gearing (%)

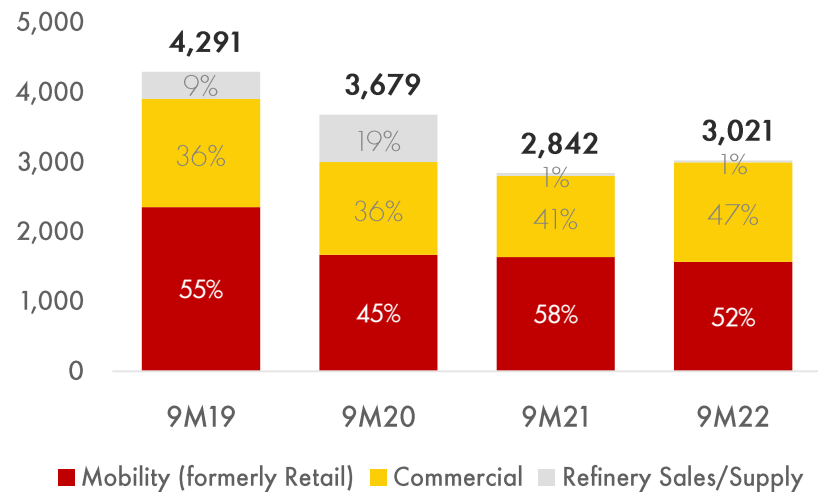
4.1

Retained Earnings (PHPb)

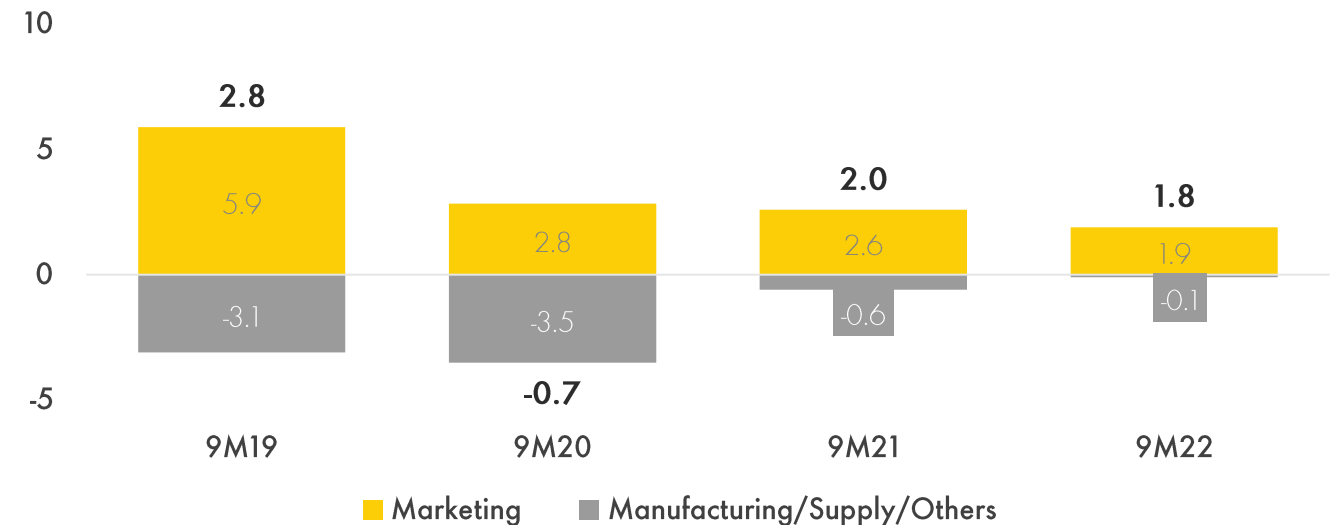


Volume growth tempers impact of significant Peso depreciation

Volume Split (ML)



Core Income Split (PHPb)



Note: 9M2022 Commercial Volume breakdown – Commercial Fuels (87%), Aviation (9%), Bitumen (2%) and Lubricants (2%);

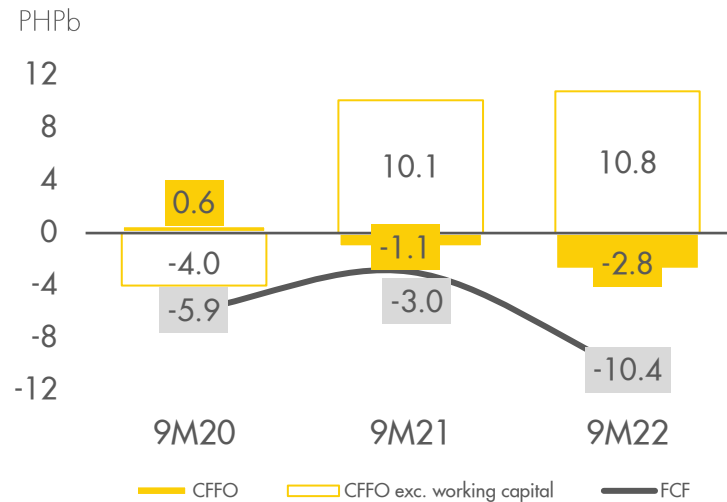
7% marketing volume growth supported by strong and still increasing premium penetration across all businesses and sectors

Notes: (1) Marketing is defined Mobility (formerly Retail) and Commercial; Others defined as Manufacturing, Supply, & Other Costs; (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.



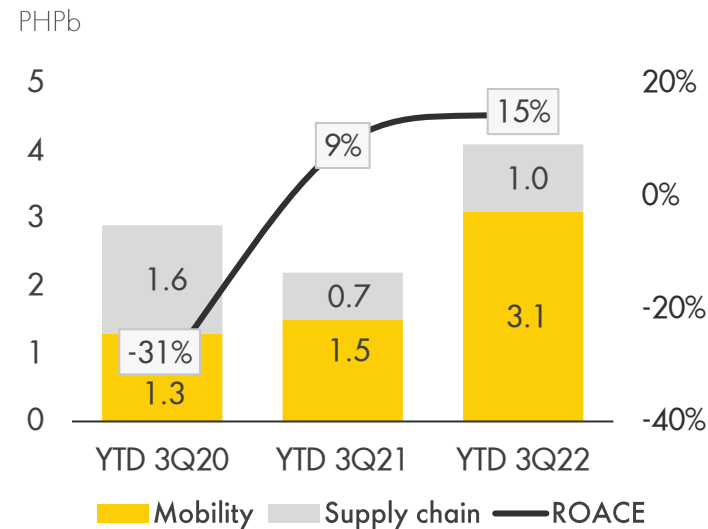
Industry-leading ROACE improves to 15%

Cash flow from operations



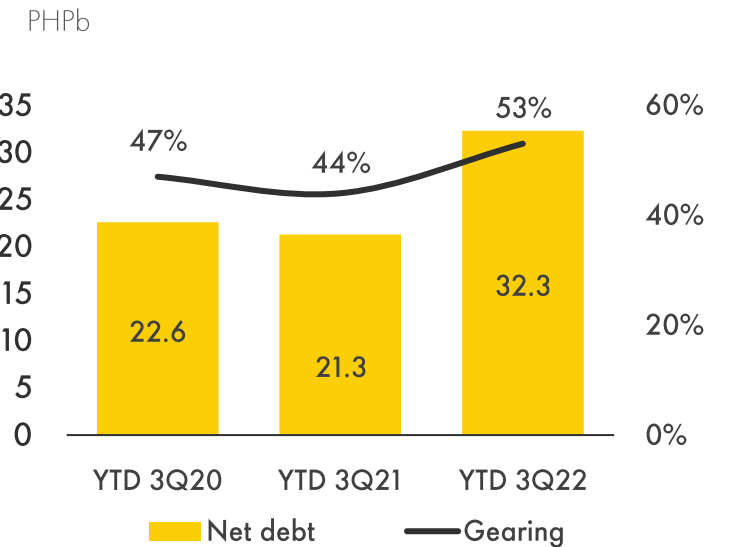
Strong net earnings drive positive CFO before working capital at PHP10.8b. Higher working capital requirements are due to high global product prices (up 28% vs PY), material Peso depreciation and higher inventory levels

Capital Investments + Rolling ROACE



CAPEX continue to support increased Company-Owned site growth in mobility and strengthen supply chain capabilities.

Net debt + Gearing



Increase in gearing driven by tactics to increase competitiveness, and higher 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 shortterm 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 continues; targeted campaigns increase loyalty volumes

Value generation through integrated on-site offers

MOBILITY FUELS



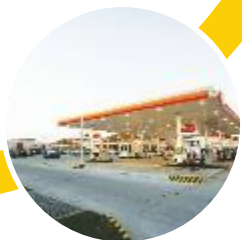
Most preferred brand in PH, enhanced by successful campaigns



9M22 volume at -4% vs PY up from 1H's -9%



Premium fuel penetration maintained at 27%



~1,150 sites
39 new sites; 15 under construction



Singapore promotion delighted customers



Localized activation to win back customers



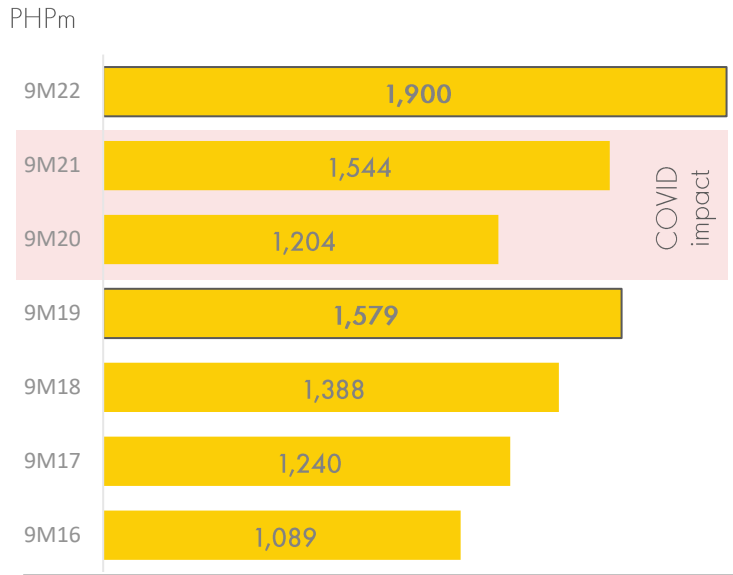
Shell Recharge is now powered with 100% Renewable Electricity through Shell Energy PH!



Vehicle servicing intensifies lubes sales and store traffic

Co-locators sales above pre-pandemic levels; Convenience retail deals and promotions boosts sales

Gross Profit Contribution to Mobility



+74% Increase in Convenience Retail Income since 9M16
Up 23% vs PY

Total convenience retail stores

Store format	Total
Select Express	~223
Select & Deli2go	~208
SHOC+/HSC	~470

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



Private partnerships continues to expand customer base

Bicyclist & pedestrians encouraged to energize in mobility sites nationwide



Experience expert car care and protection with Shell HelixOilChange+ today!

- Signature Service Check from our nationally-certified & trained experts who use the latest high-precision diagnostic tools
- Available in 400+ Shell stations nationwide.
- Online booking appointment available in website

Innovative differentiated products drive income, supply reliability enabled spot wins

Protecting & pushing more volume in key focus-sectors while exploring new customers through integrated selling

Commercial fuels

- Supply reliability remains a customer value proposition; 9M22 volume up 16% vs PY
- New product grades continue to deliver volume growth
- Customer wins in marine/fishing, mining & steel

Aviation

- 9M22 up 52% vs PY, remains -48% vs pre-COVID

Lubricants

- 9M22 volume up 8% vs PY, 17 key customer wins
- 4th year breaking record sales and earnings.
- Continued trade programs push premium penetration
- Sustainable product segment continues to grow

Construction & Road Team visits the CCLEX bridge in Cebu.

Shell Bitumen Freshair was used in the road pavement of the 8.5km bridge that links mainland Cebu to Mactan island. The expressway is expected to serve >50,000 vehicles daily.



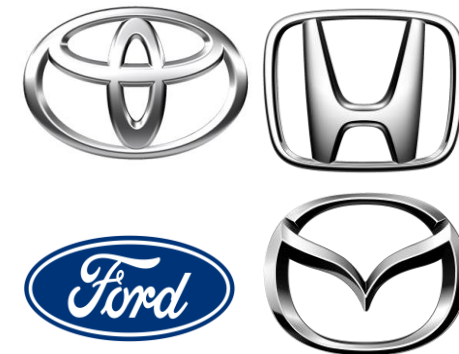
Specialities (Bitumen + Sulphur)

- 9M22 volume up by 24% vs PY
- Income sustained through premium products
- Sectoral decarbonization continues



Shell Commercial Businesses attend the Alaska Sustainability Week.

The event showcased the pioneering products across our CF, CRT & Lubricants business with long-time business partner, Friesland Campina.



Shell Lubricants consistently supplies the biggest Original Equipment Manufacturers (OEM) in the Philippines. Shell has been the preferred lubricants partner for ~70% of the OEM market.



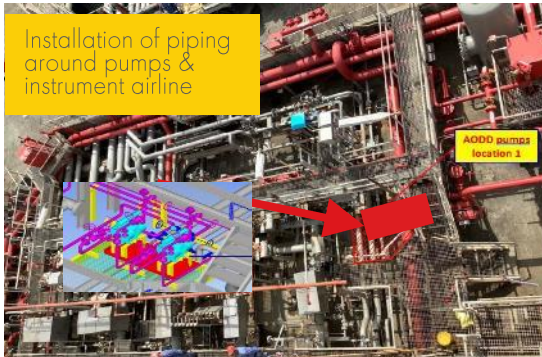
Installation of Air Operated Double Diagram



Fabrication & Installation of sampling points



Installation of piping around pumps & instrument airline



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; ready for steadily increasing volume demand locally
- **100% compliant** on the government's Fuel Marking initiatives; NMIF & Subic Terminal on automated marking soon
- CAPEX Program accelerated to support marketing's growth & expected increase in the country's energy requirements; Darong import terminal construction on-track

Road Transport Operations Enhancements and Upgrades

Pilipinas Shell's Leadership Team graces long-term hauler partner's ribbon cutting ceremony, to welcome the arrival of 15 new prime mover units that will support Pilipinas Shell's growing operations in Luzon. The trucks are crucial to achieve 100% PH Rollover Prevention Device Compliance in its operations.



Shell Asia-Australasia region's Oil Spill Simulation Exercise

220+ participants from the region including Pilipinas Shell's C-Suite Management & the Philippine Coast Guard participated in a 'Batangas Oil Spill' Simulation Exercise last Oct 2022



Q3 2022 RECOGNITIONS

EMPLOYER OF CHOICE



Philippines' Best Employers 2023

With a score of 9.09 out of 10, Pilipinas Shell is the sole Company in the 'Construction, Oil & Gas Operations, Mining and Chemicals' sector in Philippine Daily Inquirer's and Statista's PH Best Employers 2023 research – published [here](#), last Oct 24 2022.

SHELL GLOBAL RECOGNITIONS



2022 Smiling Stars event in Dubai, UAE

- 🏆🌐 Global Fuels Retailer of the Year - Maria Cecilia 'Tata' Arevalo
- 🏆🌐 Global Professional Driver of the Year - Joel Ramos



SUSTAINABILITY

PropertyGuru Asia Property Awards - Philippines



- 🏆 Best Eco-Friendly Commercial Development for Shell's Site of the Future
- 🏆 Recognition in ESG (Environmental, Social, & Governance) in Shell Mobility's transformation



National Association of Convenience Store Awards

- 🏆 2022 NACS Asian Awards on Sustainability

Q&A

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