



FY 2022 RESULTS

A RESET AND REFOCUSED STRATEGY

March 30, 2023

Shell Pilipinas Corporation (formerly 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

- B2C on its path to recovery as mobility restrictions are lifted, tempered by decrease in consumer purchasing power
- B2B posts strong volume delivery despite economic headwinds
- Mobility continues to deliver progressive transformation of sites to support the country's growing energy requirements and changing needs
- Sustained focus on sustainable products and service offers that aid in the decarbonization journey

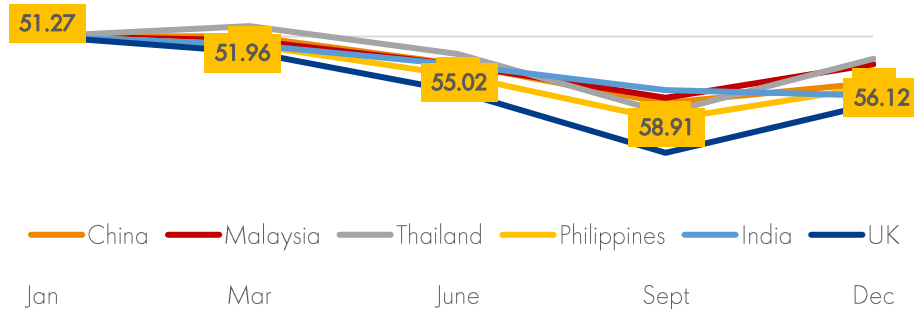
FY 2022

- PHP4.1b Net Income up ~6% from PY of PHP3.9b
- Core Income 22% higher vs PY despite significant Peso depreciation and inflation
- NFR on its 6th year delivering double digit growth since 2015; up 24% vs. pre-pandemic level

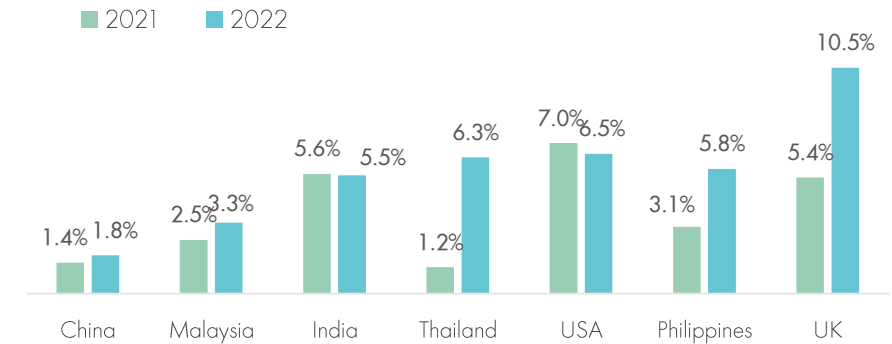
Global challenges eased in Q4, volatile economic outlook remains

USD strengthening due to interest rate hikes; currencies rallying in November

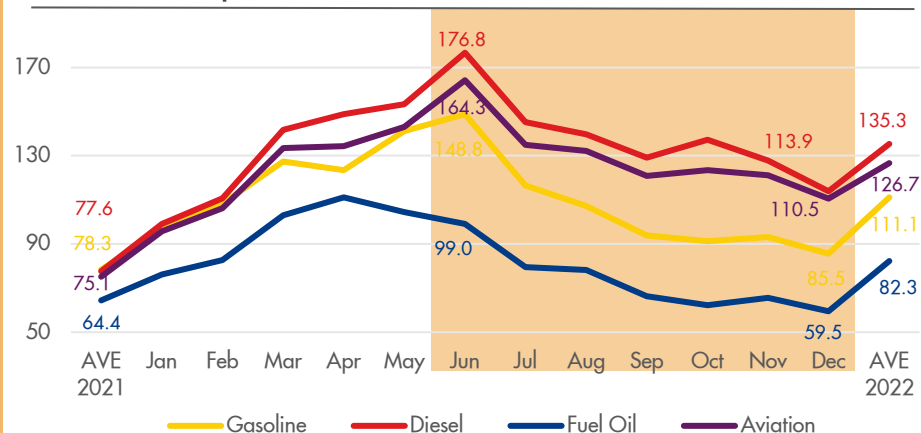
Currencies vs USD as of December 2022



Inflation continues to increase globally; PH inflation up by >80% vs 2021



Fuel prices at a downtrend since end 2Q22



- Despite implementing strict mobility restrictions during Q1 due to the Omicron variant, Philippines delivered strong GDP growth
- BSP increased policy rates; now at >6%, highest since late 2008

Sources: <https://www.inflation.eu/en/inflation-rates/china/historic-inflation/cpi-inflation-china-2022.aspx>; <https://tradingeconomics.com/malaysia/inflation-cpi>; <https://www.focus-economics.com/countries/thailand/news/inflation/inflation-increases-in-December>; <https://psa.gov.ph/price-indices/cpi>; <https://tradingeconomics.com/india/inflation>; <https://foreignusa.com/us-inflation-rate-december-2022/>; <https://tradingeconomics.com/united-kingdom/inflation>; Mean of Platts Singapore

Net income at PHP4.1b, +6% vs PY's PHP3.9b

Core earnings +22% vs PY despite PHP1.4b Forex loss



Net Income After Tax

4.1

+6% vs prior year, +193% vs 2020
(excl refinery one-offs)



Core Earnings (excl. COSA & one-offs)

2.8

vs 2.3m in prior year

One-offs: +1.6b Inventory gains, -0.3b Others



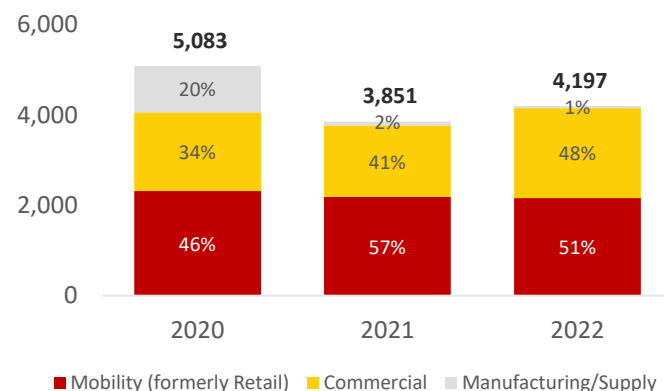
NFR Income

2.6

+24% vs prior year, +63% vs 2020

Fuels Volume

Liters Bn



2022 volume at 4.2b, +9% vs PY's 3.9b



ROACE

14%

(excl refinery one-offs)



Cash flow from operations

1.6

CFFO excl. working capital at +11.1b



Gearing

52%

Prior year at 46%, 41% in 2020



New Mobility Sites

55

30 CO, 25 DO; 22 disposals

Premium Products Penetration



V-Power (B2C)

27%

Fuel Oil Plus

37%

Premium Lubes

17%

Goal Zero Days

1,262



On-time, In-Full

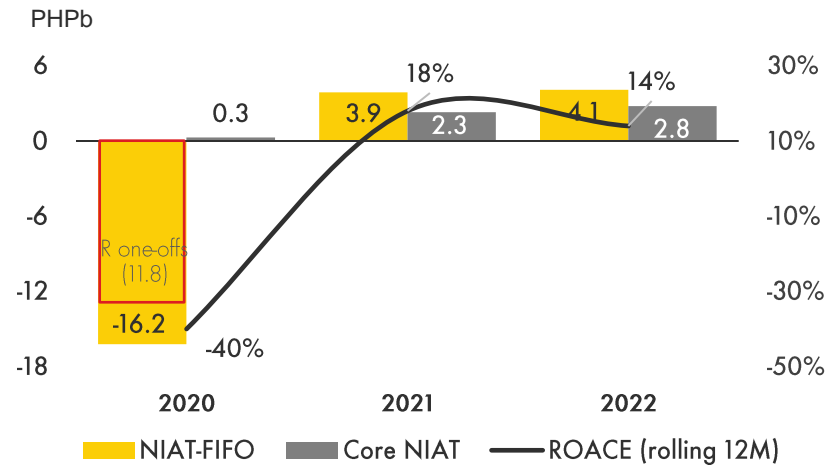
99%

97% vs prior year

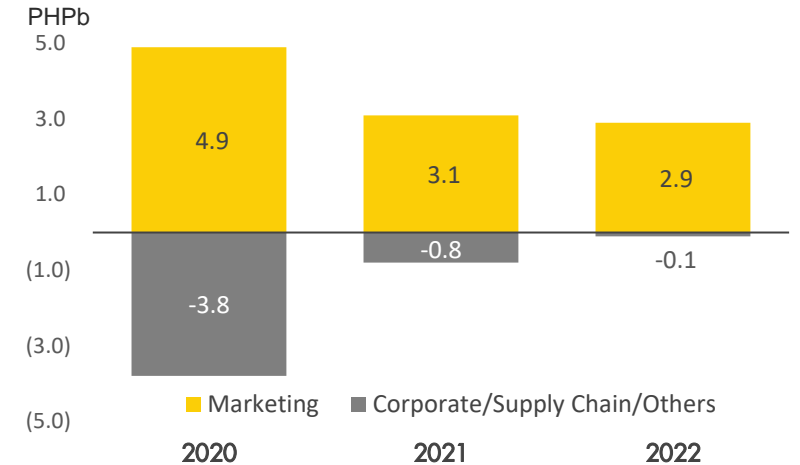
Core earnings +22%, higher than PH GDP growth despite significant Peso depreciation & high inflation

- Global fuel price decline cuts inventory gains by PHP4.8b in 2H
- FOREX loss at PHP1.4b
- CAPEX accelerated in 2022 to enhance competitiveness and deliver new store formats
- ROACE at 14% due to increase in net debt vs PY

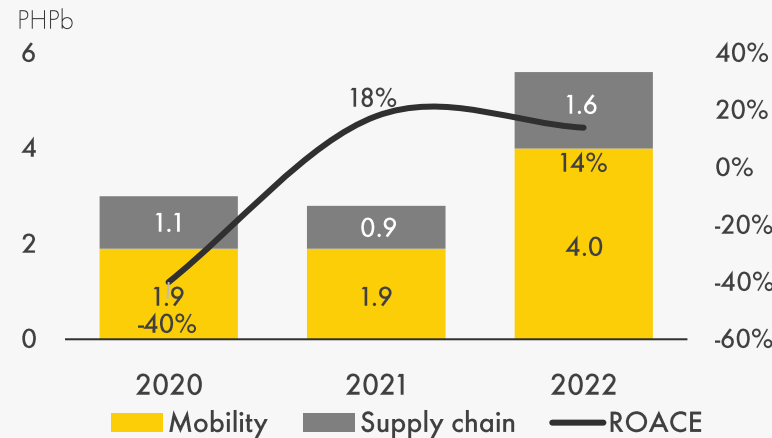
Net Earnings/(Loss)



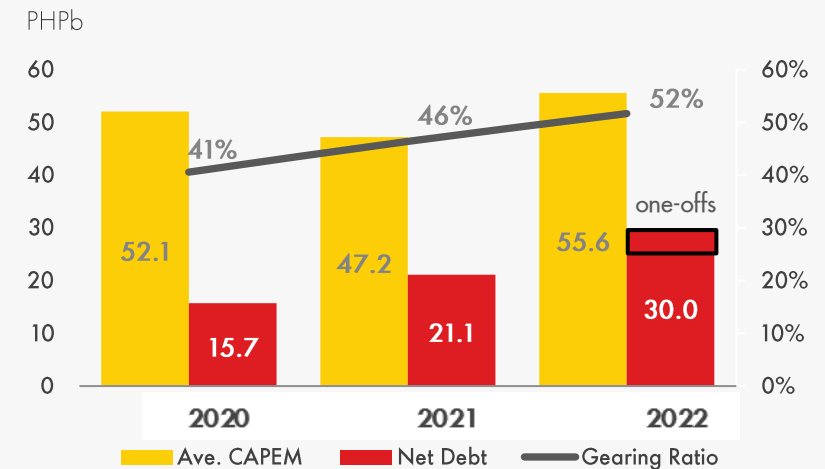
Core Earnings



Capital Investments + ROACE



Borrowings + Gearing



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.

Most preferred brand in PH enhanced by successful campaigns; loyalty growth continues

Q4 2022 VOLUME **+8%** Increase in Sales Volume vs Q4 2021
-1% vs FY2021

27% Premium Fuel Penetration

FY22 NEW SITES **55** >1,150 sites in total
vs 43 new sites in 2021



Mobility Site Offers



Select, Select Express

Deli2Go, Shell Café

Helix Oil Change, Service Centers, & Car Wash

Restaurants, Lifestyle Offers

E-Charging & Carbon Offset



Launching the Best Ever Shell V-Power

Shell V-Power

- Cleans 100% of performance robbing deposits to help maintain the cleanliness of vital engine parts
- Helps reduce CO2 emissions through enhanced fuel economy

Shell Go+ reaches 2-million-member milestone



Shell GO+

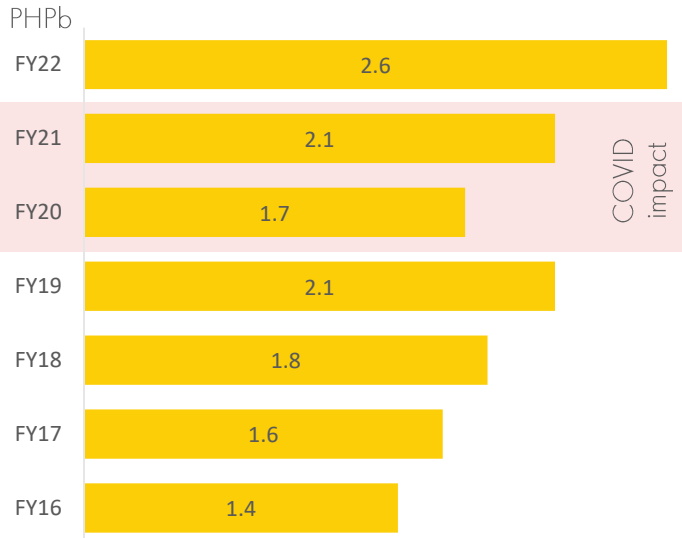
Membership doubled vs 2021

Growing Mobility through relevant, integrated offers

NFR delivers double digit growth since 2016, +24% vs pre pandemic days

Further growth for convenience retail sales aided by the addition of new stores

Operating Profit Contribution



+81% Increase in NFR Income since 2016
+24% vs PY

Store format	Total	New
Select Express	~223	-
Select & Deli2go	~217	+47
SHOC+/HSC *	~479	+25
Co-locators	~208	+54
Clip Ins	~94	+65

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



Shell Café Launch in Tagaytay

Expanding our NFR footprint through the launch of Shell Café in Q1 2023 with signature coffee blend offers. Customers can stay and take care of themselves while their vehicles are being serviced.



Shell Recharge for EV

First Shell branded electric vehicle charging facility which is currently the most powerful DC high performance fast charger in the Philippines.



Driving sustainability through lower carbon products, offers, & operations

LOWER CARBON PRODUCTS & SERVICES

LUBRICANTS: Shell Helix 0W

+39%

Volume
(FY22 vs FY21)



A carbon neutral motor oil that keeps engine clean and provides the ultimate protection for emissions systems.

SPECIALITIES: Instapave

108 kms

Of Instapave
roads



An all-weather paving system that remains repair free.

FLEET SOLUTIONS: Carbon Offset

Offsetting approximately
3,517 kms

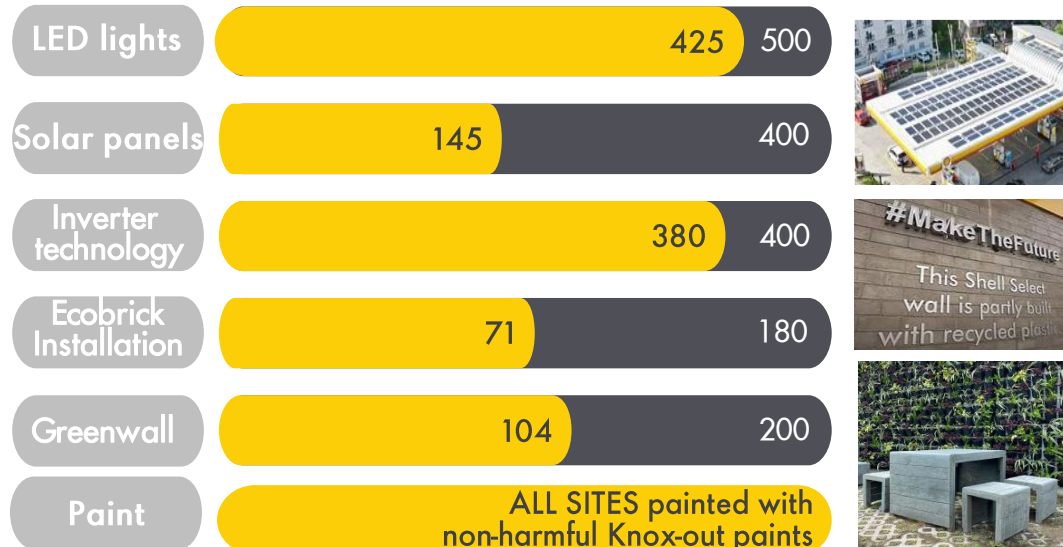
Driven in a medium
sized diesel car



This is also equivalent to one tree

LOWER CARBON OPERATIONS

Low Carbon Mobility Hub Installations @ 2025



Shell Telematics

Carbon Intensity Reduction for Road Transport

The Supply Chain implemented Shell Telematics in 2022 which unlocked their capability to monitor, optimize & recognize efficient driving practices. Paired with scheduling optimizations, this allowed the business to achieve lower carbon intensity.

Substantially surpassing prior year volumes & thriving in a challenging environment

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

Commercial fuels

- Supply reliability remains a key customer value proposition; 2022 volume up 19% vs PY
- New product grades continue to deliver volume growth and achieving success through differentiation
- Customer wins in marine, shipping, energy & mining sectors

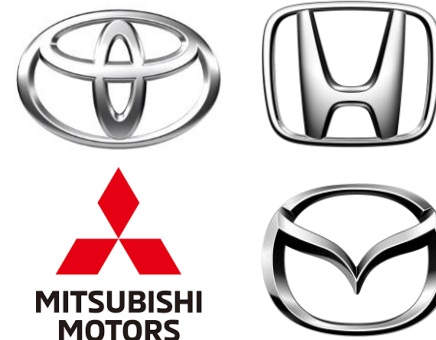
Aviation

- 2022 up 51% vs PY, remains -45% vs pre-COVID

Lubricants

- 2022 volume up 9% vs PY, 17 key customer wins
- Strong volume performance maintaining #1 position in key sectors
- Shell Advance & Helix retain Top Brand Preference
- Sustainable product segment continues to grow
- Premium products driving 40% value share contribution

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.



Specialities (Bitumen + Sulphur)

- 2022 volume up by 25% vs PY
- Market leader in Bitumen business
- Leads sustainability journey – pilots the use of waste plastic in asphalt
- Continues industry decarbonization through collaboration with PH contractors

Shell Bitumen FreshAir

Plastics to Road Initiative. A collaboration with various entities to use clean and dry plastics on asphalt mixture to reduce single-use plastic pollution.



Specialities team & CEMEX sign a MOU

A Memorandum of Understanding has been signed with CEMEX to discuss offerings and future collaboration solutions for decarbonization.

More competitive & reliable supply chain post-refinery transformation

Ensured supply continuity when competitors failed to deliver due to supply chain issues & impact of calamities

- **Strong HSSE Performance.** 1,262 days of goal zero
- **99% on-time and in-full** pick-up and road delivered
- **~27,000 number of trees** in which an equivalent CO2 reduction from road transport optimization and use of renewable energy in SHIFT
- **100% compliant on Fuel Marking initiatives.** Prepared for further innovations to be initiated by the government

Embedding Disaster Management by Design

- Launched a pre-disruption management framework in Q4 embedded into our organization's design. This aims to aid in predicting major events.
- This is in response to global financial/economic issues that have caused supply chain disruption.
- It creates greater levels of disruption resiliency by being disruption shapers.
- We continue to persist and remain supply chain resilient.



Darong, Southern Mindanao: Ongoing construction for our 3rd biggest import terminal



HSSE milestones



~74 thousand road transport trips
14.5 million km travelled



459 local vessel movements
86 imports received



1 million contractor manhours
LTI FREE

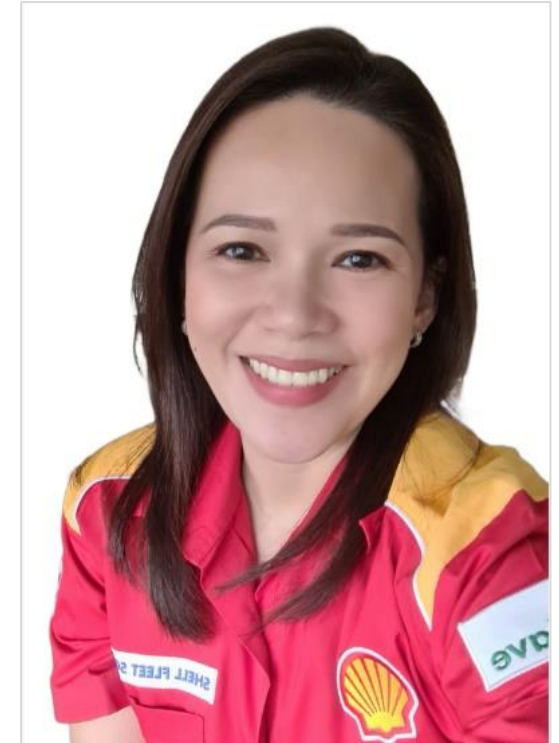
Leadership Team Appointment

Currently the Mobility Senior District Manager for Metro Manila.

Jackie has a breadth of experience in the Mobility business spanning over 20 years in Shell.

- Started in Mobility as part of Fleet Card Customer Service in 2002, before taking on sales and operational roles. She has a strong track record in local and regional setting in the Mobility business and in various capacities. Under her purview as Metro Manila Senior District Manager, she led the growth and business recovery of her district. She garnered top district for Shell Go+ loyalty members and delivered double digit non-fuels revenue growth.
- Received several awards such as Global Fleet Solutions Sales Team Manager of the Year in 2019, back-to-back Regional Fleet Solutions Sales Team Manager of the Year (2018 and 2019) and 2018 EVP Award on Twin to Win Competition for Retail and GC collaboration.
- An inspiring leader who embodies resiliency, adaptability and empathy while developing the same for her team. Creating opportunities to help upgrade team capability to cultivate world class people and especially supports advocacies on developing female talents and future Shell leaders.
- A graduate of Miriam College with a degree in B.S. Psychology

VP LUBRICANTS



**Jacqueline
"Jackie" Famorca**
VP Lubricants
- Effective 01 April 2023

Q4 2022 AWARDS

Innovation



8.1/10

- Highest rating in Shell Group, 5th year in a row
- Highest scores in all Trust drivers
 - High quality products and offers
 - Operational Safety
 - Highest standards of business Ethics

Shell Global Recognitions

Mobility

- 🏆🌐 Marketing & Digital – Shell Unilever Partnership
- 🏆🌐 Network Growth – Self-serve Platform
- 🏆🌐 HSSE – Safe Refueling Campaign
- 🏆🌐 Risk Mitigation & Cash Preservation Margin Management

Trading & Supply

- 🏆🌐 T&S Products VP Award – Project Eagle; Establishment of Shell PH's 4th Import Facility
- 🏆🌐 T&S Distribution Ops Award People – CIPAG: Transformative CI Culture for Maximized Initiative Delivery
- 🏆🌐 T&S Distribution Ops Award Compliance – Streamlined Team Action Tracker: Digital Tool at the Heart of Compliance

Sustainability

Europa Awards


- 🏆 Winner for Smart and Safer Mobility




Upcoming Management Day




PILIPINAS SHELL PETROLEUM CORPORATION
Powering Progress for the Filipinos



Leading position in corporate governance, talent management, & move towards low carbon operations



Strong cash generation at competitive returns



Disciplined capital expansion & cost management

Strong footprint & history in the Philippines

Robust marketing strategies with industry-leading innovations supported by world-class supply chain

Shell Group integration

Attractive dividend policy

Retained Earnings Available for Dividend Distribution	2022 (in PHP'000)
January 1, 2022 balance	1,325,887
Adjustments ¹	(6,490,619)
Net income earned during the period ²	4,937,360
Cash dividends during the year ³	(1,613,444)
December 31, 2022 balance	(1,840,816)

¹ Adjusted for treasury shares and deferred tax assets (DTA)
² Adjusted for unrealized forex gains, fair value adjustment and DTA movements
³ Paid out in September 2022 based on its unrestricted retained earnings of PHP4.6b as of June 30, 2022

SEC requires dividends to be declared from unrestricted retained earnings (URE).

As of 2022, we have URE deficit due to the significant global product price decline leading to the reversal of PHP4.8b of inventory holding gains during 2H 2022. Hence, we are constrained from paying out dividends in Q1 2023.

SHLPH remains committed to pay dividends as per our dividend policy once we have sufficient URE.

Q&A

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