



2Q 2023 RESULTS

SHELL PILIPINAS CORPORATION

August 14, 2023

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Executive Summary

**Strong
partner in
nation
building**



**Powering
progress**

Meeting the country's
energy needs today
& tomorrow



**Attractive
dividend
policy**

~5.6% yield in
August 2022

**Protecting the
environment**

Moving towards lower
carbon operations,
products, &
solutions



Key Messages

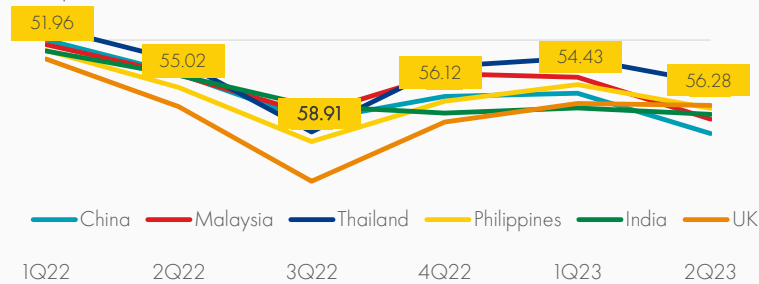
- Marketing businesses sustain growth in volumes by 9% while maintaining high premium penetration across key sectors.
- Net income stands at PHP123 million as inventory holding losses & borrowing costs temper marketing growth. Core income at PHP1.4 billion.
- Supply enhancements underway to support growth.
- Expanding sustainability efforts while pursuing more & cleaner energy solutions today & for the future.

Macroeconomic factors demonstrate resilience, high interest rates & decreasing product prices impact income delivery

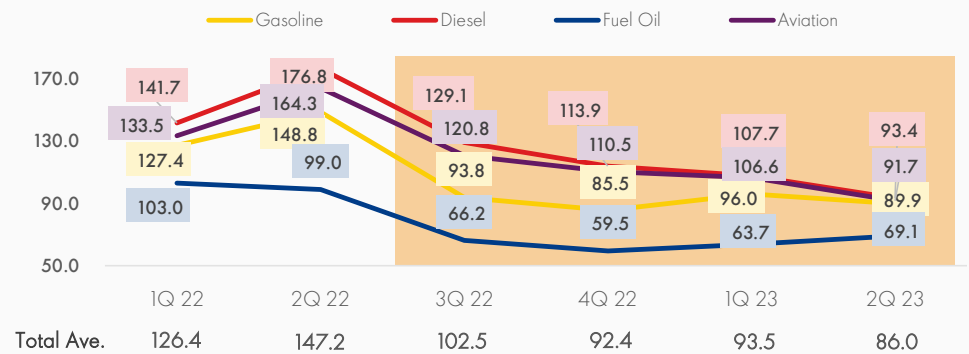
GLOBAL

Currencies continue to fluctuate in 1H 2023

Comparison vs USD as of June 2023

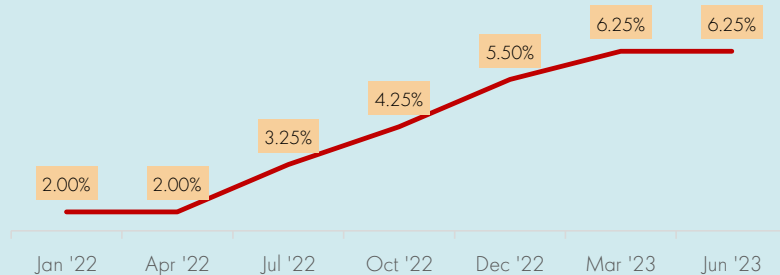


Fuel prices at a downtrend since 3Q 22

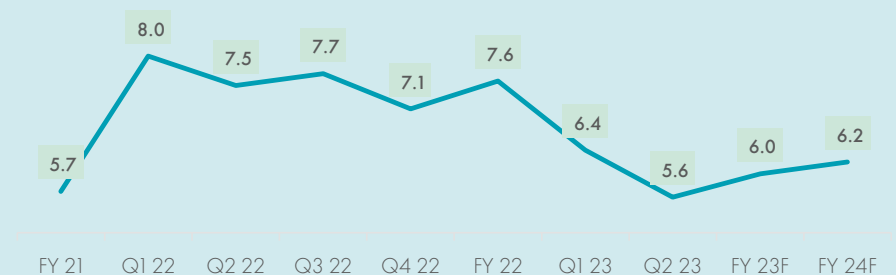


LOCAL

Interest rate hike paused in line with US fed; still more than triple 2022 rates



GDP growth for next 2 years is forecasted to fall within gov't target of 6% - 7%



Sources: Exchange rates: China, Malaysia, India, UK, Thailand, Philippines; Inflation: China, Philippines, Malaysia, India, Thailand, US, UK; Mean of Platts Singapore; PH GDP; GDP forecast; BSP Interest Rates

PHP1.4b Core Earnings at par vs PY, strong marketing delivery offset by higher borrowing costs



Net Income After Tax
PHP0.1b
vs PHP7.8b in prior year



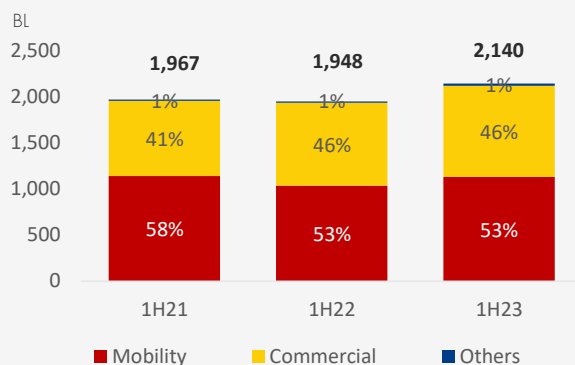
Core Earnings (excl. COSA & one-offs)
PHP1.4b
vs PHP1.4b in prior year

One-offs: -PHP1.7b inventory holding losses, impairment reversal & tax impact of +PHP0.4b



NFR Income (Operating Profit)
PHP1.4b
+14% vs prior year
+33% vs 1H 2019

Fuels Volume



ROACE (Discrete)
3%
vs 5% in 1Q 2023



Cash flow from operations
-PHP1.9b
CFFO excl. working capital at +3.3b



New Mobility Sites
14
7 CO; 7 DO; 6 disposals



V-Power (B2C)
28%
vs 27% in 1Q 2023

Goal Zero Days
1,412



On-time, In-Full
96%
96% vs prior year



Gearing
57%
vs 56% in 1Q 2023

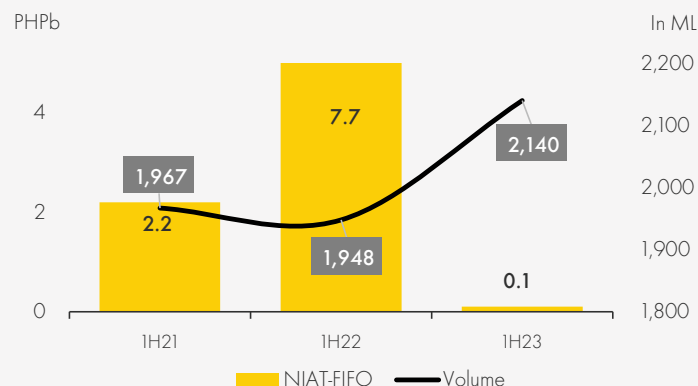
FO Plus
28%
vs 28% in 1Q 2023

Premium Lubes
(incl Mobility)
22%
vs 20% in 1Q 2023

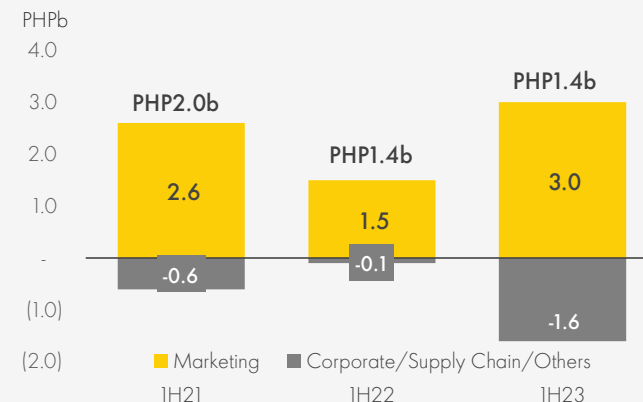
Core earnings at par vs prior year. Marketing rebound offset by increase in PH interest rates & inventory losses

- Sales volume up 10%, while premium penetration increased across key products
- Tempered by inventory losses (PHP1.7b vs PHP6.4b gain in PY) & borrowing costs (PHP1.0b)

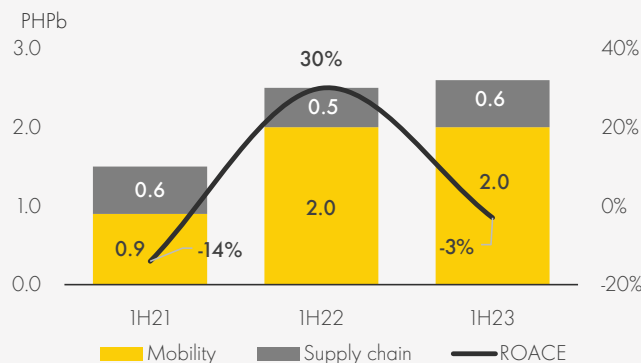
Net Earnings/(Loss) + Volume Delivery



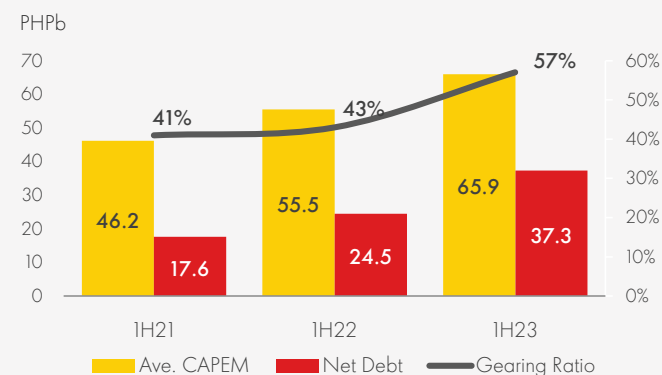
Core Earnings Breakdown



Capital Investments + Rolling ROACE

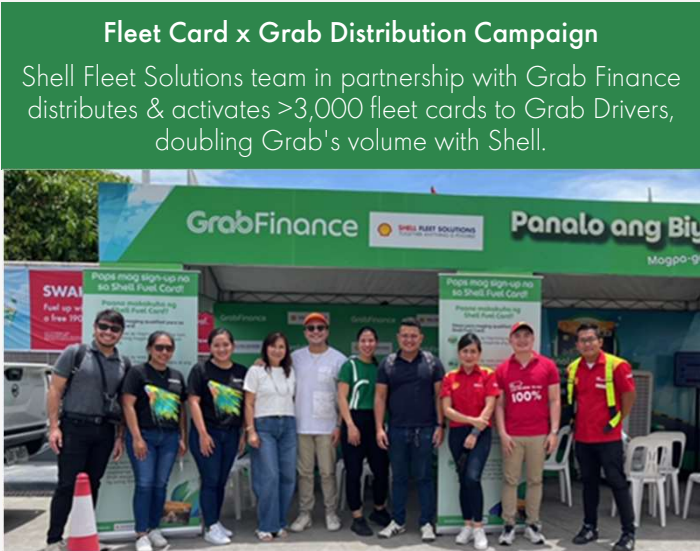
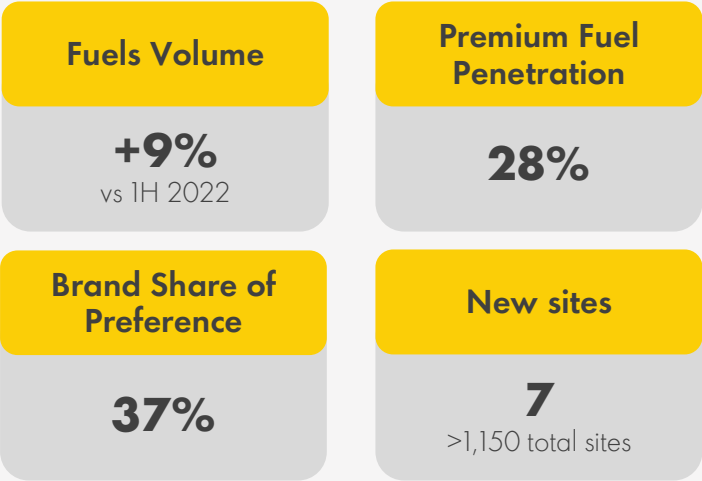


Borrowings + Gearing



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. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total loans and borrowings less cash.

Delivering 9% volume growth through new campaigns and promotions



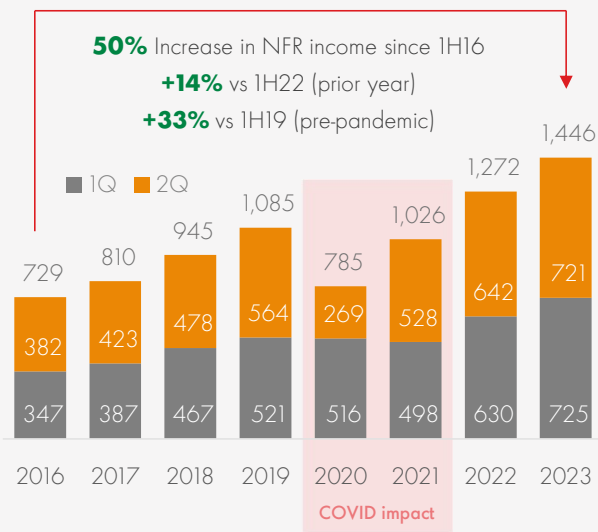
New & Improved V-power brings more customers in station and sustains preference for Shell

Marketing campaigns held in Q2 following the reformulated V-power launch in February

Promotions such as “Power Up Your Summer” supported the Company’s high brand share preference and premium fuel penetration.

NFR Income retain its double-digit growth, +14% vs PY, +33% vs 2019

Non-Fuels Retail Operating Profits



Store Format	New	Total
Select	7	224
Deli2go	3	93
Shell Café	4	4
SHOC+ /HSC *	5	484
Co-locators	33	225
Clip Ins	29	122

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



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New customer wins, low carbon product & service offers bring up volume across most sectors by 10%

Lubricants

- 2Q 2023 volume up 5% vs PY, almost double 1Q 2023 delivery
- Secured partnership with Nexthub Auto Care to offer Car+, an onboard diagnostic sensor

Introducing the new

CAR+

CAR ANALYTICS, REAL TIME

Your always-connected car diagnostic sensor

- Easily connects to most vehicles
- Monitors car health status in real time
- Sends preemptive alerts to car owners

Powered by: 4G



Aviation

2Q 2023 volume up 39% vs PY, almost double vs 1Q 2023 as tourism & travel continue to pick up

Commercial Road Transport

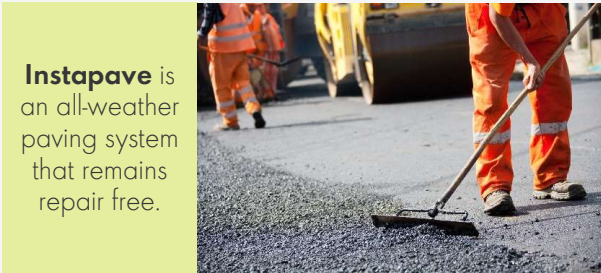
More than 3x volume growth vs prior year as transport of people and goods peaked especially during the summer season

Commercial Fuels

Won new & retained customers through various CVP's ranging from premium products to services

Construction & Road

- Premium product volume up by 8%
- Roadshows held with DPWH's Bureau of Research & Standard to increase awareness on Shell Instapave



Instapave is an all-weather paving system that remains repair free.

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Supply enhancements underway to support growth

- **Strong HSSE Performance.** 1,412 days of goal zero
- **96% on-time and in-full** pick-up & road delivered
- **~28,000 kms driven** equivalent CO2 reduction from road transport optimization & use of renewable energy in SHIFT

HSSE milestones



~40 thousand road transport trips
7.6 million km travelled



2.5 million contractor manhours
LTI FREE



148 local vessel movements
48 imports received

Darong, Southern Mindanao: Our 3rd largest import terminal is on track to operationalize on the 3rd quarter of 2024 to further strengthen our supply chain



All Road Transport fleet installed with Active Fatigue and Distraction Detection Devices



AFDD identify driver fatigue or distraction and make real-time interventions

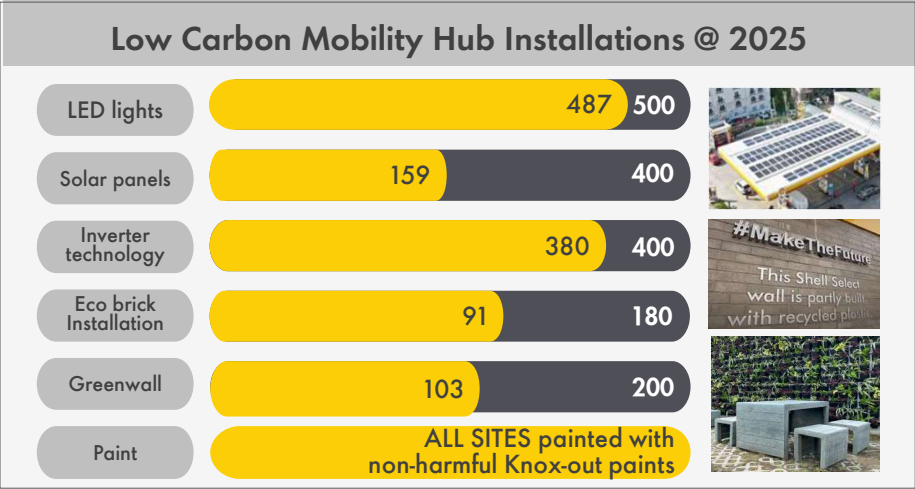


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Driving sustainability through lower carbon offers and operations

LOWER CARBON OPERATIONS

Signed MOU with DENR to explore integrated carbon & development opportunities in the Philippines.



LOWER CARBON PRODUCTS & SERVICES



Shell Lubricants in partnership with Green Antz launched **Shell LubeRecycle**. This promotes the collection & recycling of used lubricants packaging to promote a circular economy.



Q2 2023 Awards and Recognitions

Prosple's Top 5 Employer



Shell Pilipinas lands in Prosple's Top 100 Employers for Fresh Graduates

- Shell was recognized as a top employer within the top 10 companies
- Selection is based on program quality and prevalence

Smiling Stars event in Budapest, Hungary

Mobility/ Global Lubes Top Global Award

Rem Pine & Leo Mendoza



Asia Fuels Retailer of the Year

Carol Teves





Q&A

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