



# **1<sup>st</sup> Half 2025 Results**

**Free Cash Flow Rebound; Core Earnings Growth; Strengthened Balance Sheet**

**Shell Pilipinas Corporation**

August 14, 2025

# Definitions and Cautionary Note

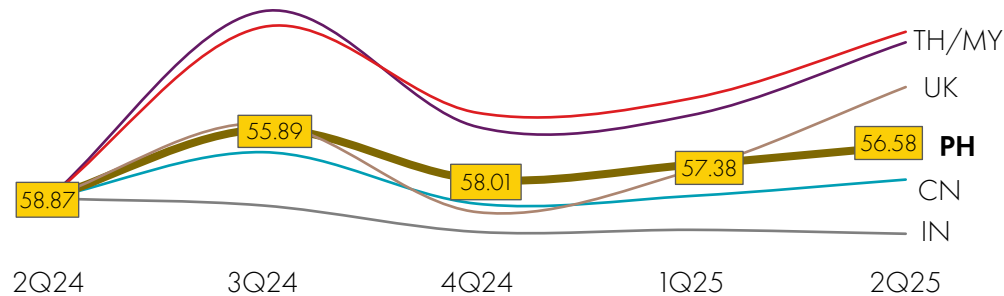
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# Philippine growth tempered by global trade and geopolitical tensions

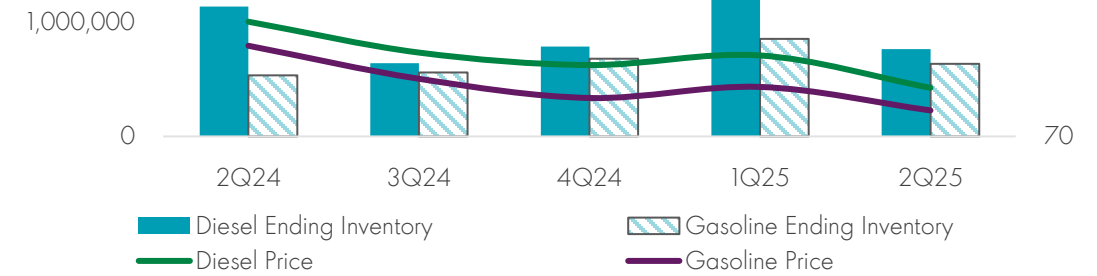
GLOBAL

USD hit by trade policy uncertainties; PHP supported by narrow trade deficit



Source: Exchange rates: [China](#), [Malaysia](#), [India](#), [UK](#), [Thailand](#), [Philippines](#)  
[Click here to read the expanded description in the appendix](#)

Global fuel prices steady on higher demand weighed down by Middle East supply risks



Source: Mean of Platts Singapore  
[Click here to read the expanded description in the appendix](#)

LOCAL

Interest rate down by 50bps

5.25%

BSP announced 2<sup>nd</sup> rate cut on June 19<sup>th</sup>.

Source: [BSP key rates](#), [Manila Standard](#)

Inflation lower than gov't target; GDP target adjusted downwards

2Q25 Inflation  
actual

1.8%

vs 3.8% in 2Q24

2Q25 GDP  
actual

5.5%

vs 6.3% in 2Q24

Source: [2Q25 Inflation](#), [2Q25 GDP growth](#)

# Our path to 2030: Defend, Grow, Deliver

Generating improved shareholder value in fulfilling the mobility and energy needs of Filipinos



## CASH

Delivering healthy and sustainable FCF

Monetizing prepayments and receivables

Managing market exposures

Lowering borrowing costs



## RETURNS

Achieving competitive cost & capital structure

Structural cost savings (P1.5-2.0b by 2030)

Two new cost-competitive import terminals

Selective investments and asset high grading;  
Capex P2.0-3.0b (2025-26), P3.0-4.0b (2027-30)



## GROWTH

Winning back & winning more volumes profitably

Integrated channel growth;  
Fuels volume growth at or above industry

Dynamic pricing approach

Commercial partnership expansion

# SPC is advancing towards its Strategy Day 2025 financial targets

	Transition period 2025 to 2026	Growth period 2025 to 2026
Free Cash Flow per share	up to Php2/share	>10% CAGR
Core Earnings	8% CAGR	>10% CAGR
Return on Ave. Capital Employed	10% - 11%	>12%
Gearing	50% - 55%	40% - 50%

# Fuels Update

## Mobility



B2B Volume Growth  
**+18%**



Non-Fuel Retail Growth  
**+5%**



Membership  
**+17%**

## Commercial Fuels

NEW + IMPROVED

**Shell**  
**FuelSave**  
Diesel

**+17%**

**Shell**  
**FuelOil Plus**

**+7%**

Volume vs 1H 2024



## Aviation

Highest earnings since pandemic



**+11%**  
Volume vs 1H 2024



# Non-Fuels Update

## Lubricants

**+6%**  
Volume vs 1H 2024



## Lubricants

Triple volume across all  
e-commerce platforms vs PY



Tiktok live selling

## Bitumen

(previously Construction & Road)

Continues to be the  
market leader in Bitumen

**28%**  
Market Share



# IR & Corporate Strategy Manager Introduction



**Jhonna  
Cañeja**

**Investor Relations &  
Corporate Strategy  
Manager**

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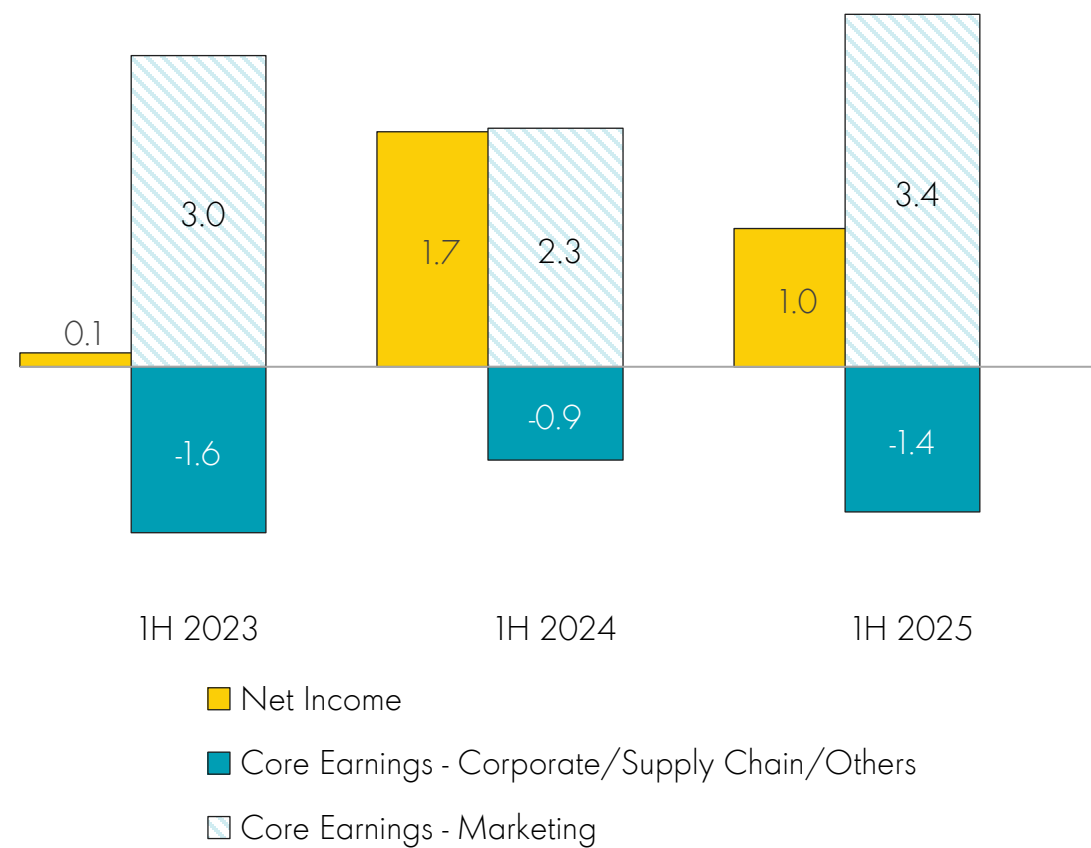




# Appendix

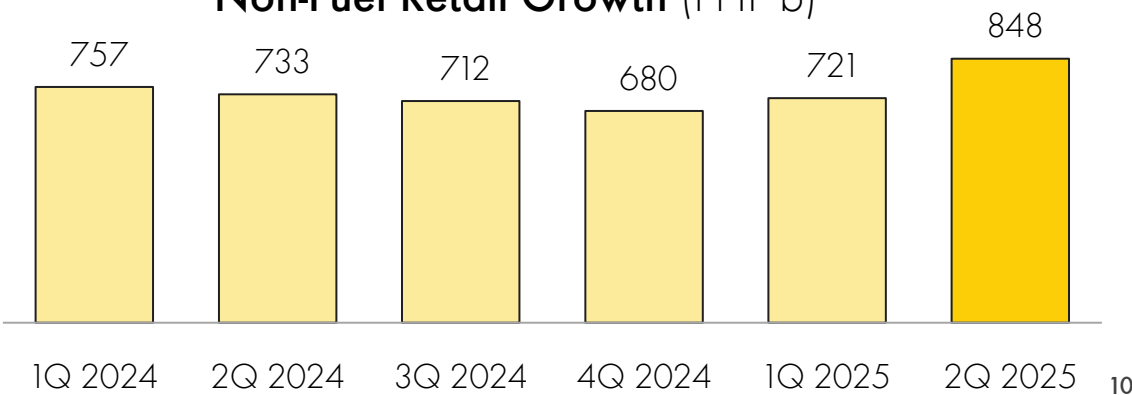
# Core earnings at P2.0b, up by 38%, driven by higher marketing margins and premium products

Core & Net Income (PHP'b)



PHP'b	1H 2023	1H 2024	1H 2025	Amount Change (25-24)	% Change
Gross Profit	9.4	12.1	10.9	(1.2)	(9.6%)
Core Earnings	1.4	1.4	2.0	0.6	37.7%
Inventory Gain (loss)	(1.7)	0.6	(0.8)	(1.4)	(233.3%)
One-off items	0.4 <sup>1</sup>	(0.3) <sup>2</sup>	(0.2) <sup>3</sup>	0.1	33.3%
Net Income	0.1	1.7	1.0	(0.7)	(44.7%)

Non-Fuel Retail Growth (PHP'b)

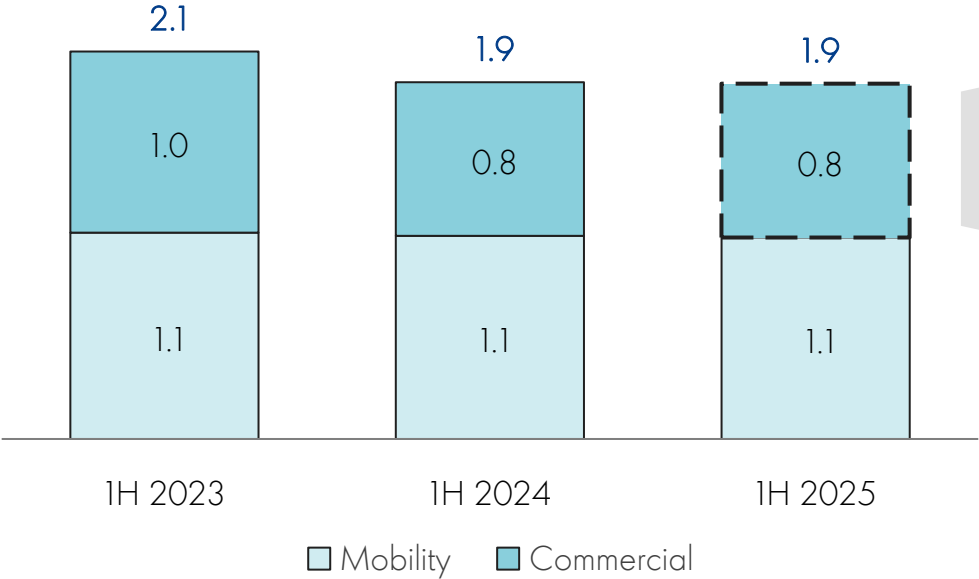


[Click here to read the expanded description in the appendix](#)

<sup>1</sup> Asset impairment reversal and related tax impact  
<sup>2</sup> Asset write-off due to network portfolio optimization  
<sup>3</sup> Asset write-off from operational review

# Volume holds steady: Commercial growth dampened by tight competition


Volume Breakdown (in BL)



B2B: Volume growth in Power, Mining, Construction, and Transport sectors

In BL	1H 2025	vs PY
Commercial Fuels	0.70	-1%
Construction & Road	0.02	-6%
Lubricants	0.21	+6%
Aviation	0.96	+11%


[Click here to read the expanded description in the appendix](#)



Shell V-Power Penetration

**28%**


vs 26% in 1H 2024



Shell FuelOil Plus Penetration

**45%**


vs 50% in 1H 2024



Premium Lubricants Penetration

**28%**


vs 23% in 1H 2024



Carbon Neutral Lubricants Volume

**-8%**

vs 1H 2024

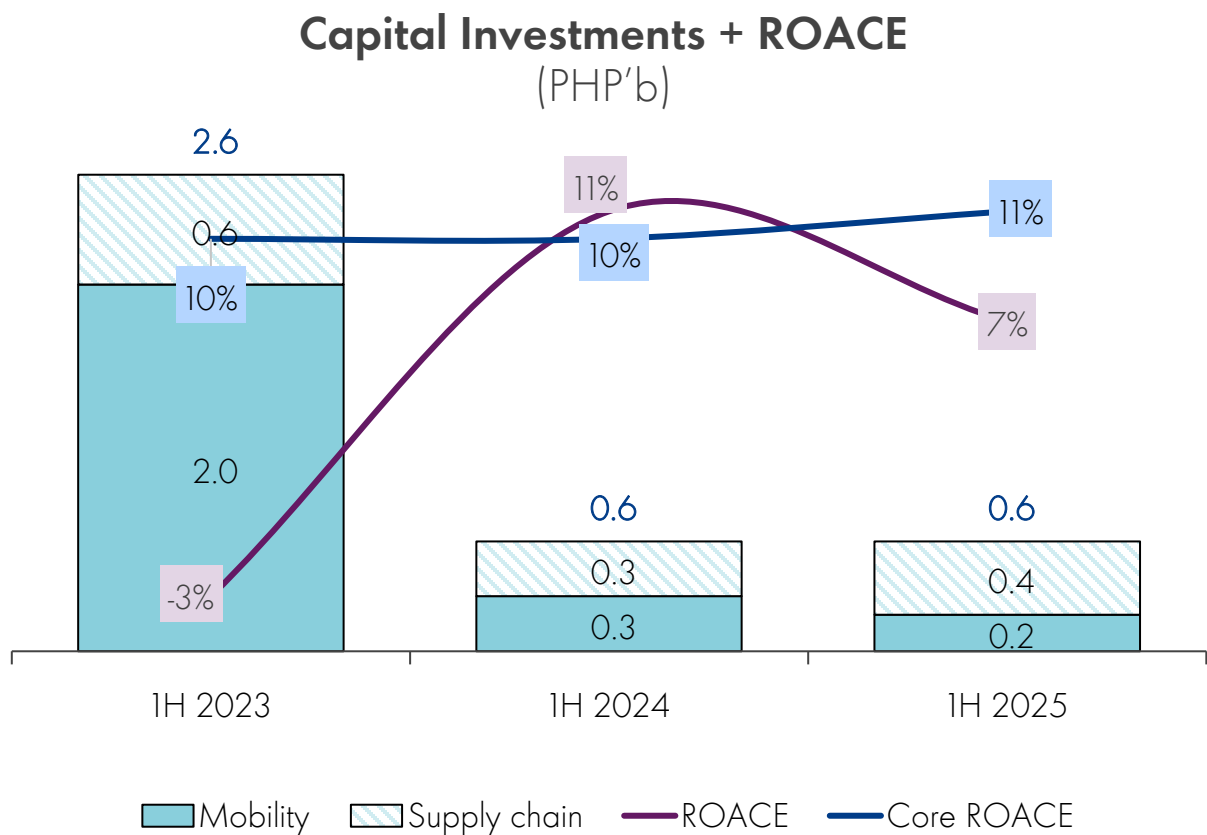


Shell Bitumen FreshAir & Instapave Volume

**-6%**

vs 1H 2024

# Gearing down to 51% helped by improved FCF while ROACE is sustained



[Click here to read the expanded description in the appendix](#)

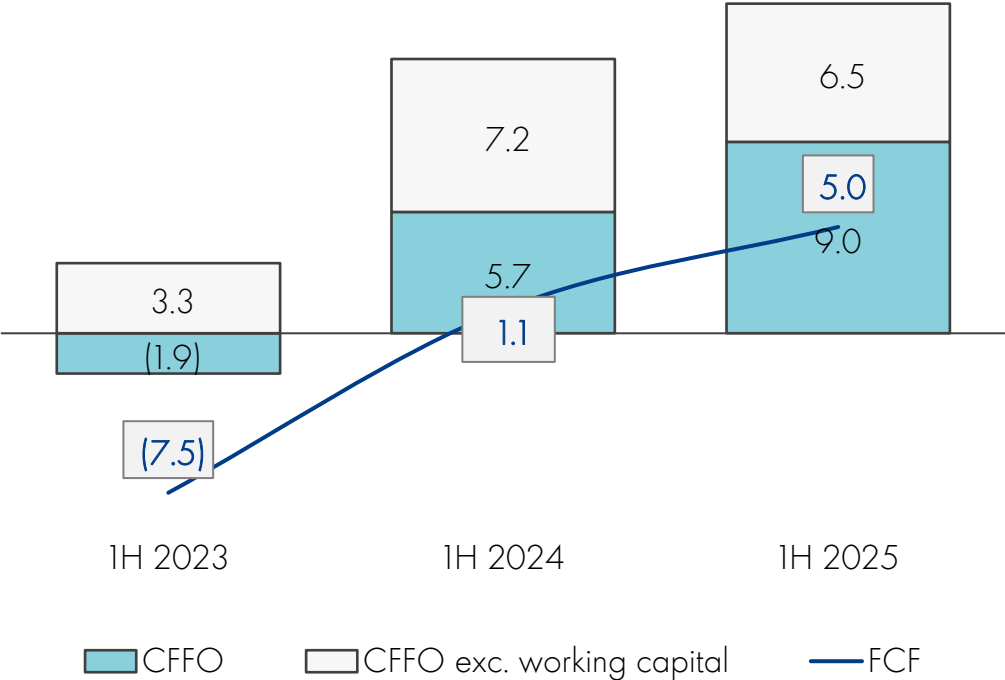
Return on Ave. Capital Employed			
PHP'b	1H 2023	1H 2024	1H 2025
Earnings Before Income Tax	(2.0)	8.0	4.8
Average Capital Employed	65.6	70.0	71.7
ROACE <sup>2</sup>	(3%)	11%	7%

Gearing			
PHP'b	1H 2023	1H 2024	1H 2025
Debt	40.2	38.2	36.2
Net Debt <sup>3</sup>	37.3	36.3	33.8
Equity	28.1	30.9	31.9
Gearing <sup>4</sup>	57%	54%	51%

<sup>1</sup> ROACE is defined as EBIT as a percentage of the average capital employed for the period. Capital employed consists of total equity, short-term borrowings and loans payable. Average capital is calculated as the mean of the opening and closing balances of capital employed for that period. <sup>2</sup> Net Debt is computed as short-term and long-term borrowings less cash. <sup>3</sup> Gearing ratio is calculated as net debt divided by total capital (exclusive of Other Reserves).

# FCF recovery supported by enhanced operating cash flow, optimized inventory, and disciplined capital spend

Cash flow from operations (PHP'b)



[Click here to read the expanded description in the appendix](#)

Free Cash Flow			
PHP'b	1H 2023	1H 2024	1H 2025
Cash Flow from Operations	(1.9)	5.7	9.0
Cash Capex	(2.0)	(1.1)	(1.0)
Interest	(1.7)	(1.8)	(1.8)
Leases	(1.9)	(1.6)	(1.3)
Free Cash Flow <sup>1</sup>	(7.5)	1.1	5.0
Outstanding shares	1.6	1.6	1.6
FCF/share	(4.7)	0.7	3.1

Earnings per share

**PHP 0.6**

vs 1.08 in 1H 2024

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**8.2**

vs 5.8 in 1H 2024

Price to Earnings Ratio

Current Ratio

**1.0**

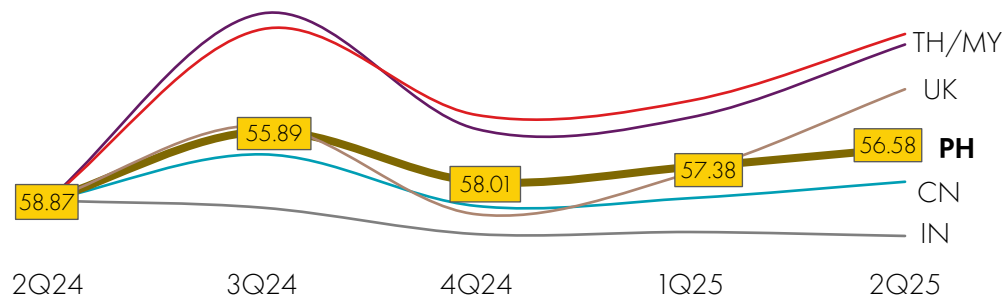
vs 0.9 in 1H 2024





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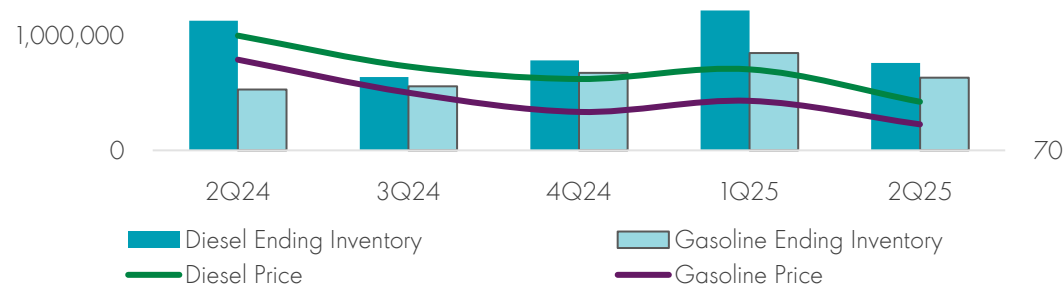
## USD hit by trade policy uncertainties; PHP supported by narrow trade deficit



This line graph illustrates the impact of trade policy uncertainties on the US dollar and highlights how the Philippine peso is supported by a narrow trade deficit. It tracks quarterly data from the second quarter of 2024 to the second quarter of 2025, comparing currency trends across five regions: Thailand/Malaysia (TH/MY), United Kingdom (UK), Philippines (PH), China (CN), and India (IN). The graph emphasizes the resilience of the PHP amid global currency movements influenced by trade uncertainties.

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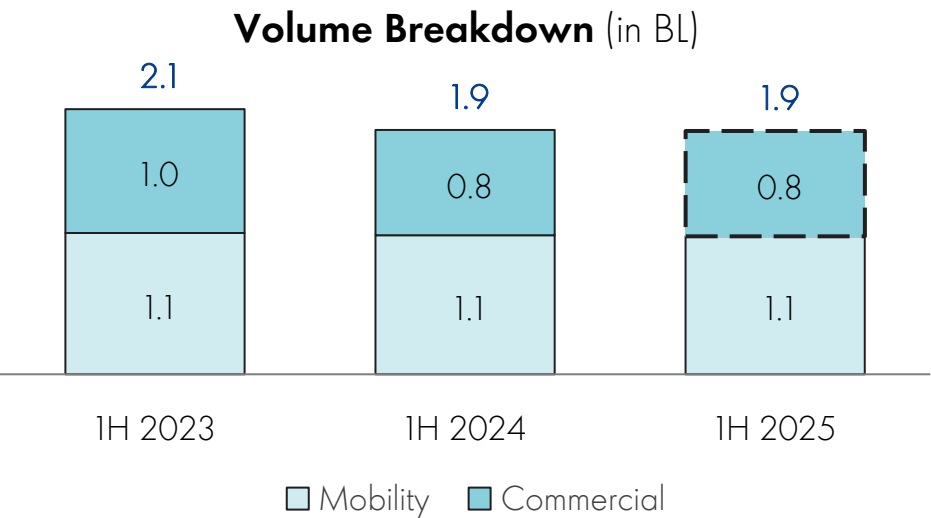
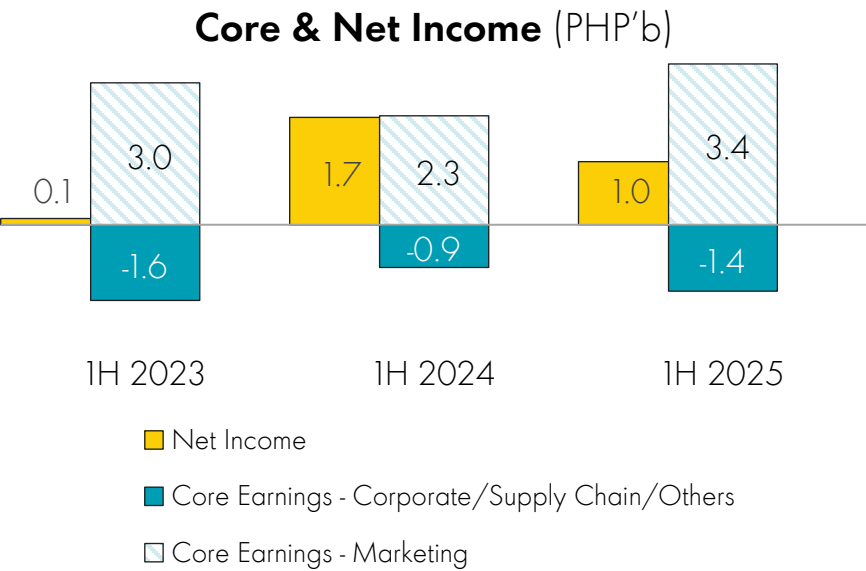
## Global fuel prices steady on higher demand weighed down by Middle East supply risks



This combined bar and line graph illustrates diesel and gasoline ending inventory levels alongside their respective prices across five quarters starting from 2Q24 to 2Q25. Inventory levels are measured on the left, with diesel shown in teal bars and gasoline in light blue bars. Prices are tracked on the right y-axis, with diesel prices represented by a green line and gasoline prices by a purple line. The chart highlights quarterly fluctuations in both inventory volumes and fuel prices.

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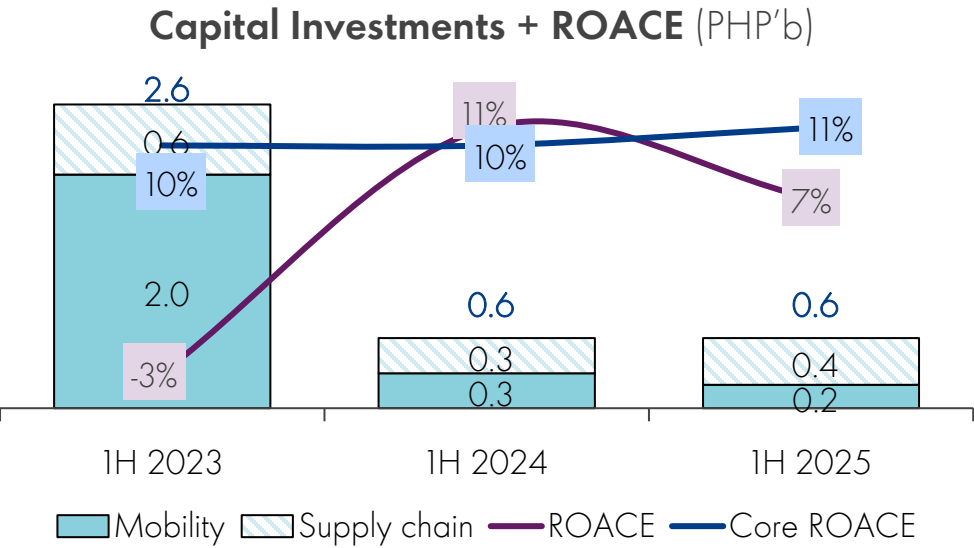
This bar chart compares core earnings and net income across three periods: the first half of 2023, 2024, and 2025. It features three categories represented by distinct colors—yellow for Net Income, teal for Core Earnings from Corporate/Supply Chain/Others, and striped blue for Core Earnings from Marketing. In 1H 2023, Net Income is Php 0.1 billion, Corporate/Supply Chain/Others earnings are Php -1.6 billion, and Marketing earnings are Php 3.0 billion. For 1H 2024, Net Income rises to Php 1.7 billion, Corporate/Supply Chain/Others earnings improve to Php -0.9 billion, and Marketing earnings are Php 2.3 billion. In 1H 2025, Net Income is Php 1.0 billion, Corporate/Supply Chain/Others earnings are Php -1.4 billion, and Marketing earnings are slightly above Php 3.0 billion.

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The bar chart illustrates the distribution of Mobility and Commercial volumes in billions of liters for the first half of 2023, 2024, and 2025. Each bar is split into two segments: the lower portion represents Mobility, and the upper portion represents Commercial, with values labeled inside the bars. In 1H 2023, Mobility is 1.1 bl and Commercial is 1.0 bl, totaling 2.1 bl. In 1H 2024, Mobility remains at 1.1 bl while Commercial decreases to 0.8 bl, totaling 1.9 bl. In 1H 2025, Mobility is again 1.1 bl and Commercial stays at 0.8 bl, but the Commercial segment is outlined with a dashed border, indicating a possible projection or estimate, also totaling 1.9 bl.

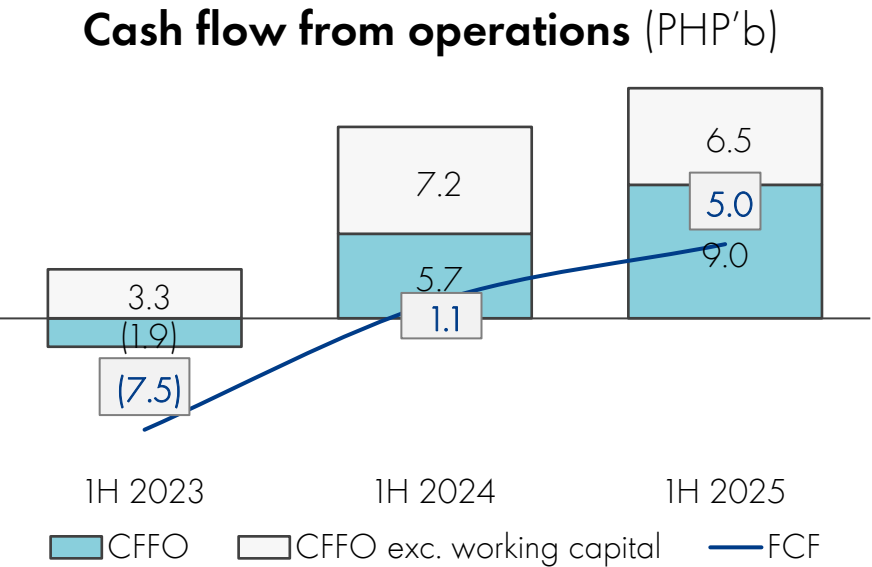
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This bar and line graph presents data for the first half of 2023, 2024, and 2025. It shows capital investments split between Mobility (blue bars) and Supply Chain (striped sections), alongside two-line plots for ROACE and Core ROACE percentages. In 1H 2023, total capital investment is Php 2.6 billion—Php 2.0 billion in Mobility and Php 0.6 billion in Supply Chain—with ROACE at -3% and Core ROACE around 10%. For both 1H 2024 and 1H 2025, capital investment drops to Php 0.6 billion, evenly split between Mobility and Supply Chain. ROACE peaks at approximately 11% in 1H 2024 before declining to around 7% in 1H 2025, while Core ROACE remains stable between 10% and 11% throughout the period.

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This bar chart displays Cash Flow from Operations (CFFO) and Free Cash Flow (FCF) for the first half of 2023, 2024, and 2025. Each bar is split into two segments: light blue for CFFO and white for CFFO excluding working capital. In 1H 2023, CFFO is Php -1.9 billion, with a total of Php 3.3 billion when including working capital adjustments, resulting in an FCF of Php -7.5 billion. In 1H 2024, CFFO improves to Php 5.7 billion, totaling Php 7.2 billion with adjustments, and FCF turns positive at Php 1.1 billion. For 1H 2025, the chart shows CFFO excluding working capital at Php 6.5 billion and higher FCF of Php 5.0 billion.

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