



**Pilipinas Shell Petroleum Corporation**

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## **Pilipinas Shell's year-to-date Q3 net earnings up 8%**

Pilipinas Shell posted net earnings of P7.2 billion for the first three quarters of 2018, 8% higher than same period last year. Its marketing businesses continue to deliver robust earnings, amidst high inflation in the country and higher global oil prices. The manufacturing and supply chain segments benefit from inventory holding gains and improvement in refinery reliability despite continued challenges in regional gross refining margins.

Backed by global research and development, Shell's V-Power with Dynaflex technology continues to hold a loyal following, maintaining premium fuel penetration that is one of the highest worldwide. To serve more motorists, Pilipinas Shell opened 25 stations in the first three quarters of the year and is on track to deliver its commitment of a total of 50-70 new sites per year.

Pilipinas Shell's non-fuels retail segment continues to enjoy double-digit growth, with increasing same-store sales and higher lubricant sales. Since the beginning of the year, it opened additional 27 Select stores, 14 deli2go stores and 48 lube bays.

In the commercial segment, Pilipinas Shell also enjoyed higher premium product penetration and strong volume growth in aviation and bitumen. The only bitumen production facility in the country has also started delivering products to the local market, supporting the government's infrastructure programs.

The Tabangao refinery posted its highest reliability performance in 5 years, while the North Mindanao Import Facility maintains Shell's competitiveness in the south through a highly efficient supply chain.

Cash generation and disciplined capital allocation remain as key strengths of Pilipinas Shell. Cash from operations was 11% higher than prior year at P8.8 billion. Rolling return on average capital employed remained at 27% while gearing stayed low at 22%.

"We are proud of Pilipinas Shell's resilience amidst the challenges of higher inflation and weaker Peso. We continue to expand our marketing businesses with discipline and operate our supply chain safely and reliably to support the country's energy needs," said Cesar Romero, President and Chief Executive Officer. "We are also delighted to be recognized both locally and internationally for our efforts to power progress for the Filipino, not only through sustainable energy solutions, but also through targeted social investment."

Pilipinas Shell was hailed "Asia's Community Care Company of the Year" in the 2018 Asia Corporate Excellence & Sustainability (ACES) Awards for its continuing commitment to nation-building. More recently, the company garnered distinction at the prestigious Agora Awards for its "Most Outstanding Achievement in Advocacy Marketing" through the Movement Against Malaria, Access to Energy and IPO Local Small Investors programs.

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