

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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M	A	N	I	L	A		1	6	3	5																			

(Business Address, No. Street City/Town/Province)

ATTY. ELLIE C. NAVARRA									
Contact Person									

+63 2 3 499 4001									
Company Telephone Number									

1	2	3	1
Month		Day	

Fiscal Year

Report on Number of Shareholders owning at least one (1) board lot
FORM TYPE

0	6	1	6
Month		Day	
2 nd Tuesday of May Annual Meeting			

CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE DATED 14 OCTOBER 2016
Secondary License Type, If Applicable

M	S	R	D	
Dept. Requiring this Doc.				

Amended Articles Number/Section									
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322
Total No. of Stockholders (As of 30 April 2021)

Total Amount of Borrowings									
Domestic					Foreign				

To be accomplished by SEC Personnel concerned

File Number									

LCU

Document I. D.									

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. 14 May 2020
Date of Report (Date of earliest event reported)
2. SEC Identification Number 14829 3. BIR Tax Identification No. 000-164-757
4. Pilipinas Shell Petroleum Corporation
Exact name of issuer as specified in its charter
5. Taguig City, Metro Manila, Philippines 6. (SEC Use Only)
Province, country or other jurisdiction Industry Classification Code:
of incorporation
7. 41st Floor, The Finance Center, 26th Street corner 9th Avenue
Bonifacio Global City, Brgy. Fort Bonifacio Taguig City, Metro Manila 1635
Address of principal office Postal Code
8. (632) 3 499 4001
Issuer's telephone number, including area code
9. N/A Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	1,613,444,202

11. Indicate the item number reported herein: **Item 9**

RE: 1Q20 Press Release (Please refer to attached)
SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Corporation has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: 24 May 2021


REYNALDO ABILO

Vice President-Finance Treasurer / Chief Risk Officer

Note: This report was originally submitted online to the Securities Exchange Commission via e-mail and Philippine Stock Exchange via PSE Edge last May 14 2020 by Jose Jerome Pascual (former Vice President for Finance and Treasurer).



Pilipinas Shell 1Q income takes a hit from low oil prices, COVID-19

The collapse in global oil prices, coupled with the slowdown in economic activity under a government-imposed quarantine due to the coronavirus disease of 2019 (COVID-19), has resulted in a first quarter loss of P5.5 billion for Pilipinas Shell Petroleum Corp. ("Pilipinas Shell").

"Our first quarter loss is disappointing given our robust overall performance last year and the strong marketing delivery from the start of 2020 up until mid-March. We will overcome this challenge the same way we surmounted the various crises and upheavals during our 106-year legacy in the Philippines. We have taken prompt action to reinforce the financial strength and resilience of our business, leveraging on the flexibility of our supply chain and prudent balance sheet management over the past years. This way, we can ensure continuing care and support for the health and safety of our employees, business partners and society as a whole, as we continue to provide the country's fuel and energy needs now and in the long term," says Pilipinas Shell President and CEO Cesar Romero.

Financial Resilience

The Company remains financially resilient despite the crisis having built a strong balance sheet over the last few years through disciplined capital allocation and strong operational cashflows. Gearing remained low at 37% as at quarter-end.

Pilipinas Shell is implementing cash conservation measures and aggressive working capital management in response to the drastic decline in demand during the pandemic. From PHP0.5 billion operating expense savings announced in March, the management team doubled the target savings to PHP1 billion from various cash preservation initiatives. Planned capital expenditure for the year is also reduced by 25% which translates to over PHP1 billion. In line with measures taken by the Shell group, Pilipinas Shell employees will not be receiving discretionary performance-related bonuses for their 2020 performance.

Furthermore, Pilipinas Shell decided to once again delay its dividend decision to the next board meeting to give the Company sufficient time to assess the implementation of its recovery strategy once the enhanced community quarantine ("ECQ") is lifted.

Shell's first quarter performance lags behind the P2.4 billion income reported for the same period last year due to a number of factors. This comes on the heels of an 11% growth in profit by end 2019 despite deteriorating refining margins in the region.

Inventory holding losses, net of taxes, were substantial for the 1Q 2020 at P5.6 billion as crude oil price sank from ~\$67/bbl during the start of the year to ~\$26/bbl by end of March following the breakdown of production cuts discussion between OPEC and Russia.

During the start of the year, the Taal Volcano eruption caused the cancellation of flights, displacement of affected residents and disruption of the movement of goods and services. And

within a couple of months after the eruption, economic activity ground to a halt when the ECQ was implemented over Luzon and other parts of the country starting mid- March 17 as part of measures to contain the spread of the COVID-19 pandemic.

Despite these factors, Pilipinas Shell managed to increase marketing volumes by 6% before the ECQ. Post the ECQ implementation, marketing volumes went down by 34% during the second half of March.

Retail Business

Despite the Taal eruption, total volume was flat pre-ECQ versus same period last year. During the second half of March, post-ECQ, volumes dropped by over 50 percent.

The non-fuels retailing ("NFR") delivery remained flat versus last year as it established partnerships with delivery companies to transport non-fuels retail products to selected parts of the country during ECQ and as it increased its premium penetration in lubricants by 8% due to the strong execution of Women's month promotions and impact of the new benefit-led range of products. Five new Shell Select shops, five Shell Helix Oil Change (SHOC)+ and nine co-locators were opened in the quarter.

Commercial Business

In the commercial segment, pre-ECQ volume grew by 16% compared to last year while increasing premium fuel penetration. Post-ECQ volumes also saw a 20% increase as the operations of base load plant customers continued, new customers in construction, manufacturing and wholesale sectors were acquired, and as customers increased their inventories when the ECQ was announced.

Lubricants saw a 7% volume increase pre-ECQ, but dropped by over 50% during the 2nd half of March. Despite the decline, it delivered higher income this quarter versus last year through increased premium penetration and increased wallet share from customers.

Aviation posted a 2% volume increase in the first quarter despite the suspension of all flights at the Ninoy Aquino International Airport (NAIA) last January 12 due to the Taal eruption and the restrictions imposed during the second half of the quarter because of COVID-19. Pre-ECQ volume was up 16% while post ECQ volume was down close to 60%.

Manufacturing and Supply Chain

While the refinery recorded high reliability in the quarter, its earnings were hampered by the further deterioration of regional refining margins as demand for oil products slowed down globally. As recently announced, the Company will temporarily shut down its Refinery starting mid-May in response to the drastic decline in local product demand and significant deterioration of regional refining margins due to the COVID-19 pandemic. The Company has the flexibility to switch from refinery production to full import of petroleum products to maintain the uninterrupted supply of its high-quality Shell fuels. The refinery will nonetheless maintain readiness to start-up immediately should economic factors and market demand pick up.



COVID-19 Response

Despite the uncertainty caused by the pandemic, Pilipinas Shell continues to play its part as a responsible corporate citizen. The Company believes that any modest contribution it makes to address the needs of frontline personnel and the disadvantaged sectors of society will help prevent the further spread of the disease, enhance the healthcare system's capacity, maintain social order and hasten economic recovery.

Pilipinas Shell launched Project Shelter in March to support medical and essential service frontliners by providing food, water, vitamins, face masks, personal protective equipment, and fuel discounts. The Company also provided free fuel to 10 partner district hospitals and 3 transport companies to aid in the transportation of front liners, the mobilization of ambulances, and other ongoing relief efforts. To date, Pilipinas Shell has supported more than half a million individuals.

The lack of a vaccine against the COVID-19 virus means economies worldwide will continue to operate in uncertainty. Further, given the evolving nature of the pandemic and the fluidity of the situation, it will be difficult to reasonably forecast the magnitude and recovery pace across the markets that Pilipinas Shell operates in. The Philippines, however, continues to maintain robust macroeconomic fundamentals and attractive demographics which puts the country in a better position to survive and recover from the crisis.

"The industry is in a crisis of uncertainty and multiple variables are at play. While we cannot predict what will happen, we are embracing the current reality and embedding our plans to thrive in this crisis. We have recovery strategies in place across all our businesses. We will continue to make the hard decisions to protect cash flow and liquidity through cash preservation and generation measures and enhance financial resilience by further strengthening our balance sheet. It is our continuing aspiration to become a world-class investment case and we are poised to seize opportunities as the world enters the 'new normal'," says Romero. (end)

Pilipinas Shell is an integrated fuel refining and marketing (R&M) company in the Philippines. We represent the Downstream operations of the Shell companies in the Philippines (SciP), a network of companies involved in oil and gas exploration, refining, distribution, marketing and business services. SciP is part of Royal Dutch Shell plc (Shell), a global group of energy and petrochemicals companies operating in over 70 countries.

ENQUIRIES:

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