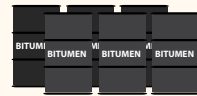


2018 HIGHLIGHTS

GROWING OUR INVESTMENT



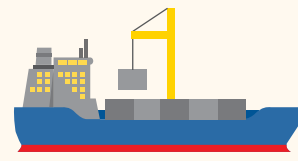
1,084
retail stations



**Bitumen
Production Facility**
only facility of its kind
in the Philippines



Php 220 billion¹
economic value generated



US\$ 9.3 million
cost savings from NMIF
in 2018

PUTTING PEOPLE FIRST



**10.4 million
man-hours**
total recordable cases free
for Pilipinas Shell



48% female leaders
in the frontline and
operations



**10 Shell ACTS²
events**
showcasing employee
volunteerism in Pilipinas Shell



95% response rate³
in the Shell People Survey;
Pilipinas Shell above top quartile
score in most dimensions

UPLIFTING THE NATION



**169,407
beneficiaries**
of Movement Against
Malaria



150 coconut farmers
upskilled and
cooperative-trained
under Project COCONUT



174 scholars
under the Shell-PhilDev
Scholarship Program



1,748 scholars
graduated from the
Gas Mo, Bukas Ko
Program

FINANCIAL HIGHLIGHTS

NET PROFIT

Php 5.1 billion

GEARING RATIO

17%

CASH FLOW FROM OPERATIONS

Php 14.1 billion

EBITDA (adjusted for COSA)

Php 10 billion

ROACE

15%

DIVIDENDS⁴

Php 4.8 billion

¹ Details on page 36
² A Community That Serves
³ Details on page 50
⁴ Declared in March 2019 pertaining to 95% of audited net profit after tax in 2018

SUMMARY STATEMENT OF FINANCIAL POSITION

| in Php million | AS OF THE YEAR ENDED DECEMBER 31 | | |
|-------------------------------------|----------------------------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 |
| Current assets | 40,778.6 | 45,876.3 | 38,856.3 |
| Non-current assets | 39,387.8 | 36,000.7 | 31,752.9 |
| Total assets | 80,166.4 | 81,877.0 | 70,609.3 |
| Current liabilities | 28,456.8 | 31,235.0 | 22,400.8 |
| Non-current liabilities | 12,737.8 | 8,506.6 | 15,280.1 |
| Total liabilities | 41,194.6 | 39,741.6 | 37,681.0 |
| Total equity | 38,971.8 | 42,135.4 | 32,928.3 |
| Total liabilities and equity | 80,166.4 | 81,877.0 | 70,609.3 |

SUMMARY STATEMENT OF INCOME

| in Php million | FOR THE YEAR ENDED DECEMBER 31 | | |
|--|--------------------------------|------------------|------------------|
| | 2018 | 2017 | 2016 |
| Gross sales | 223,817.7 | 174,470.2 | 142,075.4 |
| Sales discounts and rebates | (4,949.0) | (4,994.4) | (5,312.1) |
| Net sales | 218,868.7 | 169,475.8 | 136,763.3 |
| Cost of sales | (196,573.9) | (143,070.6) | (112,461.5) |
| Gross profit (loss) | 22,294.8 | 26,405.2 | 24,301.7 |
| Operating expenses ¹ | (14,386.6) | (13,860.1) | (13,063.1) |
| Other operating income, net | 583.9 | 489.4 | 470.7 |
| Income (loss) from operations | 8,492.1 | 13,034.6 | 11,709.4 |
| Income (loss) before income tax | 7,292.1 | 13,760.2 | 10,828.1 |
| Profit (loss) for the year/period | 5,076.3 | 10,368.2 | 7,443.8 |

¹ Operating expenses include selling, general, and administrative expenses.



SCAN

Scan the QR code to
download our 2018
SEC Form 17-A and
Audited Financial
Statements

SUMMARY STATEMENT OF CASH FLOWS

| in Php million | FOR THE YEAR ENDED DECEMBER 31 | | |
|--|--------------------------------|----------------|----------------|
| | 2018 | 2017 | 2016 |
| Net cash from (used in) operating activities | 14,143.6 | 10,931.4 | 8,499.6 |
| Net cash used in investing activities | (4,291.5) | (4,539.7) | (3,431.0) |
| Net cash from (used in) financing activities | (11,719.9) | (4,468.7) | (4,549.0) |
| Net increase (decrease) in cash for the year/period | 1,867.8 | 1,923.1 | 519.6 |
| Cash at the beginning of the year/period | 6,163.3 | 4,274.3 | 3,576.8 |
| Cash at the end of the year/period | 4,455.1 | 6,163.3 | 4,274.3 |

EBITDA

| in Php million | AS OF/FOR THE YEAR ENDED DECEMBER 31 | | |
|--|--------------------------------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 |
| Profit (loss) for the year/period | 5,076.3 | 10,368.2 | 7,443.8 |
| EBITDA | 9,988.6 | 16,291.5 | 13,166.0 |
| Less: Cost of Sales Adjustment (COSA) ¹ | (56.9) | 4,203.2 | 3,027.8 |
| EBITDA (adjusted for COSA)² | 10,045.6 | 12,088.3 | 10,138.2 |

¹ Cost of Sales Adjustment (COSA) aims to exclude the effect of one-off inventory holding gains and losses from EBITDA. COSA is a non-GAAP measure used internally for assessing management performance and allocating resources, in line with Shell Group practices.

² Prospective investors are cautioned that EBITDA and COSA (and any adjustments thereto) are in all cases not measurements of financial performance under Philippine Financial Reporting Standards (PFRS) and investors should not consider them in isolation or as an alternative to profit or loss for the year; income or loss from operations; or as an indicator of our Company's operating performance, cash flow from operating, investing and financing activities; or as a measure of liquidity or any other measures of performance under PFRS. Although other oil refiners use similar measures, prospective investors are cautioned that there are various calculation methods, and our Company's presentation of COSA may not be comparable to similarly titled measures used by other companies.

KEY FINANCIAL RATIOS

| in Php million | AS OF/FOR THE YEAR ENDED DECEMBER 31 | | |
|---|--------------------------------------|-------|-------|
| | 2018 | 2017 | 2016 |
| Current ratio ¹ | 1.4 | 1.5 | 1.7 |
| Debt to equity ratio ² | 0.2 | 0.2 | 0.4 |
| Debt ratio ³ | 0.1 | 0.1 | 0.2 |
| Return on assets ⁴ | 6.3% | 12.7% | 10.5% |
| Return on equity ⁵ | 13.2% | 24.9% | 22.9% |
| Return on average capital employed ⁶ | 14.8% | 26.9% | 24.2% |

¹ Current ratio is computed by dividing current assets over current liabilities.

² Debt to equity ratio is computed by dividing net debt (short-term borrowings and loans payable less cash) by equity (exclusive of other reserves).

³ Debt ratio is computed as net debt divided by total assets.

⁴ Return on assets is computed as profit (loss) for the period divided by total assets.

⁵ Return on equity is computed as profit (loss) for the period divided by equity (exclusive of other reserves).

⁶ Return on average capital employed 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.

SUSTAINABILITY SCORECARD

| | UNIT | 2015 | 2016 | 2017 | 2018 |
|--|------------------------|-----------|-----------|-----------|-----------|
| ECONOMIC | | | | | |
| Value Generated ¹ | Php billion | 157.3 | 137.4 | 171.4 | 219.5 |
| Capital Investments | Php billion | 5.7 | 3.3 | 4.1 | 4.1 |
| Value Distributed ² | Php billion | 153.7 | 133.3 | 163.7 | 219.3 |
| ENVIRONMENT | | | | | |
| ENERGY | | | | | |
| Purchased Power | Gigajoules | 59,429.7 | 24,565.0 | 37,044.1 | 42,576.5 |
| GREENHOUSE GAS | | | | | |
| Direct GHG Emissions | Tons CO ₂ e | 357,563.0 | 345,448.7 | 322,851.3 | 342,476.6 |
| Indirect GHG Emissions | Tons CO ₂ e | 5,082.0 | 2,083.1 | 3,120.4 | 3,565.7 |
| WATER | | | | | |
| Total Freshwater Withdrawn | Million cubic meters | 1.8 | 1.9 | 2.0 | 1.9 |
| WASTE³ | | | | | |
| Hazardous waste generated and disposed | Tons | 38,988.2 | 1,302.2 | 4,815.6 | 1,863.6 |
| Non-hazardous waste generated and disposed | Tons | 127.6 | 428.9 | 400.0 | 2,090.6 |
| SOCIAL | | | | | |
| Total Employees | | 756 | 698 | 706 | 703 |
| Male | | 533 | 470 | 459 | 453 |
| Female | | 223 | 228 | 247 | 250 |
| Total Community Investment | Php million | 27.2 | 119.3 | 41.8 | 31.0 |

¹ Economic Value Generated refers to revenue from net sales (gross sales from products and services minus discounts and rebates) and other income of Pilipinas Shell.

² Economic Value Distributed includes operating costs, employee wages and benefits, payments to capital providers, payments to the national government, community investments, etc. [Formula: Economic Value Generated - Economic Value Distributed = Economic Value Retained]

³ Hazardous and non-hazardous waste reported is for the whole downstream business.