



Q2 2023 RESULTS

Press Release

London, July 27, 2023

Shell plc Chief Executive Officer, Wael Sawan

"Shell delivered strong operational performance and cash flows in the second quarter, despite a lower commodity price environment.

Today we are delivering on our Capital Markets Day commitment of a 15% dividend increase. We are going further on our buyback guidance by commencing a \$3 billion programme for the next three months and, subject to Board approval, at least \$2.5 billion at the Q3 2023 results. As we deliver more value with less emissions, we will continue to prioritise share buybacks, given the value that our shares represent."

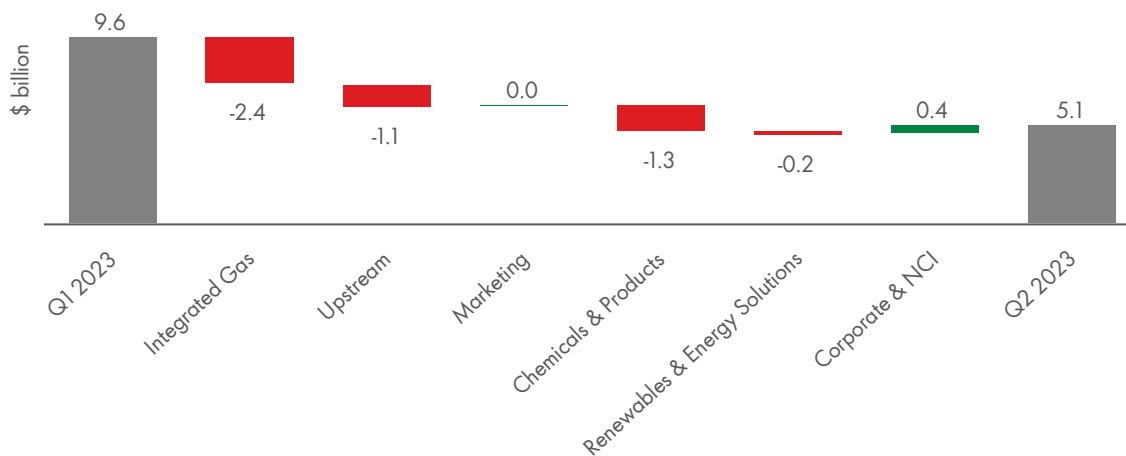
STRONG OPERATIONAL AND CASH PERFORMANCE, ENHANCED DISTRIBUTIONS

- Q2 2023 Adjusted Earnings of \$5.1 billion, with lower oil and gas prices and refining margins, lower volumes and lower LNG trading & optimisation results. CFFO of \$15.1 billion for the quarter, with a \$4.8 billion working capital inflow offsetting tax payments.
- \$3 billion share buybacks announced, expected to be completed by Q3 2023 results announcement. Quarterly dividend increase of 15% to \$0.331 per share.
- Cash capex outlook range for 2023 lowered to \$23 - 26 billion.

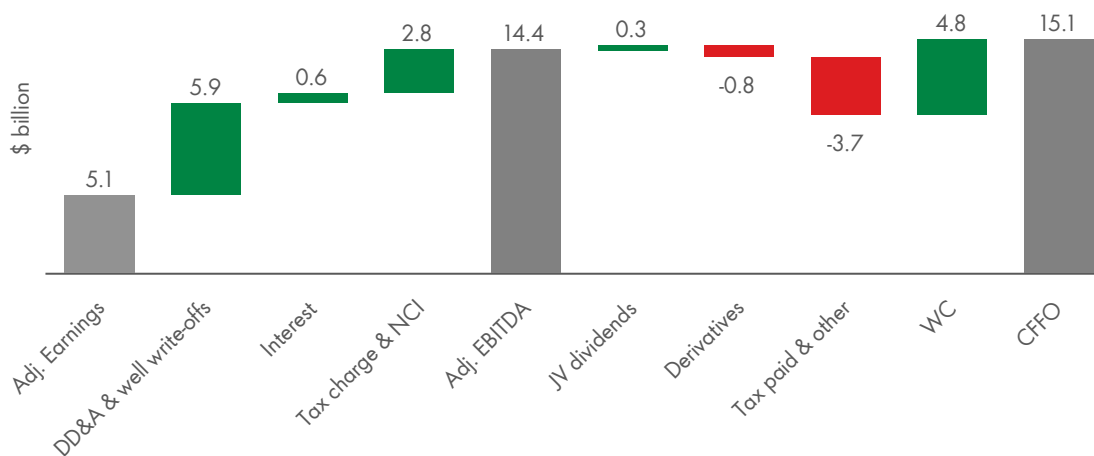
\$ million	Adj. Earnings ¹	Adj. EBITDA ¹	CFFO	Cash capex
Integrated Gas	2,498	4,827	3,628	1,089
Upstream	1,684	6,447	4,519	2,029
Marketing	894	1,604	1,412	670
<i>Mobility</i>	518	1,036		402
<i>Lubricants</i>	312	448		72
<i>Sectors & Decarbonisation</i>	66	120		196
Chemicals & Products	450	1,300	2,110	669
<i>Chemicals</i>	(468)	(143)		230
<i>Products</i>	917	1,443		439
Renewables & Energy Solutions	228	438	3,192	556
Corporate	(654)	(180)	269	117
Less: Non-controlling interest (NCI)	27			
Shell				
Q2 2023	5,073	14,435	15,130	5,130
Q1 2023	9,646	21,432	14,159	6,501

¹Income/(loss) attributable to shareholders for Q2 2023 is \$3.1 billion. Reconciliation of non-GAAP measures can be found in the unaudited results, available on www.shell.com/investors.

Adjusted Earnings - by segment



Cash conversion Q2



- CFFO of \$15.1 billion for Q2 2023, with a working capital inflow of \$4.8 billion offset by tax paid of \$3.8 billion reflecting regular payment phasing. Working capital release mainly due to lower prices, inflows from initial margin and favourable accounts receivable movement (including lower over-the-counter collaterals). Net debt decreased to \$40.3 billion at the end of Q2 2023.

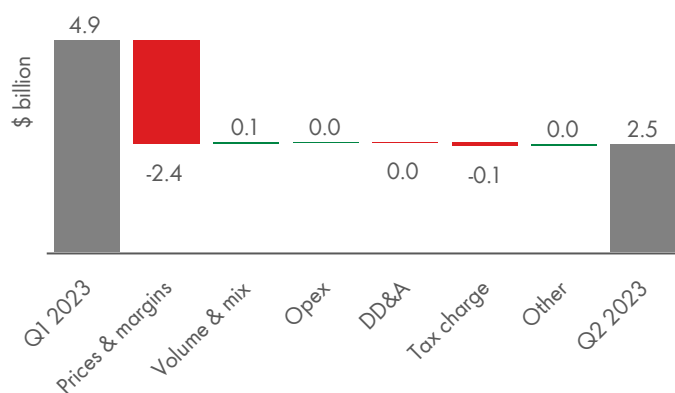
\$ billion	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Divestment proceeds	0.8	0.3	0.2	1.7	0.5
Free cash flow	12.4	7.5	15.5	9.9	12.1
Net debt	46.4	48.3	44.8	44.2	40.3

Q2 2023 FINANCIAL PERFORMANCE DRIVERS

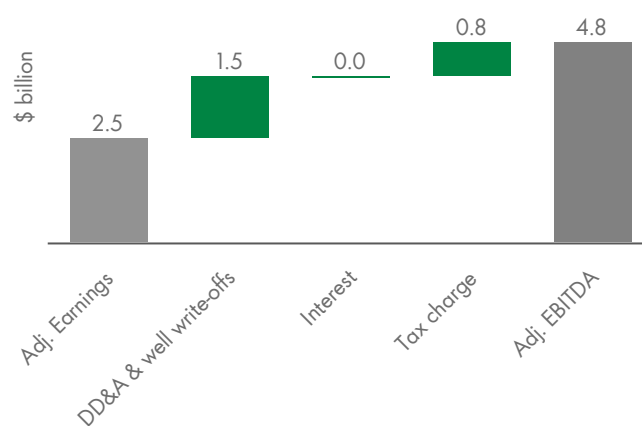
INTEGRATED GAS

Key data	Q1 2023	Q2 2023	Q3 2023 outlook
Realised liquids price (\$/bbl)	70	60	–
Realised gas price (\$/mscf)	10	8	–
Production (kboe/d)	970	985	870 - 930
LNG liquefaction volumes (MT)	7.2	7.2	6.3 - 6.9
LNG sales volumes (MT)	17.0	16.0	–

Adjusted Earnings



Adjusted EBITDA Q2

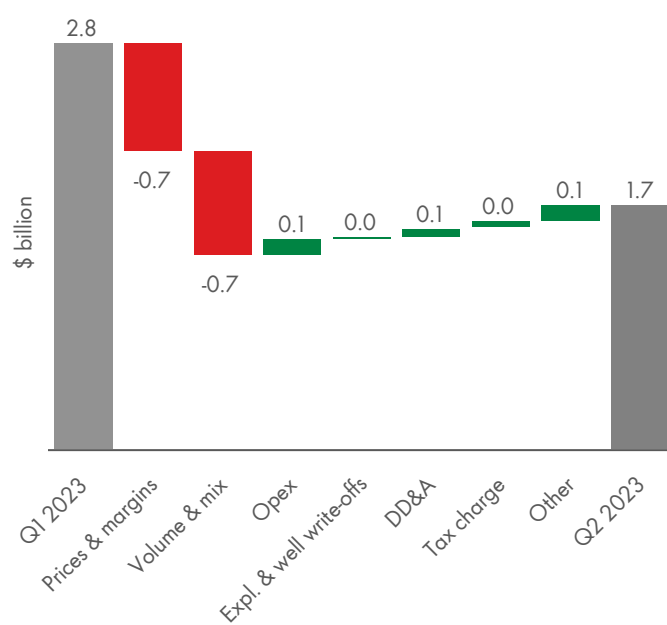


- Adjusted Earnings lower than in Q1 2023 due to lower prices and trading & optimisation results. Trading & optimisation results significantly lower, driven by seasonality and fewer optimisation opportunities, compared with a strong Q1 2023.
- Q3 2023 production and liquefaction outlook reflects scheduled maintenance (including Prelude and Trinidad & Tobago).

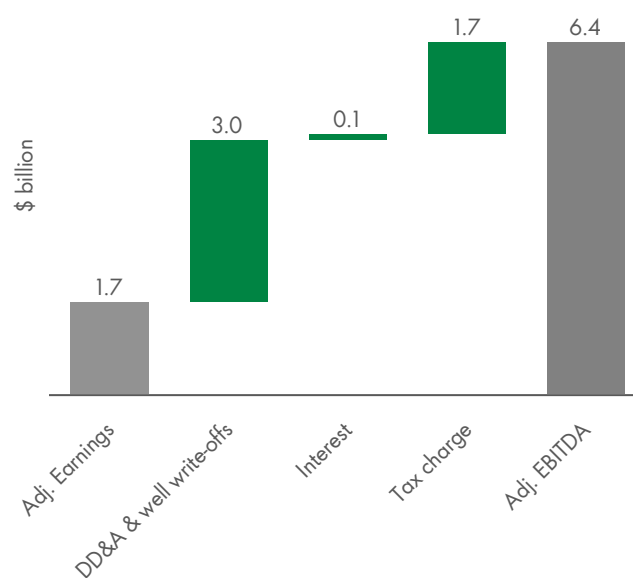
UPSTREAM

Key data	Q1 2023	Q2 2023	Q3 2023 outlook
Realised liquids price (\$/bbl)	74	72	–
Realised gas price (\$/mscf)	13	5	–
Liquids production (kboe/d)	1,346	1,283	–
Gas production (mscf/d)	3,078	2,425	–
Total production (kboe/d)	1,877	1,701	1,600 - 1,800

Adjusted Earnings



Adjusted EBITDA Q2

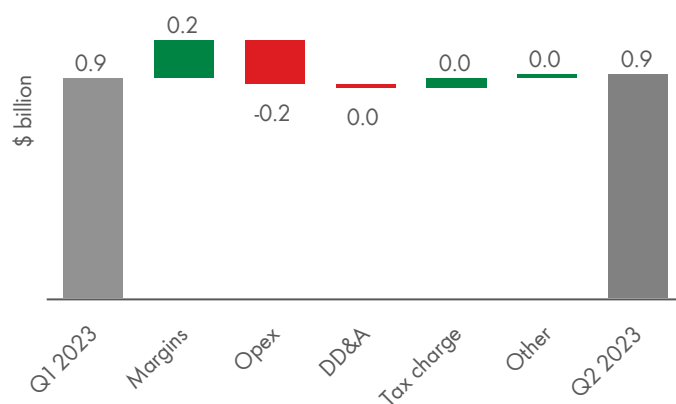


- Production lower than in Q1 2023, mainly driven by scheduled maintenance and completed divestments.
- Adjusted Earnings lower compared with Q1 2023 due to lower prices and production volumes.
- Q3 2023 production outlook reflects scheduled maintenance across the portfolio.

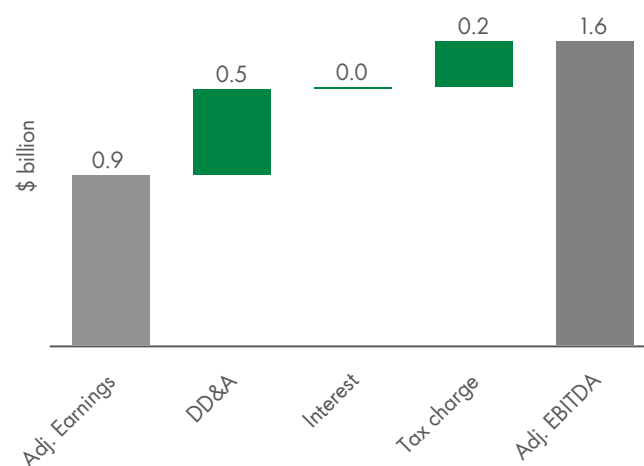
MARKETING

Key data	Q1 2023	Q2 2023	Q3 2023 outlook
Marketing sales volumes (kb/d)	2,446	2,607	2,450 - 2,950
Mobility (kb/d)	1,609	1,727	–
Lubricants (kb/d)	85	83	–
Sectors & Decarbonisation (kb/d)	752	797	–

Adjusted Earnings



Adjusted EBITDA Q2

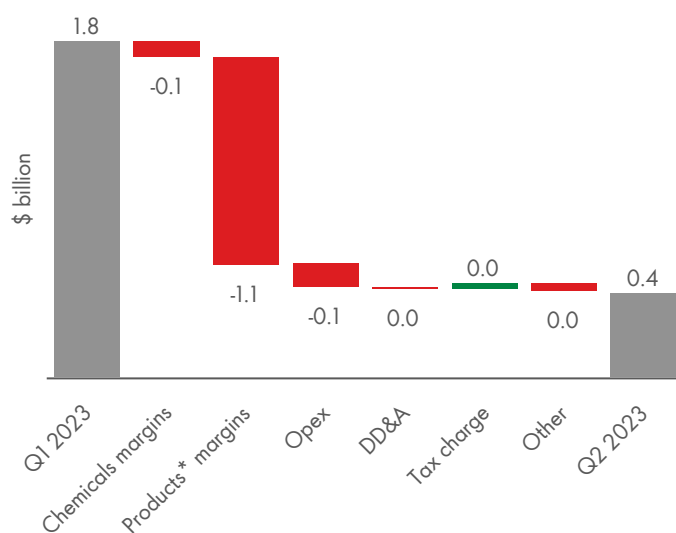


- Marketing margins higher than Q1 2023 driven by improved Mobility unit margins and seasonal impact on volumes partly offset by higher opex.

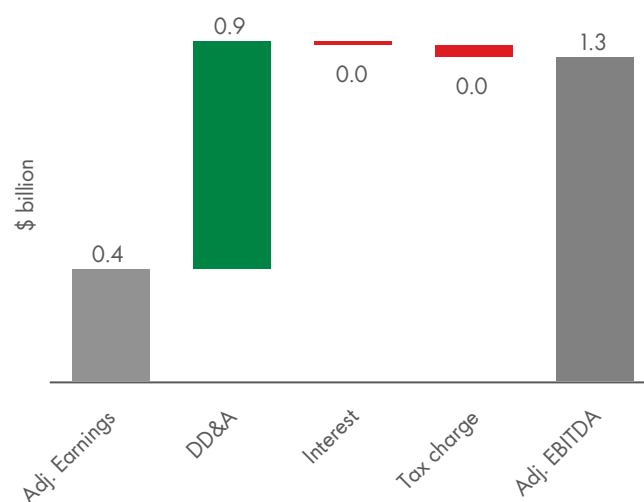
CHEMICALS & PRODUCTS

Key data	Q1 2023	Q2 2023	Q3 2023 outlook
Refining & Trading sales volumes (kb/d)	1,706	1,466	–
Chemicals sales volumes (kT)	2,831	2,828	–
Refinery utilisation (%)	91	85	82 - 90
Chemicals manufacturing plant utilisation (%)	71	70	67 - 75
Global indicative refining margin (\$/bbl)	15	9	–
Global indicative chemical margin (\$/t)	138	153	–

Adjusted Earnings



Adjusted EBITDA Q2



* Products covers refining and trading

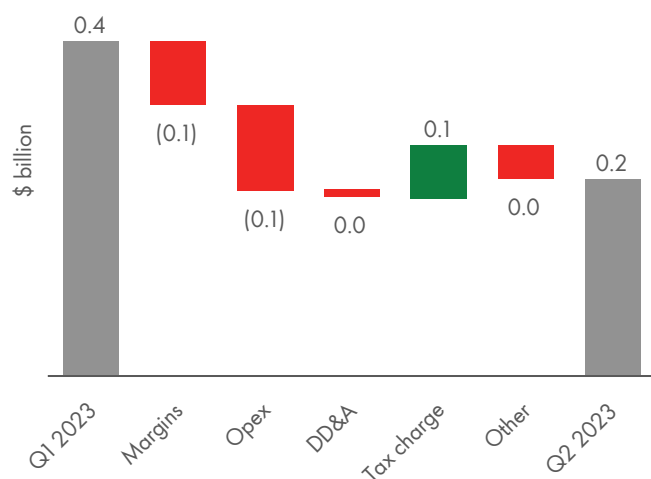
- Lower Products margins driven by a fall in prices, lower trading & optimisation results and higher maintenance.
- Lower Chemicals margins driven by continued weak demand and lower utilisation.

RENEWABLES & ENERGY SOLUTIONS

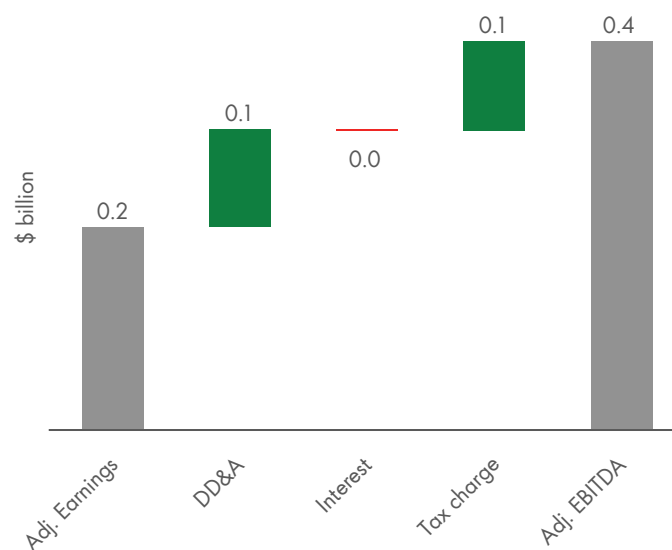
Key data	Q1 2023	Q2 2023
External power sales (TWh)	68	67
Sales of natural gas to end-use customers (TWh)	221	172
Renewables power generation capacity*	6.4	7.1
- in operation (GW)	2.3	2.5
- under construction and/or committed for sale (GW)	4.0	4.6

*Excluding Shell's equity share of associates where information cannot be obtained

Adjusted Earnings



Adjusted EBITDA Q2



Segment earnings for Q2 2023 are \$0.5 billion. Reconciliation of non-GAAP measures can be found in the unaudited results, available on www.shell.com/investors.

- Adjusted Earnings lower than Q1 2023 driven by lower trading & optimisation results, primarily in the Americas due to seasonally lower demand, decreased volatility, and higher opex.

Renewables and Energy Solutions includes renewable power generation, the marketing and trading and optimisation of power and pipeline gas, as well as carbon credits, and digitally enabled customer solutions. It also includes the production and marketing of hydrogen, development of commercial carbon capture and storage hubs, investment in nature-based projects that avoid or reduce carbon emissions, and Shell Ventures, which invests in companies that work to accelerate the energy and mobility transformation.

CORPORATE

Key data	Q1 2023	Q2 2023	Q3 2023 outlook
Adjusted Earnings (\$ billion)	(1.0)	(0.7)	(0.7) - (0.5)

- The Adjusted Earnings outlook is a net expense of \$2.4 - 2.8 billion for the full year 2023. This excludes the impact of hedge effectiveness and currency exchange rate effects.

UPCOMING INVESTOR EVENTS

November 2, 2023 Third quarter 2023 results and dividends

USEFUL LINKS

[Results materials Q2 2023](#)

[Quarterly Databook Q2 2023](#)

[Dividend announcement Q2 2023](#)

[Webcast registration Q2 2023](#)

ALTERNATIVE PERFORMANCE (NON-GAAP) MEASURES

This announcement includes certain measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles (GAAP) such as IFRS, including Adjusted Earnings, Adjusted EBITDA, CFFO excluding working capital movements, Cash capital expenditure, free cash flow, Divestment proceeds and Net debt. This information, along with comparable GAAP measures, is useful to investors because it provides a basis for measuring Shell plc's operating performance and ability to retire debt and invest in new business opportunities. Shell plc's management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating the business performance.

This announcement contains a forward-looking non-GAAP measure for cash capital expenditure and divestments. We are unable to provide a reconciliation of this forward-looking non-GAAP measure to the most comparable GAAP financial measure because certain information needed to reconcile the non-GAAP measure to the most comparable GAAP financial measure is dependent on future events some of which are outside the control of the company, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measure with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are estimated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

CAUTIONARY STATEMENT

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this announcement "Shell", "Shell Group" and "Group" are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this announcement refer to entities over which Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as "joint ventures" and "joint operations", respectively. "Joint ventures" and "joint operations" are collectively referred to as "joint arrangements". Entities over which Shell has significant influence but neither control nor joint control are referred to as "associates". The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

This announcement contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "milestones", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this announcement, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, judicial, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Shell plc's Form 20-F for the year ended December 31, 2022 (available at www.shell.com/investor and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this announcement and should be considered by the reader. Each forward-looking statement speaks only as of the date of this announcement, July 27, 2023. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this announcement.

All amounts shown throughout this announcement are unaudited. The numbers presented throughout this announcement may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures, due to rounding.

Shell's Net carbon intensity

Also, in this announcement we may refer to Shell's "Net Carbon Intensity", which includes Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell's "Net Carbon Intensity" is for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

Shell's Net-Zero Emissions Target

Shell's operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and Net Carbon Intensity (NCI) targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCI target, as these targets are currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell's operating plans to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.

The content of websites referred to in this announcement does not form part of this announcement.

We may have used certain terms, such as resources, in this announcement that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website www.sec.gov.

The financial information presented in this announcement does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006 ("the Act"). Statutory accounts for the year ended December 31, 2022 were published in Shell's Annual Report and Accounts, a copy of which was delivered to the Registrar of Companies for England and Wales, and in Shell's Form 20-F. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under sections 498(2) or 498(3) of the Act.

The information in this announcement does not constitute the unaudited condensed consolidated financial statements which are contained in Shell's second quarter 2023 and half year unaudited results available on www.shell.com/investors.

CONTACTS

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