



Second quarter 2023 results

Strong operational and cash performance,
enhanced distributions

Shell plc

July 27, 2023

Definitions & cautionary note

This presentation 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 presentation 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.

"Adjusted Earnings" is the income attributable to Shell plc shareholders for the period, adjusted for the after-tax effect of oil price changes on inventory and for identified items, and excludes earnings attributable to non-controlling interest. In this presentation, "earnings" refers to "Adjusted Earnings" unless stated otherwise. We define "Adjusted EBITDA" as "Income/(loss) for the period" adjusted for current cost of supplies; identified items; tax charge/(credit); depreciation, amortisation and depletion; exploration well write-offs and net interest expense. All items include the non-controlling interest component. In this presentation, "operating expenses", "costs" and "underlying costs" refer to "Underlying operating expenses" unless stated otherwise. Underlying operating expenses represent "operating expenses excluding identified items". Operating expenses consist of the following lines in the Consolidated Statement of Income: (i) production and manufacturing expenses; (ii) selling, distribution and administrative expenses; and (iii) research and development expenses. Cash flow from operating activities excluding working capital movements is defined as "Cash flow from operating activities" less the sum of the following items in the Consolidated Statement of Cash Flows: (i) (increase)/decrease in inventories, (ii) (increase)/decrease in current receivables, and (iii) increase/(decrease) in current payables. In this presentation, "capex" refers to "Cash capital expenditure" unless stated otherwise. Cash capital expenditure comprises the following lines from the Consolidated Statement of Cash Flows: Capital expenditure, Investments in joint ventures and associates and Investments in equity securities. Free cash flow is defined as the sum of "Cash flow from operating activities" and "Cash flow from investing activities". Organic free cash flow is defined as free cash flow excluding inorganic cash capital expenditure, divestment proceeds, and tax paid on divestments. In this presentation, "divestments" refers to "divestment proceeds" unless stated otherwise. Divestment proceeds are defined as the sum of (i) proceeds from sale of property, plant and equipment and businesses, (ii) proceeds from sale of joint ventures and associates, and (iii) proceeds from sale of equity securities. Net debt is defined as the sum of current and non-current debt, less cash and cash equivalents, adjusted for the fair value of derivative financial instruments used to hedge foreign exchange and interest rate risks relating to debt, and associated collateral balances. Reconciliations of the above non-GAAP measures are included in the Shell plc Unaudited Condensed Financial Report for the second quarter and half year ended June 30, 2023.

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this presentation "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 presentation 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 presentation 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 presentation, 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 presentation 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 presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, 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 presentation.

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

Also, in this presentation 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 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 presentation does not form part of this presentation. We may have used certain terms, such as resources, in this presentation 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 presentation 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 presentation does not constitute the unaudited condensed consolidated financial statements which are contained in Shell's second quarter 2023 and half year 2023 unaudited results available on www.shell.com/investors.

CONTACTS

Media: International +44 207 934 5550; USA +1 832 337 4355



Q2 2023

Key messages



Performance

\$5.1 billion
Adjusted Earnings¹

Strong operational performance

Lower margins with lower oil and gas prices, refining margins and LNG trading seasonality

\$15.1 billion
CFFO

Strong cash performance, with \$4.8 billion working capital inflow

Discipline

\$23-26 billion
2023 Cash capex

Lower 2023 Cash capex outlook, including inorganic

\$40.3 billion
Net debt

Strong balance sheet

Shareholder returns

+15%
Dividend per share

\$0.331 dividend per share for Q2 2023

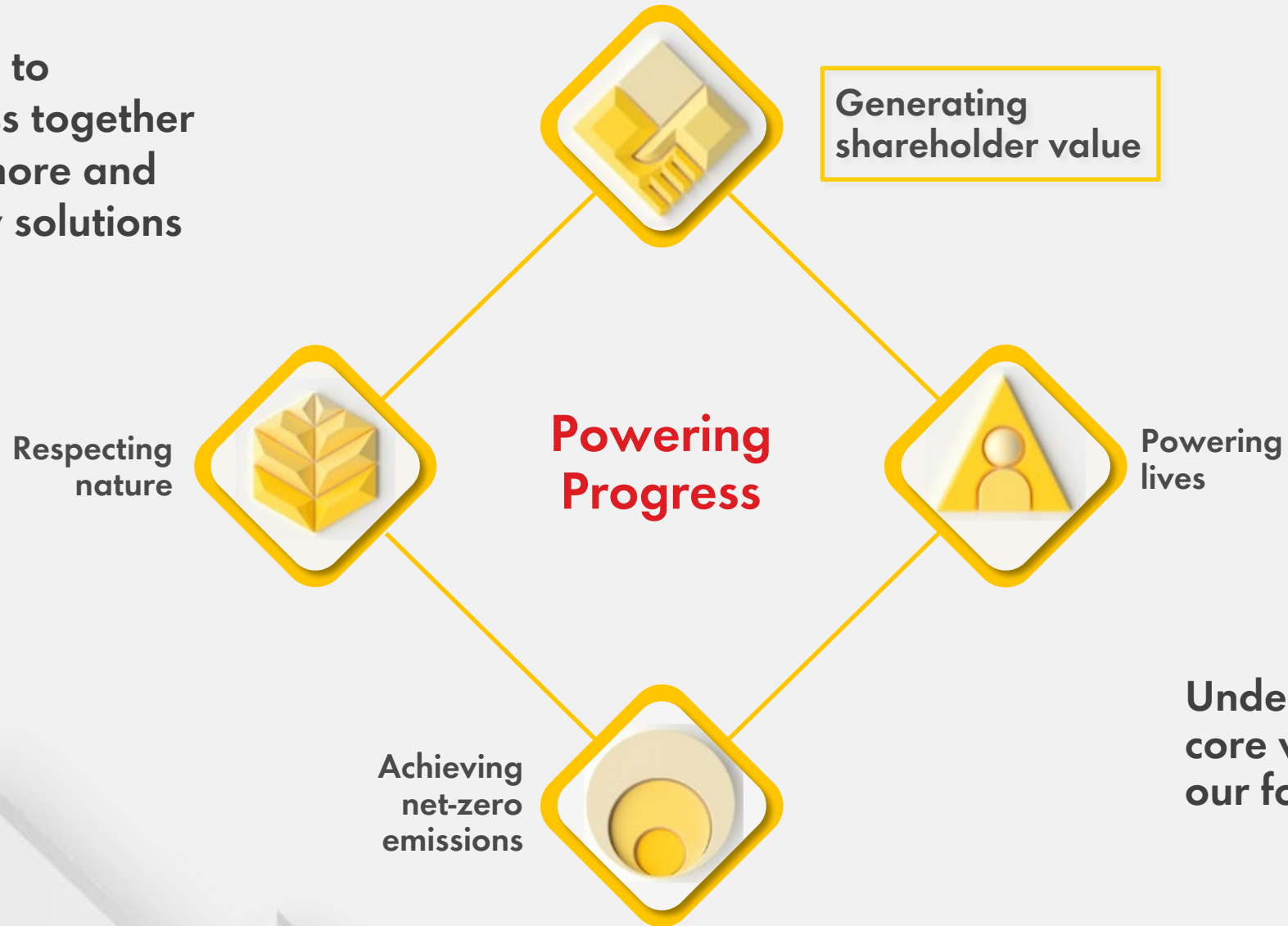
\$3 billion
Buyback programme³

Buyback programme of at least \$2.5 billion at the Q3 2023 results announcement²



Performing with purpose

Our purpose is to power progress together by providing more and cleaner energy solutions



Underpinned by our core values and our focus on safety



The investment case through the energy transition



Providing Energy Security

Committed to oil and gas, with a focus on LNG growth

Investing ~\$40 billion¹ in Leading Integrated Gas & Advantaged Upstream

Enabling the Energy Transition

Providing molecules to decarbonise the transport and industry sectors, while high-grading the Downstream business

Investing ~\$35 billion^{1,2} into Downstream and Renewable & Energy Solutions, of which \$10-15 billion¹ is directly into low-carbon energy solutions.

Performance, Discipline, Simplification

Reduce structural cost by \$2-3 billion by end-2025 & lower capital spend to \$22-25 billion p.a. in 2024 and 2025

Grow FCF/share >10% p.a. through 2025³

Committed to Enhancing Shareholder Returns

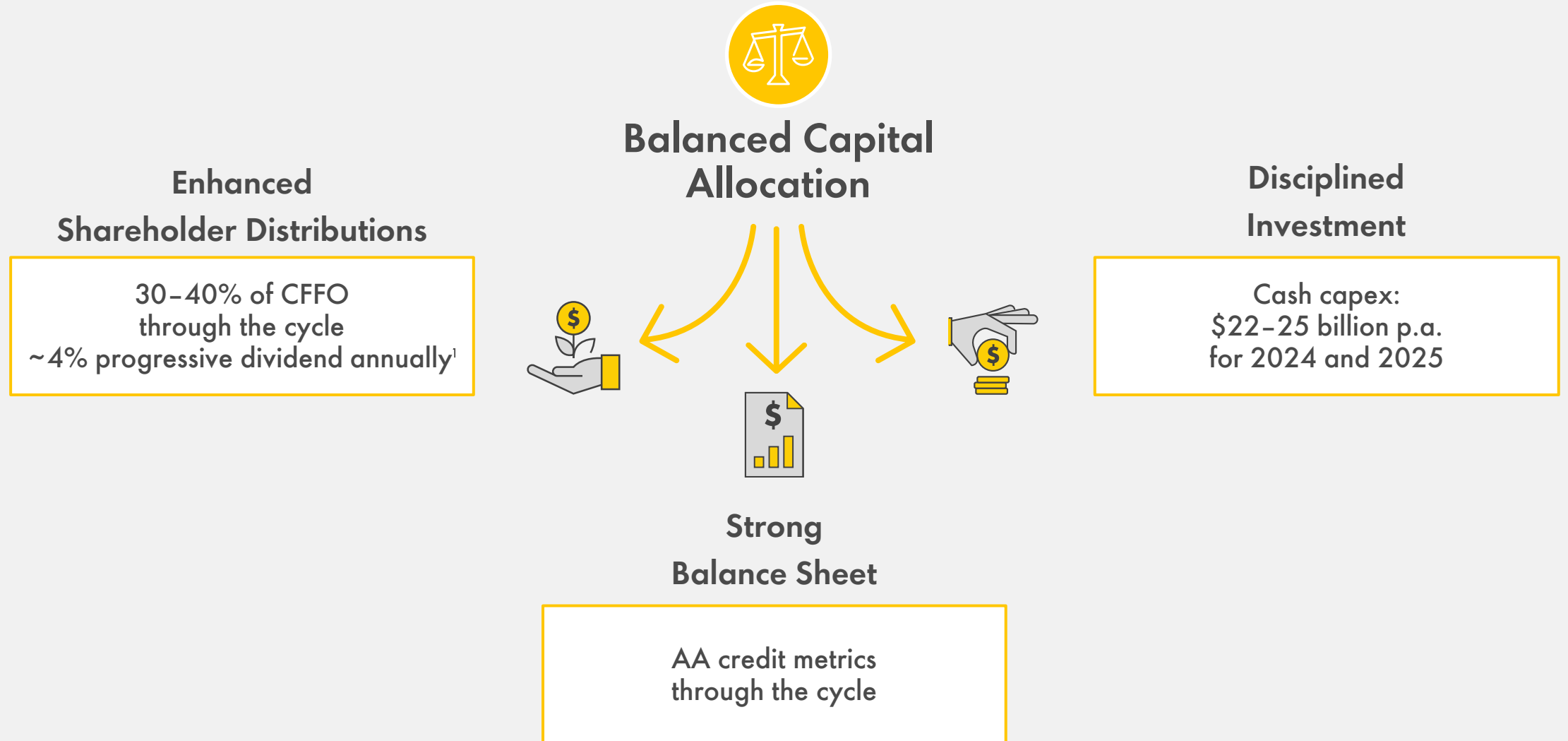
Shareholder returns increased to 30-40% of CFFO through the cycle

Dividend per share increase of 15% at Q2 2023 & second half 2023 buybacks of at least \$5 billion^{4,5}

¹2023-2025 ²Includes infrastructure & assets (~\$20 billion) and low-carbon energy solutions (\$10-15 billion) ³2022 to 2025, for price assumptions see CMD 23 materials ⁴Subject to Board approval ⁵Share buyback programmes for the second half of 2023 will be announced at the Q2 and Q3 results announcements and are expected to be completed by the Q4 2023 results announcement.



A pragmatic approach to capital allocation



Enhanced shareholder distributions

H1 2023

\$4 billion dividend
paid

\$8 billion buybacks
completed

CMD 2023 announcements

Dividend per share
increase of 15%

A minimum of \$5 billion
buybacks for H2 2023¹

H2 2023

\$0.331
Dividend per share for Q2

\$3 billion buyback programme
announced for the next three months

Buyback programme of at least \$2.5
billion at the Q3 2023 results
announcement¹

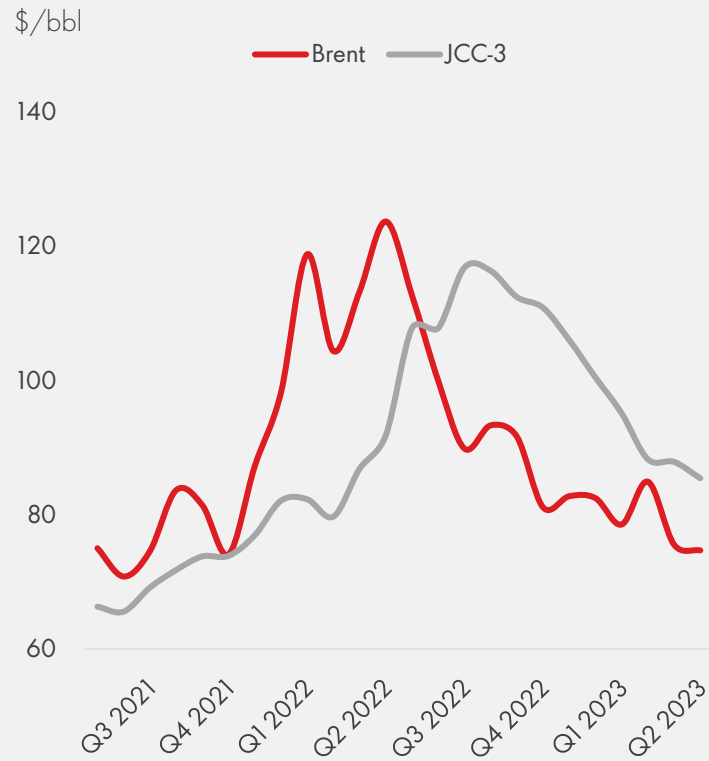
Distributing **30–40% of CFFO** through the cycle



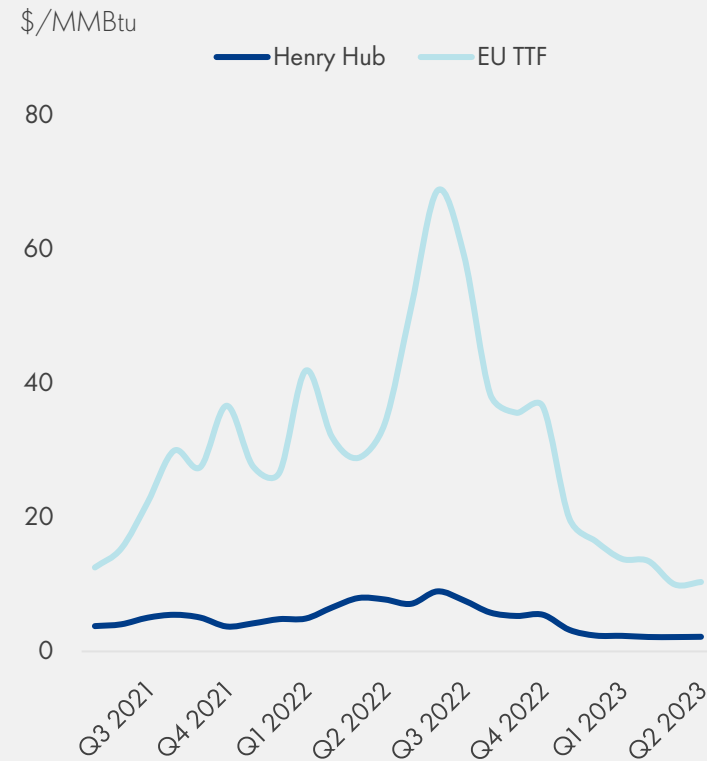
Macro

Lower commodity prices

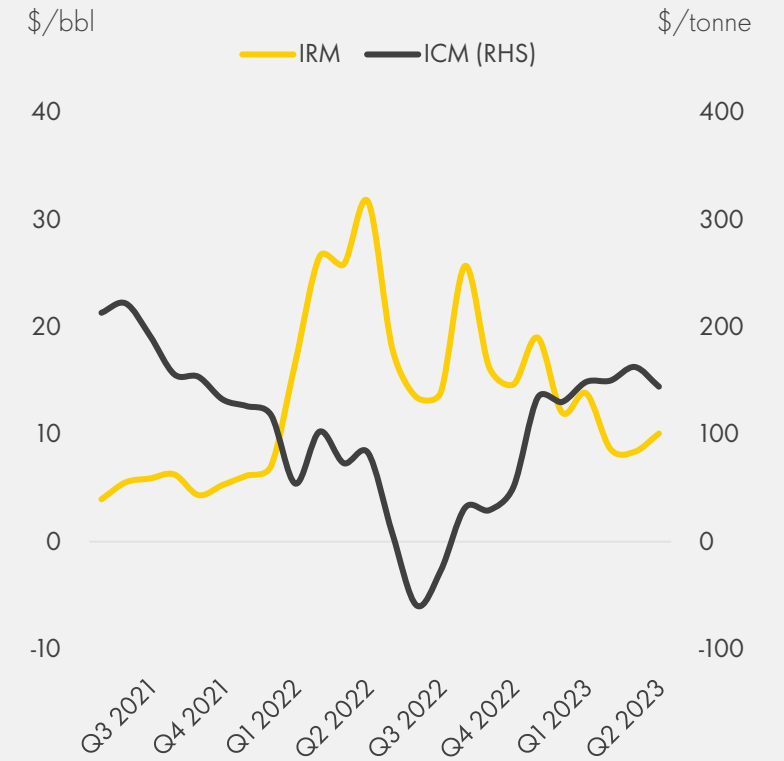
Oil



Gas



Shell Indicative Refining Margin (IRM) and Indicative Chemical Margin (ICM)



Resilient financial performance

Q2 2023

\$3.1 billion

\$5.1 billion

\$14.4 billion

\$15.1 billion

\$5.1 billion

\$12.1 billion

\$40.3 billion

Income attributable to Shell plc shareholders

Adjusted Earnings

Adjusted EBITDA

Cash flow from operations

Cash capital expenditure

Free cash flow

Net debt

H1 2023

\$11.8 billion

\$14.7 billion

\$35.9 billion

\$29.3 billion

\$11.6 billion



\$22.0 billion

\$40.3 billion



Resilient financial performance

Additional information available in the [Q2 2023 Quarterly Press Release](#)

	 Adjusted Earnings		 Adjusted EBITDA		 CFFO		
	\$ billion	Q2 2023	Q1 2023	Q2 2023	Q1 2023	Q2 2023	Q1 2023
Integrated Gas		2.5	4.9	4.8	7.5	3.6	6.3
Upstream		1.7	2.8	6.4	8.8	4.5	5.8
Marketing		0.9	0.9	1.6	1.6	1.4	1.1
Chemicals & Products		0.4	1.8	1.3	3.1	2.1	2.3
R&ES		0.2	0.4	0.4	0.7	3.2	1.1
Corporate & NCI¹		(0.7)	(1.1)	(0.2)	(0.2)	0.3	(2.4)
Total		5.1	9.6	14.4	21.4	15.1	14.2

¹Non-controlling interest
APM reconciliations available in the Q2 2023 Quarterly Databook [here](#).



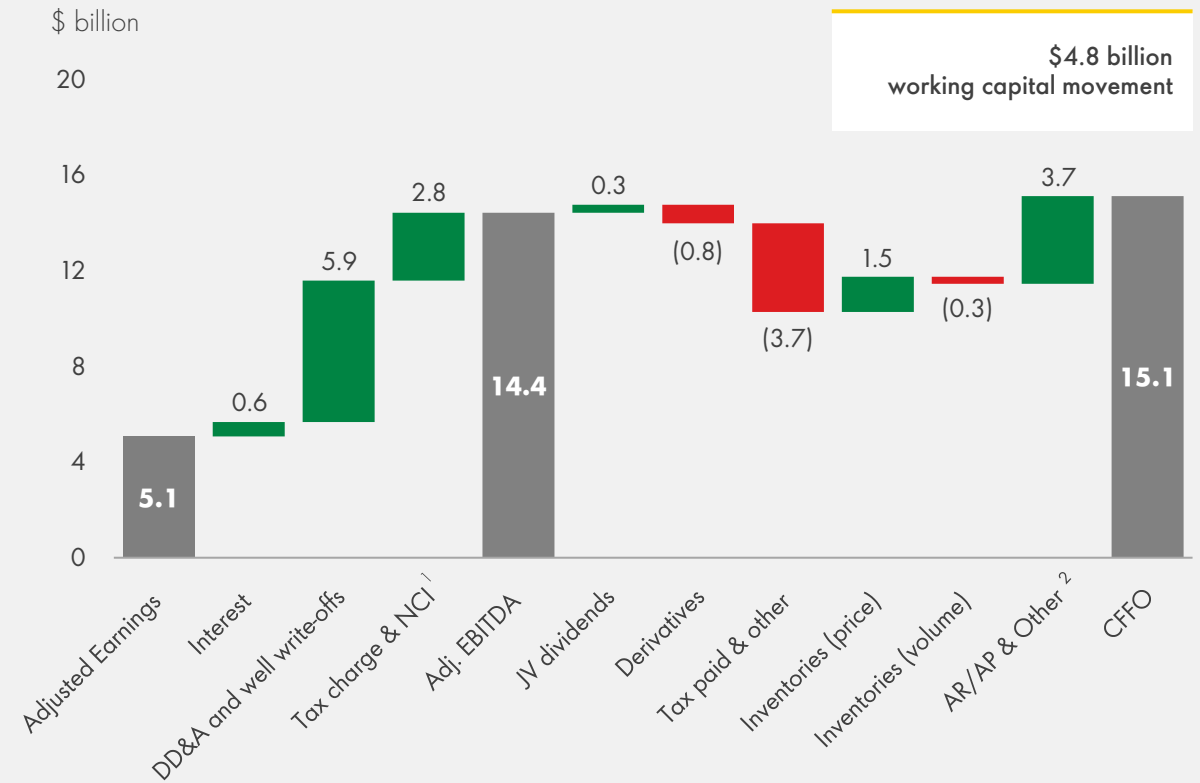
Financial results

Strong cash generation

Adjusted Earnings Q1 2023 to Q2 2023



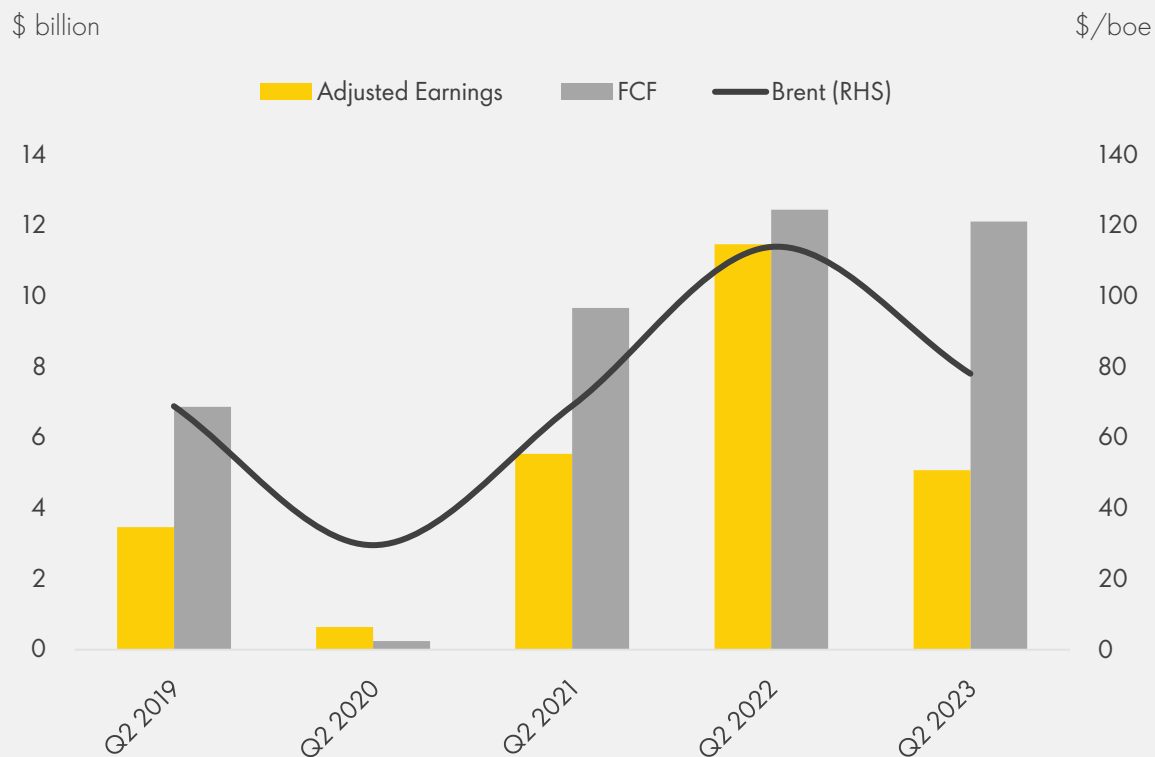
Cash conversion Q2 2023



Financial results

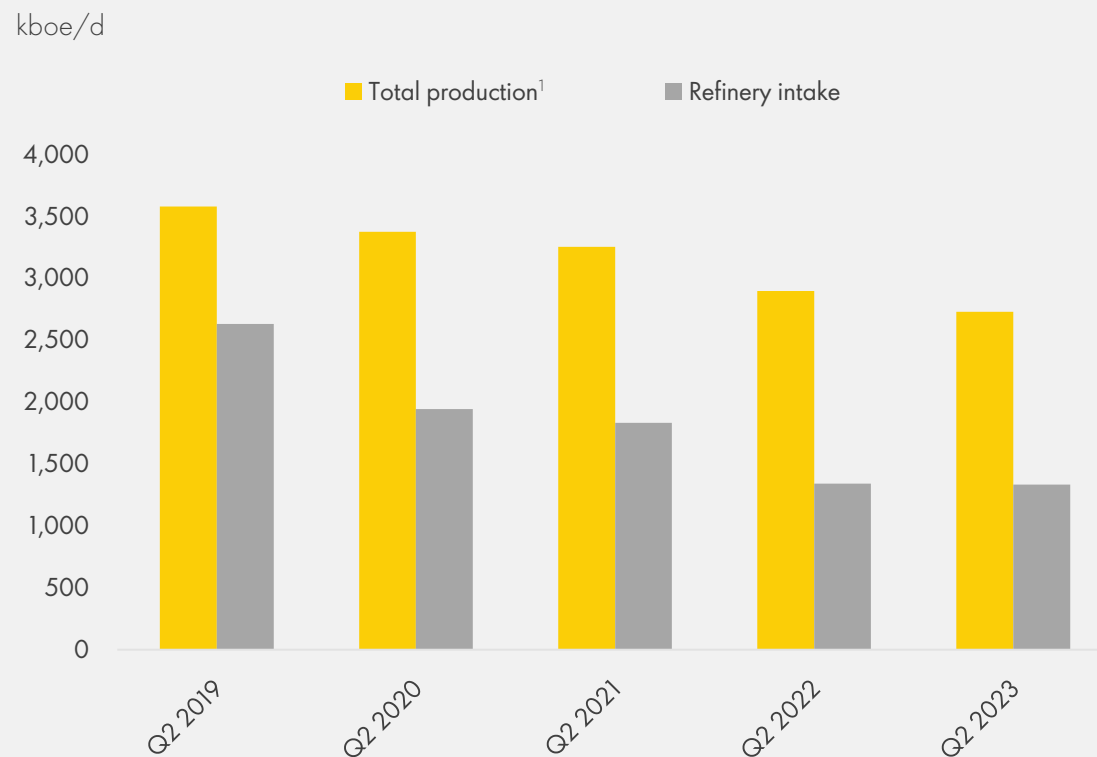
Value over volume

Higher Adjusted Earnings and FCF



+47% Adjusted Earnings and +76% FCF vs Q2 2019

With lower production and refinery intake



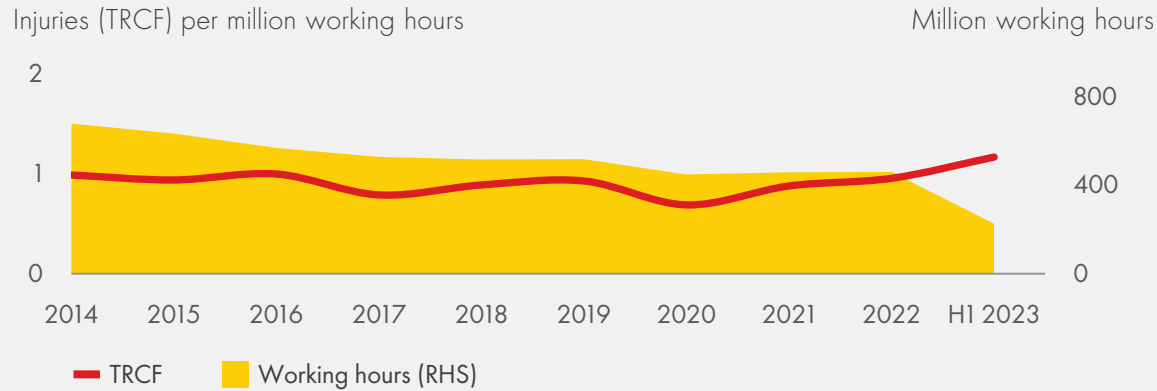
-24% production and -49% refinery intake vs Q2 2019



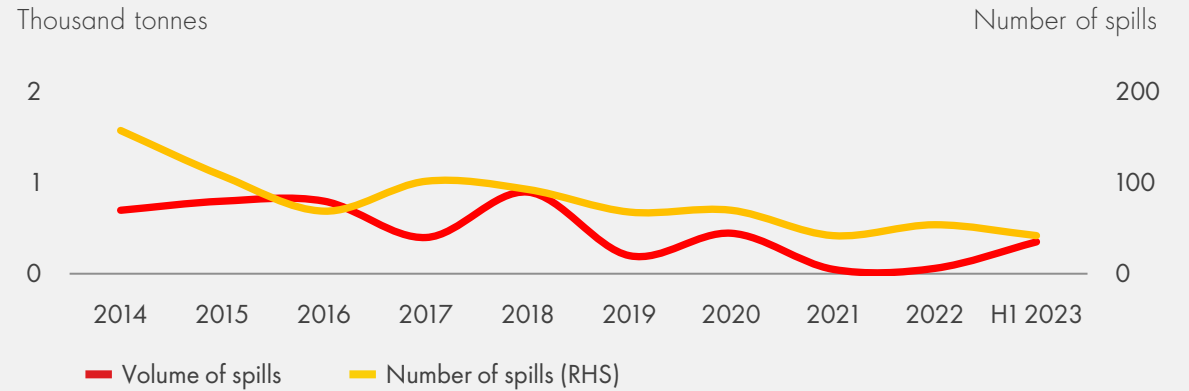
Preliminary H1 2023 results

HSSE performance

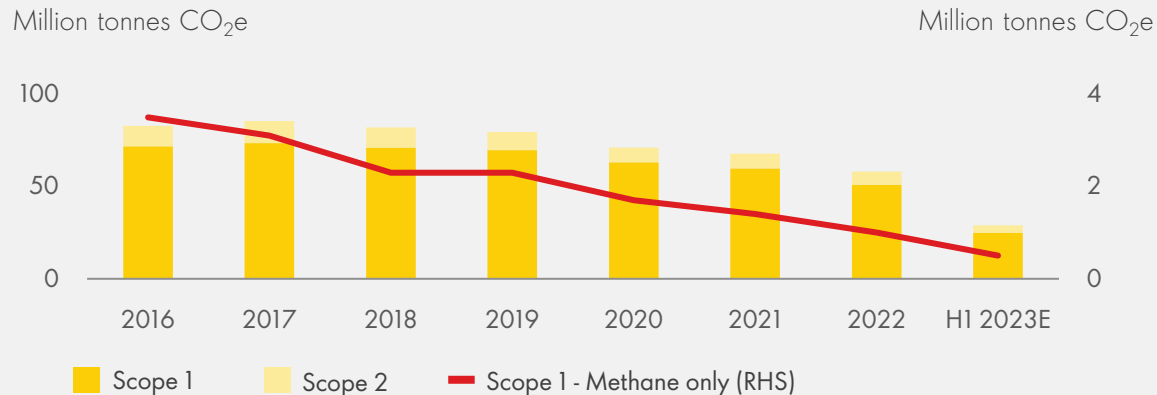
Goal Zero on safety



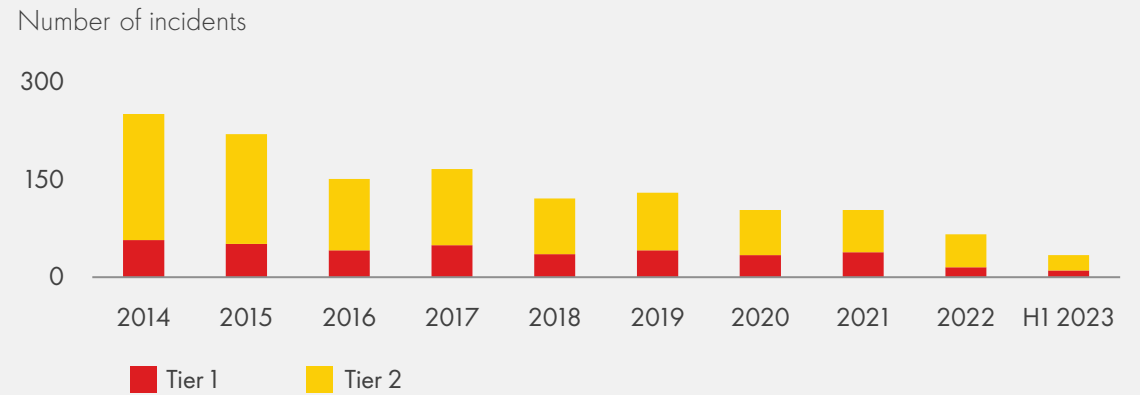
Operational spills



GHG emissions



Process safety



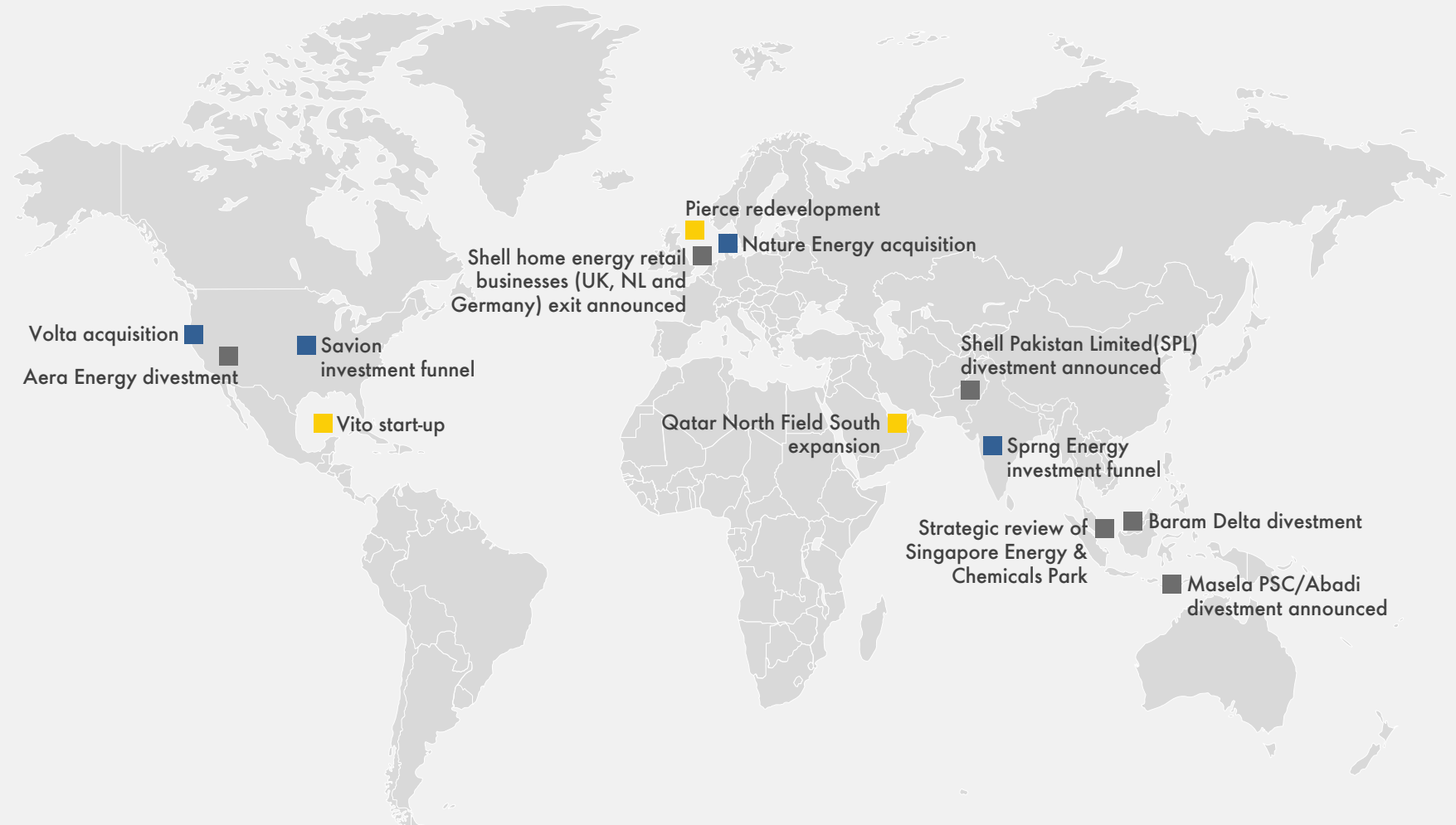
2023 delivery Portfolio updates

For additional portfolio information visit [our investors page](https://www.shell.com/investors) on shell.com

High-grading

Longevity

Growth



Map not to scale



Upcoming events:

Nov 2, 2023

Q3 2023 results

Useful links:

[Capital Markets Day](#)

[Annual and Quarterly Databook](#)

[Shell Energy Transition Strategy](#)

[ESG performance data](#)

[War in Ukraine: Shell's Response](#)

Corporate Reports:

[Annual Report 2022](#)

[Energy Transition Progress Report 2022](#)

[Payments to Governments Report 2022](#)

[Sustainability Report 2022](#)

[Nigeria briefing notes 2022](#)

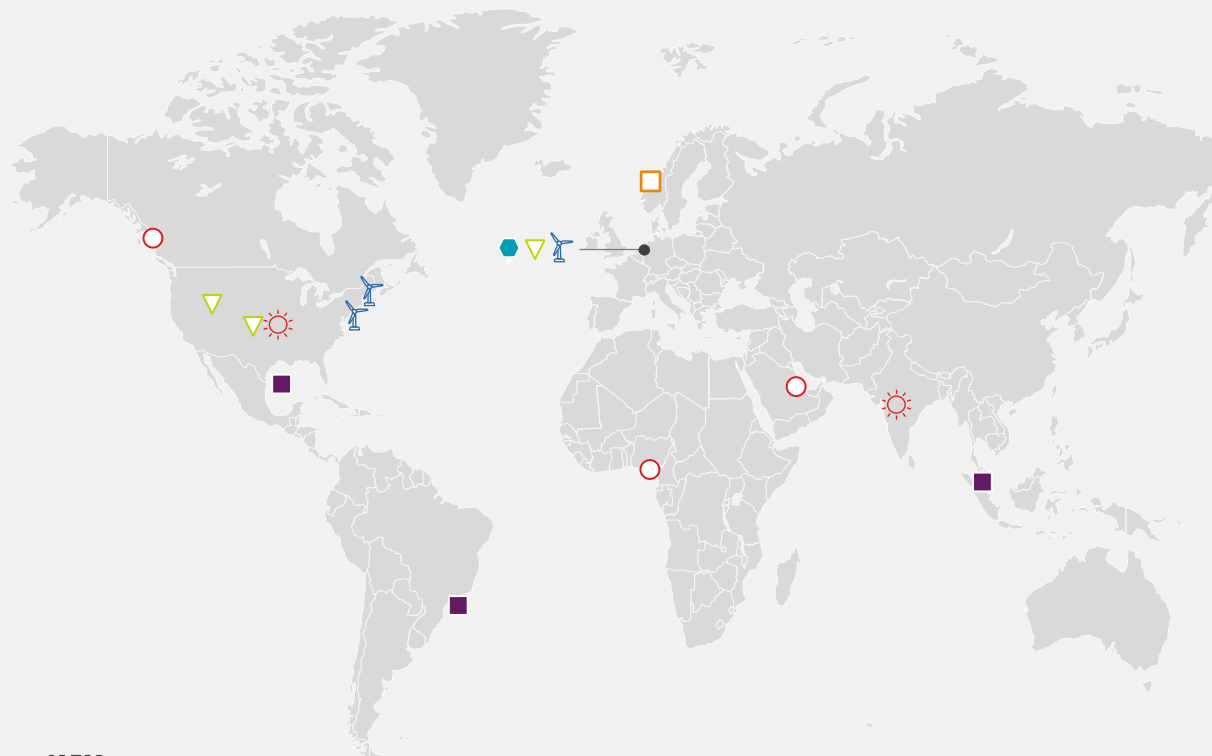




Pipeline of major projects

Q2 2023 updates:

Participation in the Qatar North Field South expansion finalised



KEY

Upstream	Low-carbon fuels	Solar	Hydrogen electrolyser
Liquefaction plants	CCS	Offshore wind	

Map not to scale

Projects under construction		Peak production/Capacity/Products	Shell share %	Country
Start-up 2023-2024				
Mero 2 [A]		180 kboe/d	19.3	Brazil
Mero 3 [A]		180 kboe/d	19.3	Brazil
Whale		100 kboe/d	60	USA
Spring Energy (multiple) [B]		1,045 MW	100	India
Savion (multiple) [B]		616 MW	100	USA
Crosswind/HKN [B]		759 MW	79.9	The Netherlands
Shell Bovarius		400,000 MMBtu RNG	100	USA
Shell Galloway		500,000 MMBtu RNG	100	USA
Northern Lights JV (Phase 1)		1.5 mtpa CO ₂ captured and/or stored	33.3	Norway
Start-up 2025+				
Mero 4 [A]		180 kboe/d	19.3	Brazil
Marjoram/Rosmari		100 kboe/d	80	Malaysia
LNG Canada T1-2		14 mtpa	40	Canada
NLNG T7		7.6 mtpa	26	Nigeria
North Field East expansion JV		8 mtpa	25*	Qatar
North Field South expansion JV		6 mtpa	25*	Qatar
Biofuels Plant Rotterdam		820,000 tonnes of renewable diesel	100	The Netherlands
Holland Hydrogen I		200 MW	100	The Netherlands
Ecowende/HKW [B]		760 MW	60	The Netherlands
SouthCoast Wind Project 1 [B]		1,209 MW	50	USA
Atlantic Shores - Project 1 [B]		1,509 MW	50	USA

[A] Subject to unitisation agreements, data shown as per operator.

[B] Renewable generation - capacity under construction and/or committed for sale, with multiple start-up dates.

*A 25% share in a JV company which will own 25% of the North Field East (NFE) expansion project and a 25% share in a JV company which will own 37.5% of the North Field South (NFS) expansion project



Carbon Our progress

UN PARIS AGREEMENT

Strategy aligns with goal to limit the increase in the global average temperature to 1.5 degrees Celsius above pre-industrial levels



NET ZERO BY 2050

Net-zero emissions energy business by 2050 including all emissions (Scopes 1, 2 and 3)

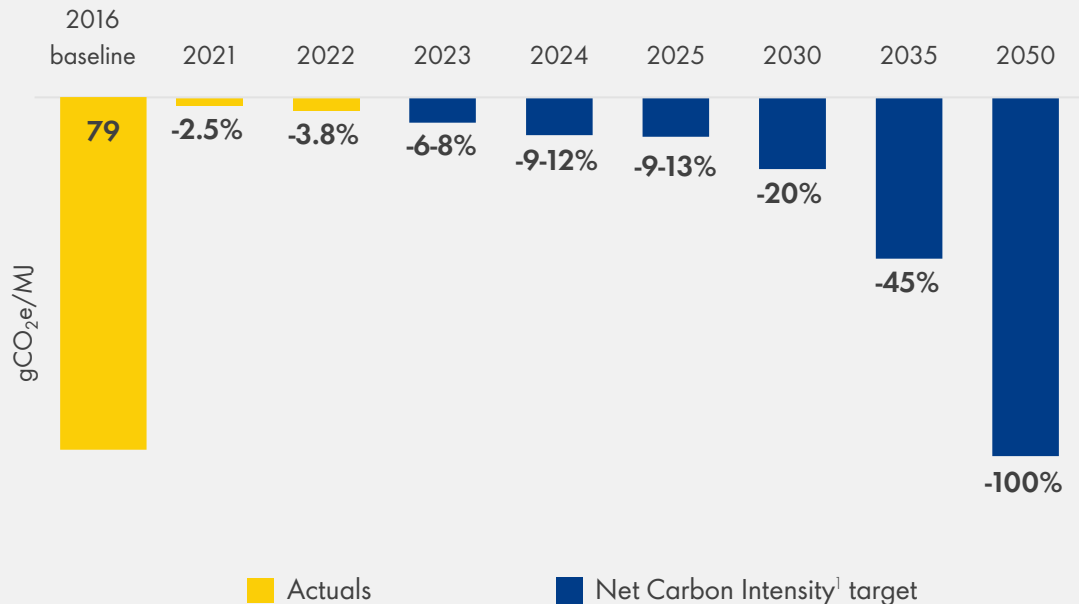


FROM 1.7 GTPA TO ZERO

We believe Shell's total carbon emissions from energy sold peaked in 2018 at around 1.7 gtpa and will be brought down to net-zero by 2050. In 2022 the total emissions were 1.2 gtpa

Net Carbon Intensity¹ (Scope 1, 2 and 3)

Covers emissions associated with the production, processing, transport and end-use of our products



Absolute emissions (Scope 1 and 2)

Covers all Scope 1 and 2 emissions under Shell's operational control

