

Q1 2023 Results

Press release

London, May 4, 2023

Shell plc Chief Executive Officer, Wael Sawan

"In Q1 Shell delivered strong results and robust operational performance, against a backdrop of ongoing volatility, while continuing to provide vital supplies of secure energy. We will commence a \$4 billion share buyback programme for the next three months as part of our commitment to deliver attractive shareholder returns."

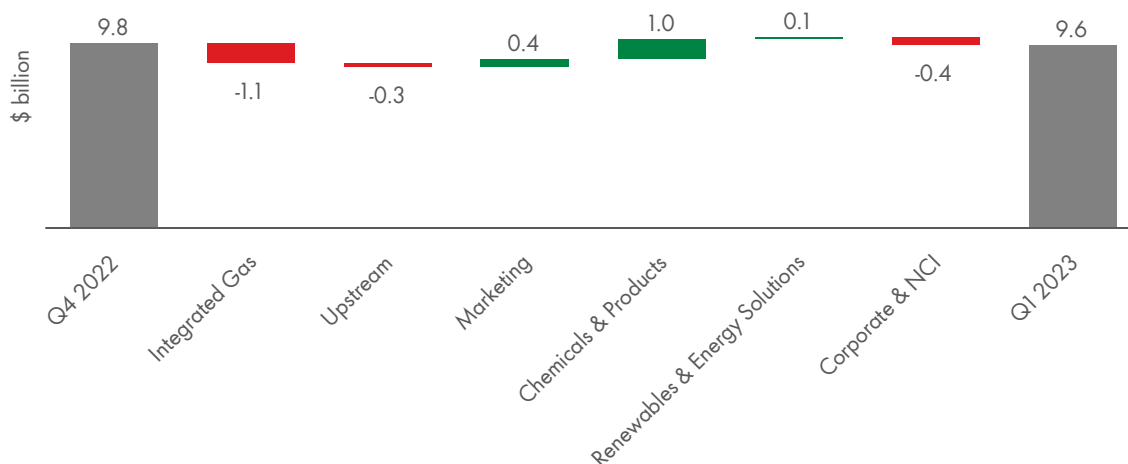
STRONG RESULTS UNDERPINNED BY ROBUST PERFORMANCE

- Q1 2023 Adjusted Earnings of \$9.6 billion, with Adjusted EBITDA of \$21.4 billion, with improved operational performance, lower underlying opex and better results in Chemicals & Products driven by trading & optimisation offsetting the impact of lower oil and gas prices, and higher tax compared with Q4 2022.
- \$4 billion share buybacks announced, expected to be completed by Q2 2023 results announcement, which would bring total shareholder distributions to ~\$12 billion for the first half of 2023. The 2023 cash capex outlook is unchanged: \$23-27 billion.
- Strengthened the portfolio with the completion of the acquisition of Nature Energy (a renewable natural gas producer, Denmark), the investment decision for the Dover tie-back to the Appomattox production platform (USA) and the commencement of production at Vito (USA) and restart of Pierce (UK) facilities. Further simplified the portfolio through the divestment of non-core Upstream positions in onshore California and offshore Malaysia.

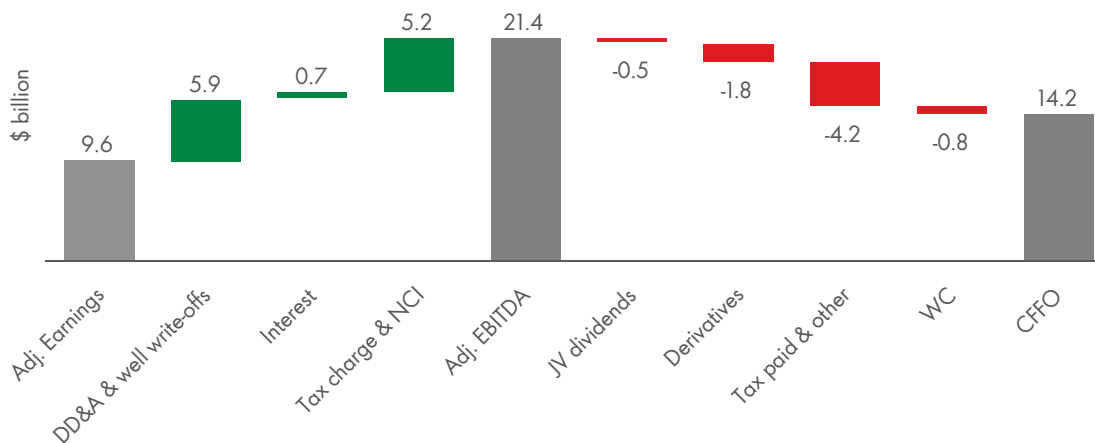
\$ million	Adj. Earnings ¹	Adj. EBITDA ¹	CFFO	Cash capex
Integrated Gas	4,917	7,482	6,286	813
Upstream	2,801	8,837	5,808	1,870
Marketing	874	1,578	1,086	2,685
<i>Mobility</i>	340	809		607
<i>Lubricants</i>	345	521		67
<i>Sectors & Decarbonisation</i>	189	247		2,011
Chemicals & Products	1,777	3,050	2,290	613
<i>Chemicals</i>	(332)	(3)		184
<i>Products</i>	2,109	3,053		428
Renewables & Energy Solutions	389	668	1,091	440
Corporate	(1,039)	(183)	(2,403)	81
Less: Non-controlling interest (NCI)	72			
Shell				
Q1 2023	9,646	21,432	14,159	6,501
Q4 2022	9,814	20,600	22,404	7,319

¹Income/(loss) attributable to shareholders for Q1 2023 is \$8.7 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 Q1



- CFFO of \$14.2 billion for Q1 2023, with tax paid of \$3.1 billion, and a working capital outflow of \$0.8 billion. Working capital outflows due to the reversal of temporary deposits from joint ventures received in Q4 2022 and other accounts receivable / payable movements were offset by inflows resulting from initial margins, lower prices and inventories.

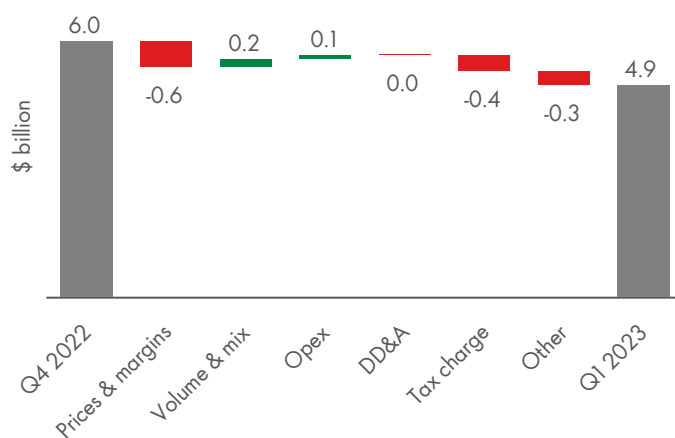
\$ billion	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Divestment proceeds	0.7	0.8	0.3	0.2	1.7
Free cash flow	10.5	12.4	7.5	15.5	9.9
Net debt	48.5	46.4	48.3	44.8	44.2

Q1 2023 FINANCIAL PERFORMANCE DRIVERS

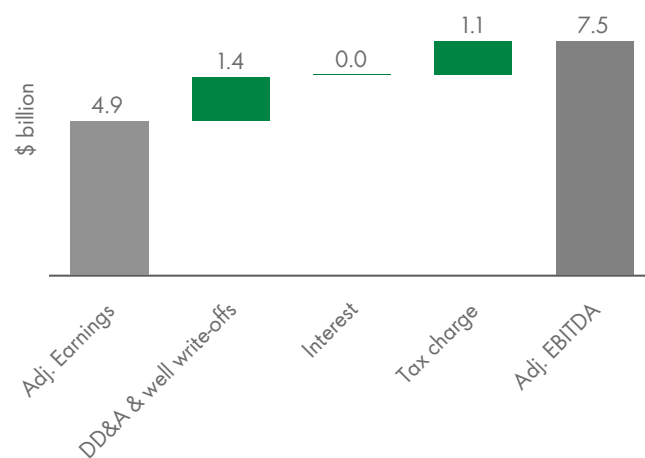
INTEGRATED GAS

Key data	Q4 2022	Q1 2023	Q2 2023 outlook
Realised liquids price (\$/bbl)	70	70	–
Realised gas price (\$/mscf)	12	10	–
Production (kboe/d)	917	970	920 - 980
LNG liquefaction volumes (MT)	6.8	7.2	6.8 - 7.4
LNG sales volumes (MT)	16.8	17.0	–

Adjusted Earnings



Adjusted EBITDA Q1

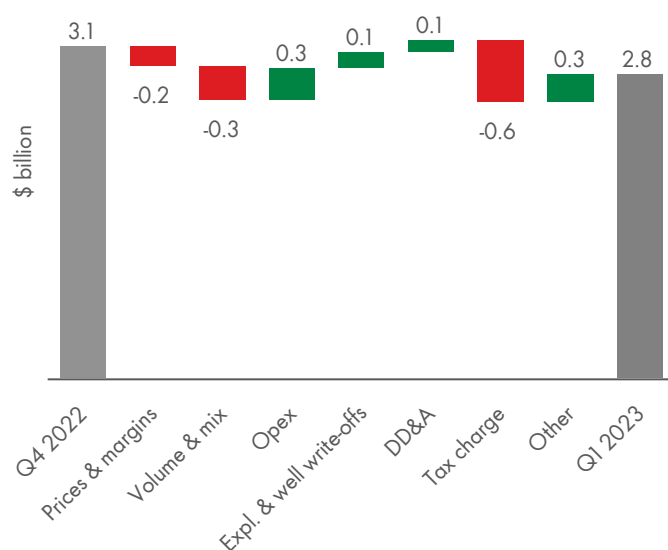


- Production and liquefaction volumes were higher than in Q4 2022 mainly due to higher uptime at Prelude in Australia.
- Adjusted Earnings were lower than in Q4 2022 mainly due to lower prices and a tax help in Q4 2022, which were partly offset by higher volumes.
- Trading and optimisation results were at a similar level to Q4 2022.

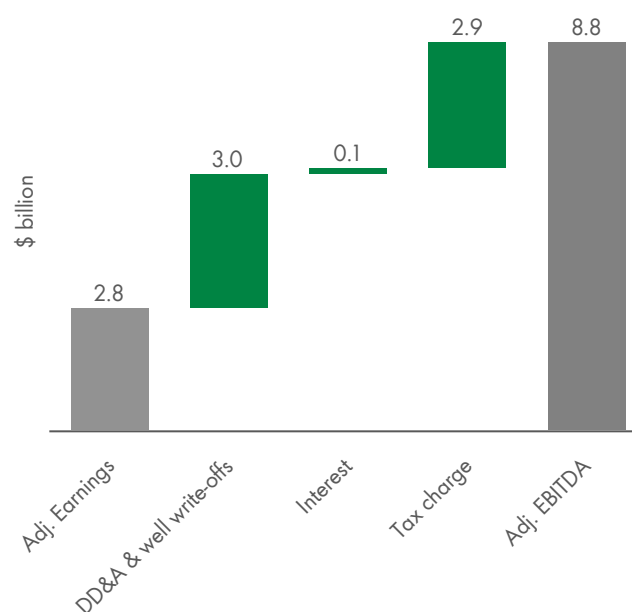
UPSTREAM

Key data	Q4 2022	Q1 2023	Q2 2023 outlook
Realised liquids price (\$/bbl)	82	74	–
Realised gas price (\$/mscf)	13	13	–
Liquids production (kboe/d)	1,331	1,346	–
Gas production (mscf/d)	3,067	3,078	–
Total production (kboe/d)	1,859	1,877	1,600 - 1,800

Adjusted Earnings



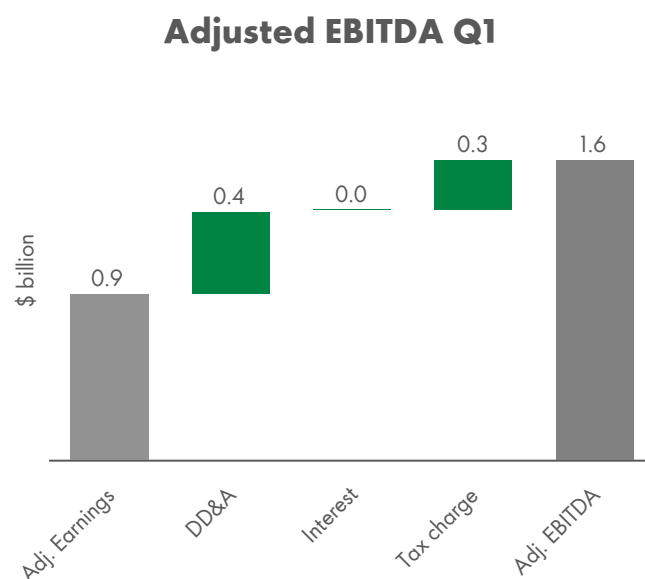
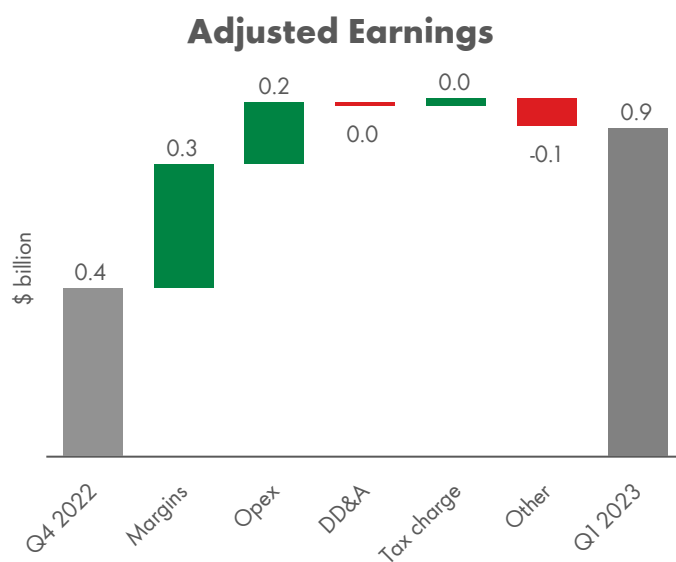
Adjusted EBITDA Q1



- Production was higher than in Q4 2022, mainly driven by lower scheduled maintenance and unscheduled deferment.
- Adjusted Earnings were lower compared with Q4 2022 due to lower prices, timing of liftings, and tax help in Q4 2022, which were partly offset by lower opex.
- Q2 2023 production outlook reflects higher scheduled maintenance and completed divestments.

MARKETING

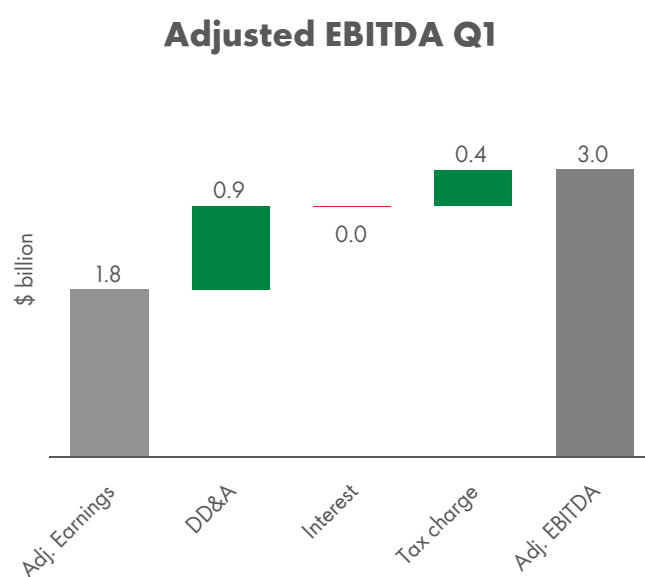
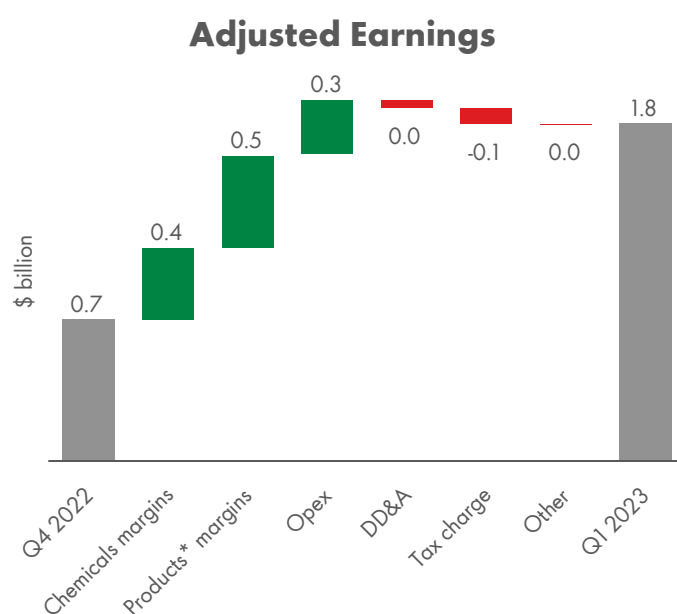
Key data	Q4 2022	Q1 2023	Q2 2023 outlook
Marketing sales volumes (kb/d)	2,543	2,446	2,350 - 2,850
Mobility (kb/d)	1,692	1,609	–
Lubricants (kb/d)	74	85	–
Sectors & Decarbonisation (kb/d)	777	752	–



- Marketing Adjusted Earnings were higher than in Q4 2022 mainly due to higher margins in Lubricants which were partly offset by the seasonal impact of lower volumes, as well as lower opex in Q1 2023.

CHEMICALS & PRODUCTS

Key data	Q4 2022	Q1 2023	Q2 2023 outlook
Refining & Trading sales volumes (kb/d)	1,800	1,706	–
Chemicals sales volumes (kT)	3,017	2,831	–
Refinery utilisation (%)	90	91	85 - 93
Chemicals manufacturing plant utilisation (%)	75	71	62 - 70
Global indicative refining margin (\$/bbl)	19	15	–
Global indicative chemical margin (\$/t)	37	138	–



* Products covers refining and trading

- Higher trading and optimisation results than in Q4 2022 were partly offset by lower indicative refining margins.
- Chemicals margins improved due to lower feedstock and utility costs compared with Q4 2022.
- Lower opex in Q1 2023 mainly reflects Q4 2022 year-end phasing effects.
- Q2 2023 Chemicals outlook reflects ongoing economic optimisation due to the continuing low-margin environment and a slower than expected ramp-up of Shell Polymers Monaca.

RENEWABLES & ENERGY SOLUTIONS

Key data	Q4 2022	Q1 2023
Adj. Earnings (\$ billion)*	0.3	0.4
Adj. EBITDA (\$ billion)*	0.4	0.7
External power sales (TWh)	66	68
Sales of natural gas to end-use customers (TWh)	241	221
Renewables power generation capacity**	6.4	6.4
- in operation (GW)	2.2	2.3
- under construction and/or committed for sale (GW)	4.2	4.0

*Segment earnings for Q1 2023 are \$2.2 billion. Reconciliation of non-GAAP measures can be found in the unaudited results, available on www.shell.com/investors.

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

- Q1 2023 Adjusted Earnings, on a stand-alone basis, were driven by strong trading and optimisation margins for gas and power due to continued price volatility primarily in European and American markets. Compared with Q4 2022, Adjusted Earnings reflect lower operating expenses, partly offset by lower trading and optimisation results.
- Shell Energy Australia has entered into a partnership to deliver a utility-scale battery energy storage system in Cranbourne, Victoria. Shell has access to 100% of the battery's offtake over a 20-year period.

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	Q4 2022	Q1 2023	Q2 2023 outlook
Adjusted Earnings (\$ million)	(626)	(1,039)	(600) - (400)

- Q1 2023 Adjusted Earnings were impacted by one-off tax charges.
- The Adjusted Earnings outlook is a net expense of \$2,200 - 2,600 million for the full year 2023. This excludes the impact of hedge effectiveness and currency exchange effects.

UPCOMING INVESTOR EVENTS

23 May 2023	Annual General Meeting
14 June 2023	Capital Markets Day 2023
27 July 2023	Second quarter 2023 results and dividends
2 November 2023	Third quarter 2023 results and dividends

USEFUL LINKS

- [Results materials Q1 2023](#)
- [Quarterly Databook Q1 2023](#)
- [Dividend announcement Q1 2023](#)
- [Webcast registration Q1 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, May 4, 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 first quarter 2023 unaudited results available on www.shell.com/investors.

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