



Retail Wealth Management Investor Presentation

Royal Dutch Shell plc
September 2018



Definitions & cautionary note

Operating costs are defined as underlying operating expenses, which are operating expenses less identified items. Organic free cash flow is defined as free cash flow excluding inorganic capital investment and divestment proceeds. Clean CCS ROACE (Return on Average Capital Employed) is defined as defined as the sum of CCS earnings attributable to shareholders excluding identified items for the current and previous three quarters, as a percentage of the average capital employed for the same period. Capital employed consists of total equity, current debt and non-current debt. Capital investment comprises capital expenditure, exploration expense excluding well write-offs, new investments in joint ventures and associates, new finance leases and investments in Integrated Gas, Upstream and Downstream equity securities, all of which on an accruals basis. Divestments comprises proceeds from sale of property, plant and equipment and businesses, joint ventures and associates, and other Integrated Gas, Upstream and Downstream investments, reported in "Cash flow from investing activities (CFFI)", adjusted onto an accruals basis and for any share consideration received or contingent consideration recognised upon divestment, as well as proceeds from the sale of interests in entities while retaining control (for example, proceeds from sale of interest in Shell Midstream Partners, L.P.). This presentation contains the following forward-looking Non-GAAP measures: Organic Free Cash Flow, Free Cash Flow, Capital Investment, CCS Earnings less identified items, Operating Expenses, ROACE, Capital Employed and Divestments. We are unable to provide a reconciliation of the above forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile the above Non-GAAP measure to the most comparable GAAP financial measure is dependent on future events some which are outside the control of the company, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures consistent with the company accounting policies and 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 calculated in a manner which is consistent with the accounting policies applied in Royal Dutch Shell plc's financial statements. The forward-looking breakeven prices (BEP) presented are calculated based on all forward-looking costs associated from FID. Accordingly, this typically excludes exploration and appraisal costs, lease bonuses, exploration seismic and exploration team overhead costs. The forward-looking breakeven price is calculated based on our estimate of resources volumes that are currently classified as 2p and 2c under the Society of Petroleum Engineers' Resource Classification System. As the projects are expected to be multi-decade producing the per barrel projection will not be reflected either in earnings or cash flow in the next five years. The financial measures provided by strategic themes represent a notional allocation of ROACE, capital employed, capital investment, free cash flow, organic free cash flow and underlying operating expenses of Shell's strategic themes. Shell's segment reporting under IFRS 8 remains Integrated Gas, Upstream, Downstream and Corporate.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to Royal Dutch Shell plc and 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 Royal Dutch 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. 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 Royal Dutch 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 Royal Dutch 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", "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 Royal Dutch 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, 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; and (m) 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 Royal Dutch Shell's 20-F for the year ended December 31, 2017 (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, September 17, 2018. Neither Royal Dutch 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. We may have used certain terms, such as resources, in this presentation that United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. 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



Industry context

Substantial & long lasting shifts in energy landscape



Population

Nearly 10 billion people by 2050, with 67% living in cities (~2.6 billion more than today)



Vehicles

2 billion vehicles by 2060 (~0.8 billion today)



Rising standards

Many millions of people will rise out of energy poverty; with higher living standards energy use rises



Energy demand

Likely 60% higher in 2060 than today ...but CO₂ emissions must be half today's to avoid serious climate change



Efficiency

Twice as efficient, using half the energy to produce each dollar of wealth



Renewables

3 times more energy from renewable sources by 2050

Source: UN Population Fund; UN World Population Prospects (2015 revision); World Urbanization Prospects (2014 revision); International Energy Agency, Energy Technology Perspectives 2015; Shell New Lens Scenarios.



Strategy



Key messages

- Confidence in free cash flow outlook - \$25-30 billion per year by 2020¹
- Grow free cash flow per share from 2020 to 2025
- \$25 billion share buyback programme launched²
- Focus on capital discipline in line with financial framework
- Resilient and relevant portfolio positioned long term
- Reduce the net carbon footprint of our energy products

¹ 2019-21: 2016 RT \$60 per barrel, mid-cycle Downstream. ²Subject to progress with debt reduction and recovery in oil prices



Investment priorities & strategic intent

Cash engines

(FCF >0)

- Funds dividends and balance sheet
- Competitive and resilient
- Strong free cash and returns



Growth priorities

(FCF ~0)

- Emerging cash engines
- Affordable growth in advantaged positions
- FCF and ROACE pathway



Emerging opportunities

(FCF <0)

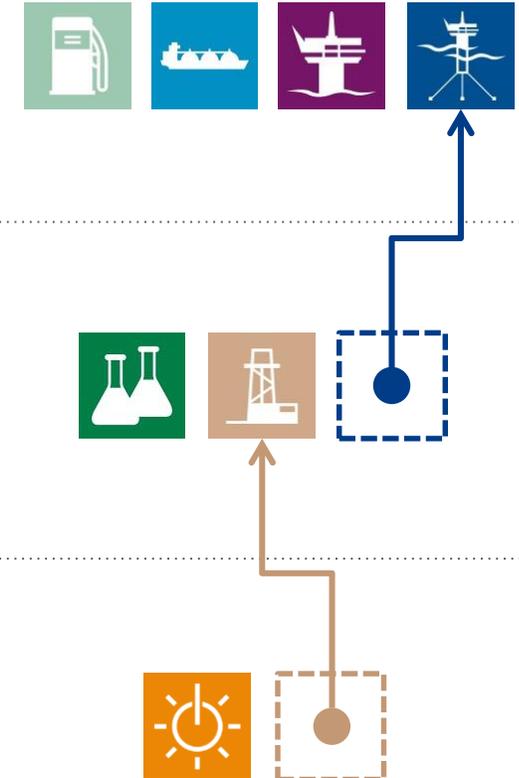
- Material future value
- Strategic balance
- Managed exposure while establishing scale



Today



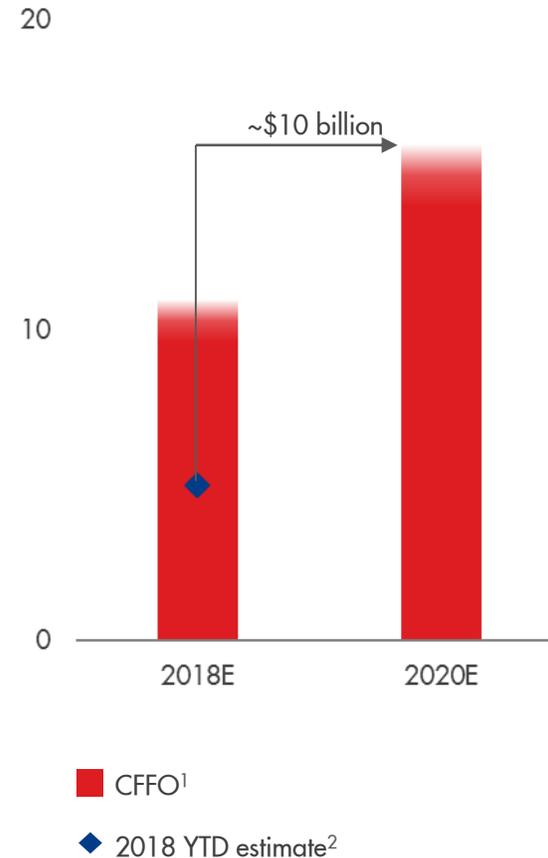
by 2020



Cash momentum

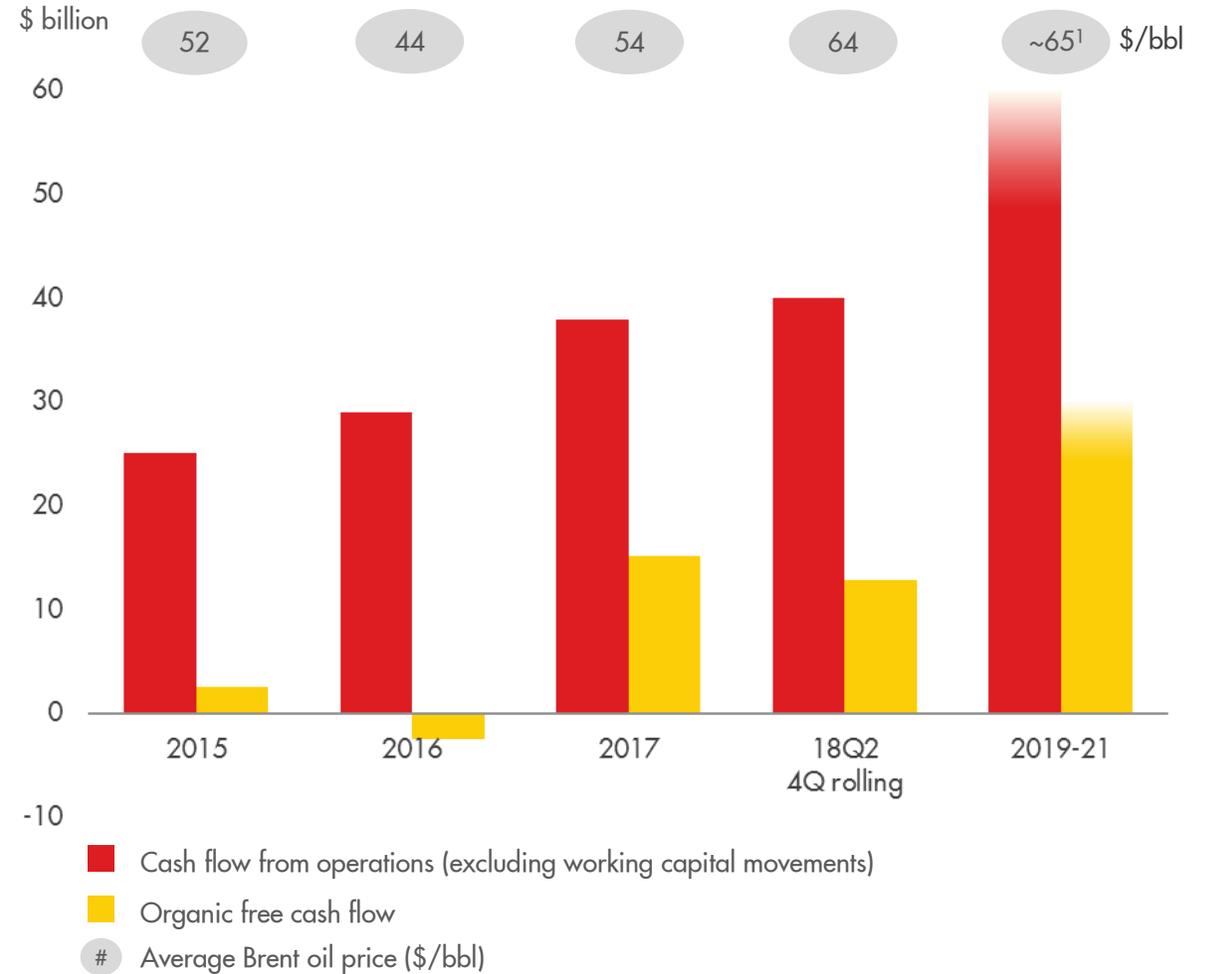
Project start-ups 2014 to 2020

\$ billion cash flow per annum



Total cash flow

\$ billion



- **New projects cash delivery on track**
- **Confidence in 2020 free cash flow outlook**

¹ Pricing assumption 2019-21: \$60 per barrel real term 2016. ² At \$71 per barrel.



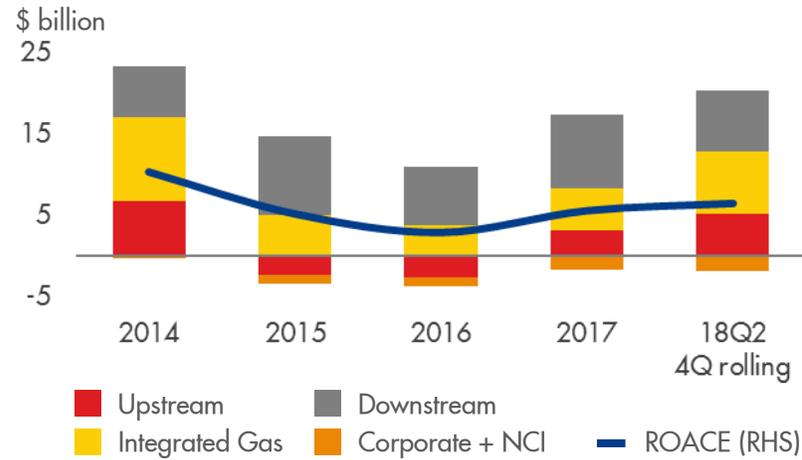
Financial framework

Cash flow priorities

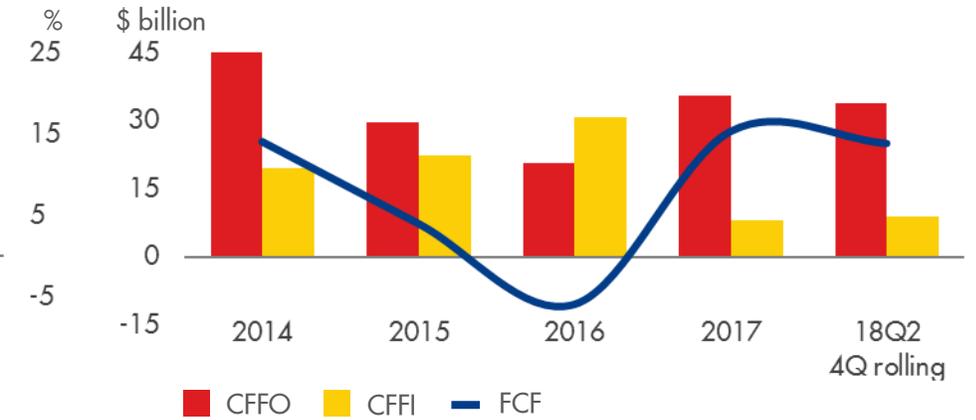


Financial summary

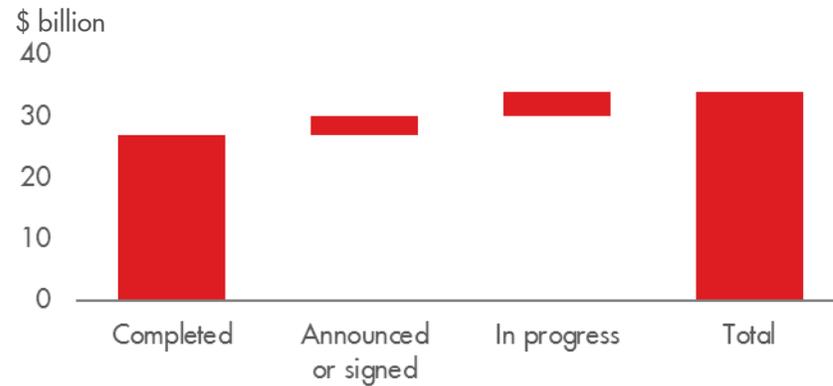
Earnings & ROACE



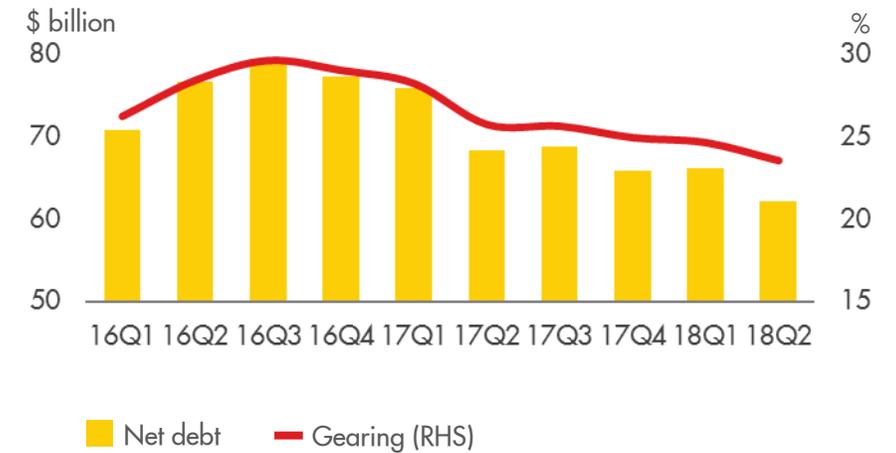
Cash flow



Divestments



Net debt & gearing



Earnings and ROACE on CCS basis, excluding identified items. Divestments: headline, cash proceeds in 2016, 2017 and H1 2018: \$23.8 billion (in CFFI), \$2.1 billion related to Shell Midstream Partners, L.P. (in CFFF).



Transformation: World-class investment case

	2013-2015 average	Q2'18 4Q rolling	2019-2021 average
ROACE ¹	8%	~6%	~10%
Organic free cash flow	\$5 billion p.a.	~\$13 billion	\$25-30 billion p.a.
Brent	~\$90	~\$64	~\$60 ²

- **FCF growth**
- **ROACE growth**
- **Conservative financial management**

¹ROACE on CCS basis, excluding identified items
Organic free cash flow as CFFO minus CFFI excluding divestment proceeds. ²2019-2021 Brent price as 2016 RT.



“We are reshaping Shell into a more focused and resilient company”

Ben van Beurden
Chief Executive Officer



“We are improving Shell’s competitiveness with a stronger focus on performance management, simplicity, and costs”

Jessica Uhl
Chief Financial Officer



