



# Q1 2021 RESULTS

PRESS RELEASE

The Hague, April 29, 2021

“Shell has made a strong start to 2021, generating over \$8 billion of cash in the quarter. Our integrated business model is ideally positioned to benefit from recovering demand. As previously announced, the first quarter 2021 dividend per share has been increased by around 4%, in line with our progressive dividend policy. We have reduced net debt by more than \$4 billion this quarter, progressing towards the \$65 billion milestone to increase shareholder distributions. Our competitive and robust financial performance provides the platform to achieve the goals of our Powering Progress strategy.”

Royal Dutch Shell Chief Executive Officer, Ben van Beurden

## IN POLE POSITION TO BENEFIT FROM ECONOMIC RECOVERY

- Sector-leading cash generation over the last 4 years. Strong operational and financial performance across the segments highlights the benefits of our integrated business model. Resilient Integrated Gas and Marketing, robust Upstream and outstanding Chemicals results.
- Net debt reduction of over \$4 billion to \$71.3 billion, progressing towards \$65 billion. Once this milestone is achieved, we target to increase shareholder distributions to 20-30% of our cash flow from operations.
- Delivering on our commitment to further improve transparency and understanding of our businesses - introducing new and enhanced disclosures. First energy company to submit its Energy Transition Strategy to shareholders for an advisory vote at the Annual General Meeting.

\$ million	Adj. Earnings <sup>1</sup>	Adj. EBITDA (CCS)	CFFO ex WC	CFFO	Cash capex
Integrated Gas	1,415	3,206	3,653	2,491	1,015
Upstream	963	5,387	4,702	4,108	1,534
Oil Products	877	2,112	3,313	893	668
Refining & Trading	(105)	467			
Marketing	982	1,646			
Chemicals	730	1,041	1,045	324	730
Corporate	(666)	(172)	(30)	478	28
Less: Non-controlling interest	85	85			
RDS					
Q1 2021	3,234	11,490	12,683	8,294	3,974
Q4 2020	393	8,319	6,624	6,287	5,503

<sup>1</sup> Income/(loss) attributable to shareholders for Q1 2021 is \$5.7 billion. Reconciliation of non-GAAP measures can be found in the unaudited results, available on [www.shell.com/investors](http://www.shell.com/investors).

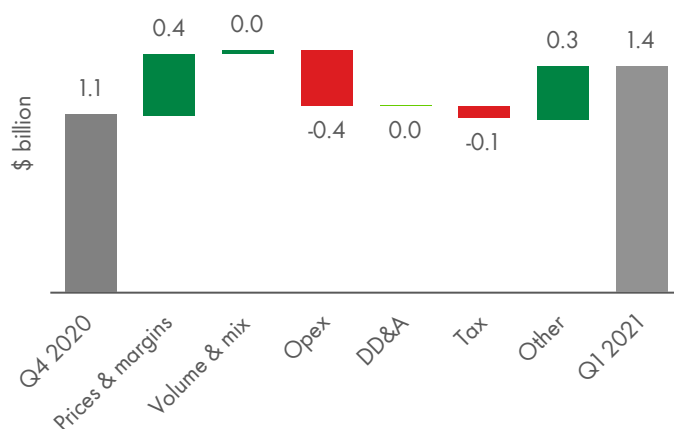
\$ billion	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Divestment proceeds	2.2	0.7	0.9	0.2	3.4
Free cash flow	12.1	0.2	7.6	0.9	7.7
Net debt	74.4	77.8	73.5	75.4	71.3

## Q1 2021 FINANCIAL PERFORMANCE DRIVERS

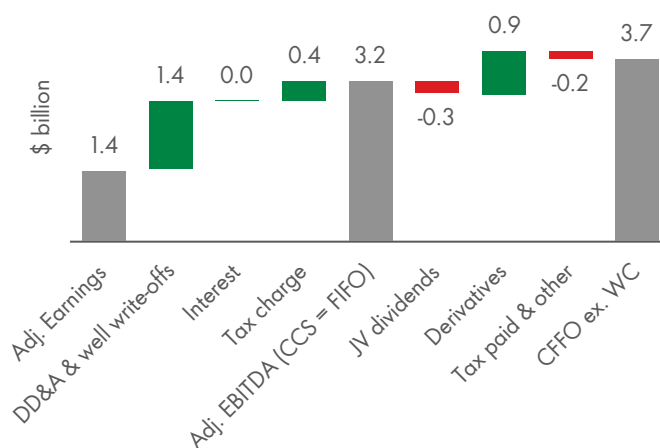
### INTEGRATED GAS, RENEWABLES AND ENERGY SOLUTIONS

Key data	Q4 2020	Q1 2021	Q2 2021 outlook
Realised liquids price (\$/bbl)	37.68	55.74	–
Realised gas price (\$/mscf)	4.33	5.41	–
Production (kboe/d)	942	967	880 - 940
LNG liquefaction volumes (MT)	8.21	8.16	7.6 - 8.2
LNG sales volumes (MT)	16.89	15.80	–

#### Adjusted Earnings



#### Cash conversion Q1

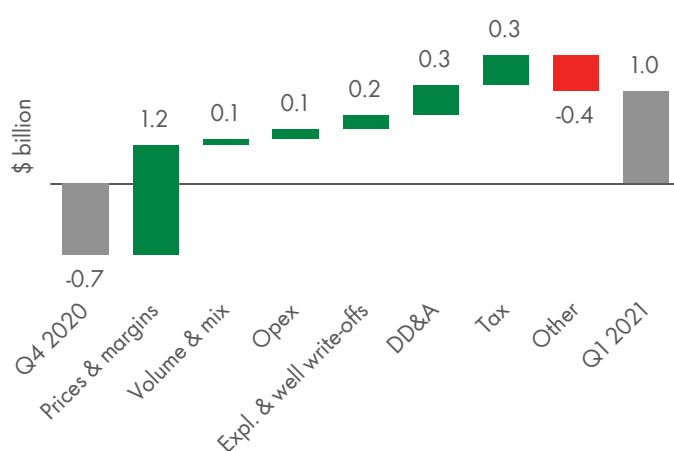


- Adjusted Earnings and CFFO excluding working capital benefited from higher realised prices.
- Trading and optimisation contributions to earnings were significantly below average.
- Net financial impact from the Texas winter storm was limited as positive trading margins were offset by provisions (\$0.4 billion after tax) due to related counterparty credit risk.
- Strong cash conversion with CFFO excluding working capital of \$3.7 billion, impacted by positive derivatives movement mainly driven by variation margin inflows and a non-cash mark-to-market impact in Adjusted Earnings.
- Q2 2021 production and LNG liquefaction volumes outlook are expected to be impacted by maintenance activities.

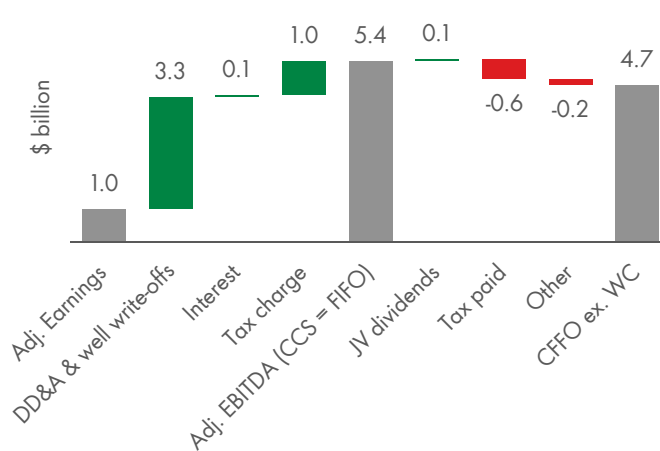
## UPSTREAM

Key data	Q4 2020	Q1 2021	Q2 2021 outlook
Realised liquids price (\$/bbl)	40.75	55.17	–
Realised gas price (\$/mscf)	2.87	3.64	–
Liquids production (kboe/d)	1,537	1,579	–
Gas production (mscf/d)	4,837	5,126	–
Total production (kboe/d)	2,371	2,462	2,150 - 2,350

### Adjusted Earnings



### Cash conversion Q1

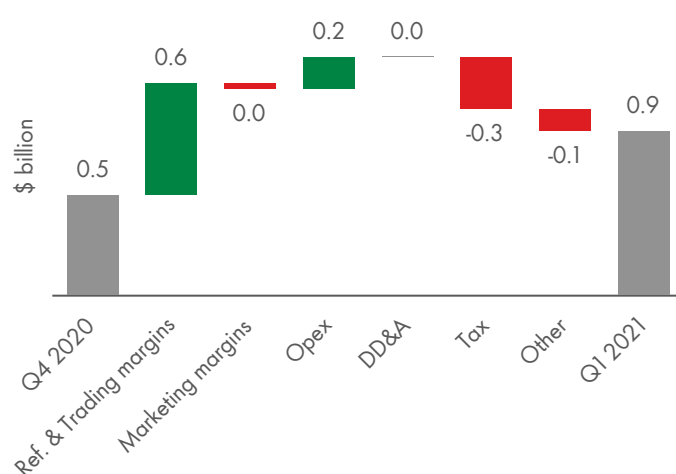


- Higher prices, higher demand and lower depreciation drove higher Adjusted Earnings.
- Adjusted Earnings reflected favourable comparative deferred tax movements which were partly offset by around \$200 million comparative adverse currency effects.
- Strong cash conversion with CFFO excluding working capital of \$4.7 billion, \$1.8 billion above Q4 2020.
- Production 4% above Q4 2020, driven by demand seasonality.
- Q2 2021 total production outlook is expected to be impacted by lower seasonal gas demand and divestments.

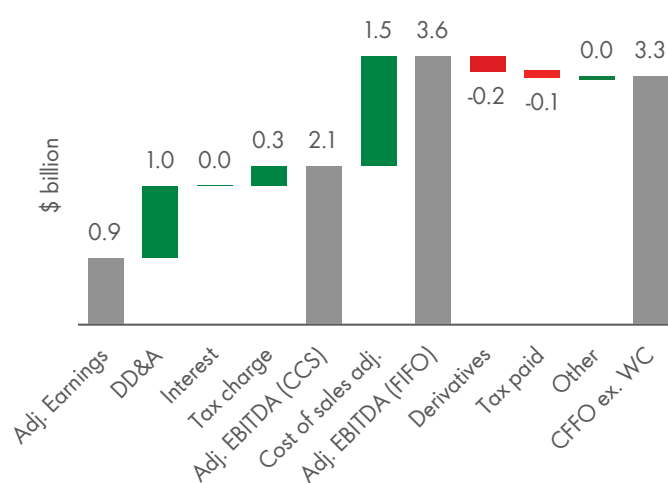
## OIL PRODUCTS

Key data	Q4 2020	Q1 2021	Q2 2021 outlook
Sales volumes (kb/d)	4,781	4,164	4,000 - 5,000
Refining & Trading sales volumes (kb/d)	2,444	1,944	–
Marketing sales volumes (kb/d)	2,338	2,220	–
Refinery utilisation (%)	72	72	73 - 81
Global indicative refining margin (\$/bbl)	1.59	2.69	–

### Adjusted Earnings



### Cash conversion Q1

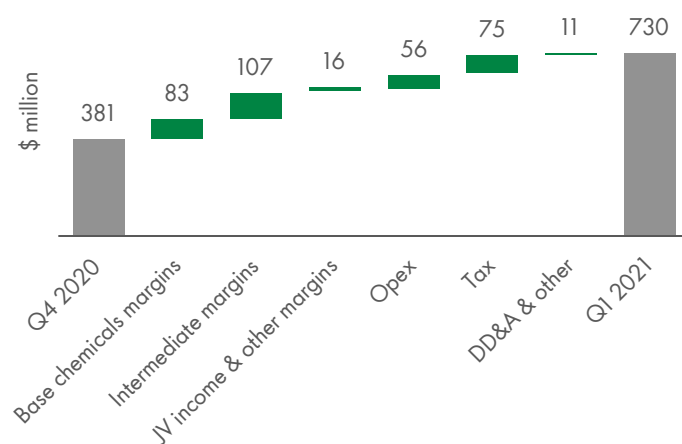


- Small improvement in refining margins from Q4 2020, lower intake and utilisation due to lower demand and impact of Texas winter storm.
- Trading and optimisation contributions to earnings were average.
- Realised Marketing margins remained resilient despite the impact of COVID-19 lockdowns in certain markets, particularly Europe.
- Lower operating expenses driven by lower maintenance costs, Marketing spend and underlying structural cost reductions.
- Strong cash conversion with CFFO excluding working capital of \$3.3 billion.

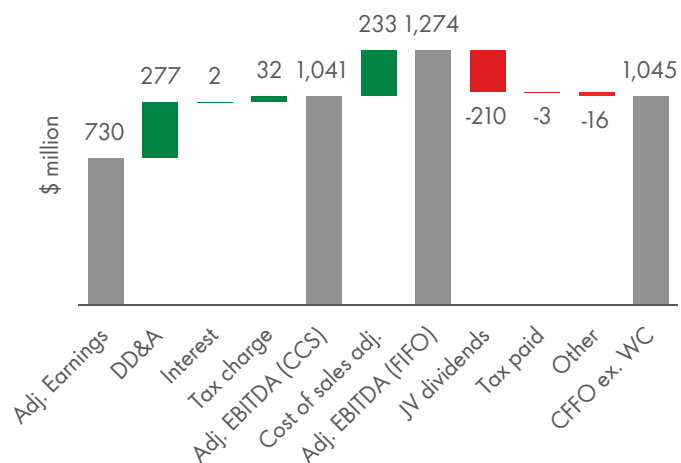
## CHEMICALS

Key data	Q4 2020	Q1 2021	Q2 2021 outlook
Sales volumes (kT)	3,718	3,583	3,500 - 3,800
Manufacturing plant utilisation (%)	79	79	76 - 84

### Adjusted Earnings



### Cash conversion Q1



- Higher base and intermediate chemicals margins across most product segments complemented by margin optimisation initiatives.
- Higher joint ventures income due to improved margins and continued strong demand in Asia.
- Lower operating expenses driven by lower maintenance costs, timing of provisions and underlying structural cost reductions.
- CFFO excluding working capital negatively impacted by timing effect of dividends from joint ventures and associates.

**CORPORATE**

Key data	Q4 2020	Q1 2021	Q2 2021 outlook
Adjusted Earnings (\$ million)	(836)	(666)	(600) - (700)

- Net debt decreased by \$4.1 billion to \$71.3 billion in Q1 2021 driven by higher cash flow from operations and divestment proceeds offset by large working capital outflow.

**UPCOMING INVESTOR EVENTS**

<b>4 May 2021</b>	Introduction to Enhanced Quarterly Disclosures
<b>7 May 2021</b>	Shell Insights: Energy Transition Strategy
<b>18 May 2021</b>	Annual General Meeting
<b>25 May 2021</b>	Shell Insights: Upstream Strategy
<b>29 July 2021</b>	Second quarter 2021 results and dividends
<b>28 October 2021</b>	Third quarter 2021 results and dividends

**USEFUL LINKS**

- [Q1 2021 results material](#)
- [Quarterly Databook Q1 2021](#)
- [Dividend announcement Q1 2021](#)
- [Q1 results webcast registration](#)
- [Enhanced Quarterly Disclosures webcast registration](#)

# ALTERNATIVE PERFORMANCE (NON-GAAP) MEASURES

This announcement includes certain measures that are not defined by 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 Royal Dutch Shell plc's operating performance and ability to retire debt and invest in new business opportunities. Royal Dutch Shell plc's management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating the business performance.

Alternative performance (non-GAAP) measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. This announcement does not replace (and should be read in conjunction with) Royal Dutch Shell plc's quarterly unaudited financial statements and wherever appropriate and practical, reconciliations to relevant GAAP measures are provided in the quarterly unaudited results at [www.shell.com/investors](http://www.shell.com/investors).

## CAUTIONARY STATEMENT

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.

The companies in which Royal Dutch 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 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 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 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 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", "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, 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 Royal Dutch Shell plc's Form 20-F for the year ended December 31, 2020 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://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, April 29, 2021. 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 announcement.

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](http://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, 2020 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 2021 unaudited results available on [www.shell.com/investors](http://www.shell.com/investors).

## CONTACTS

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