



Q2 2022 RESULTS

PRESS RELEASE

London, July 28, 2022

Shell plc Chief Executive Officer, Ben van Beurden

"With volatile energy markets and the ongoing need for action to tackle climate change, 2022 continues to present huge challenges for consumers, governments, and companies alike. Consequently, we are using our financial strength to invest in secure energy supplies which the world needs today, taking real, bold steps to cut carbon emissions, and transforming our company for a low-carbon energy future.

And, crucially, our Powering Progress strategy is delivering strong results for our shareholders on the back of years of portfolio high grading, combined with robust operational performance. We are increasing shareholder distributions through a \$6 billion share buyback programme which is expected to be completed by Q3 2022 results."

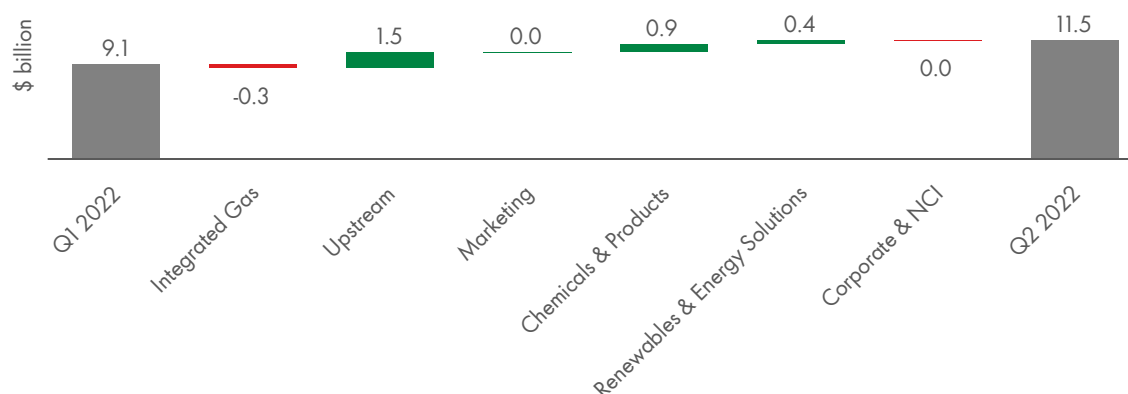
DISCIPLINE DELIVERING RESULTS: MORE CASH, MORE RESILIENCE

- Strong performance in a turbulent economic environment with Adjusted Earnings of \$11.5 billion in Q2 2022. Adjusted EBITDA of \$23.1 billion in Q2 2022 versus \$19.0 billion in Q1 2022.
- Announced \$6 billion share buybacks are expected to be completed by Q3 2022 results; total distributions significantly in excess of 30% of CFO for the last four quarters. With the current energy sector outlook and subject to Board approval, shareholder distributions are expected to remain in excess of 30% of CFO.
- In the first half of 2022 shareholder distributions have doubled from those in the first half of 2013, a decade ago, when Brent prices were similar, with increased discipline, integrated value delivery and improved resilience driving better results.
- Strengthening energy security through natural gas investments in Pierce and Jackdaw (UK), participation in the North Field LNG expansion (Qatar) and Crux FID (Australia). Positioning for the future of energy with a final investment decision for Holland Hydrogen I (Netherlands) and progressing the completion of the acquisition of Spring Energy (India).
- Disciplined cash capex: expected to be in the \$23 - 27 billion range in 2022.

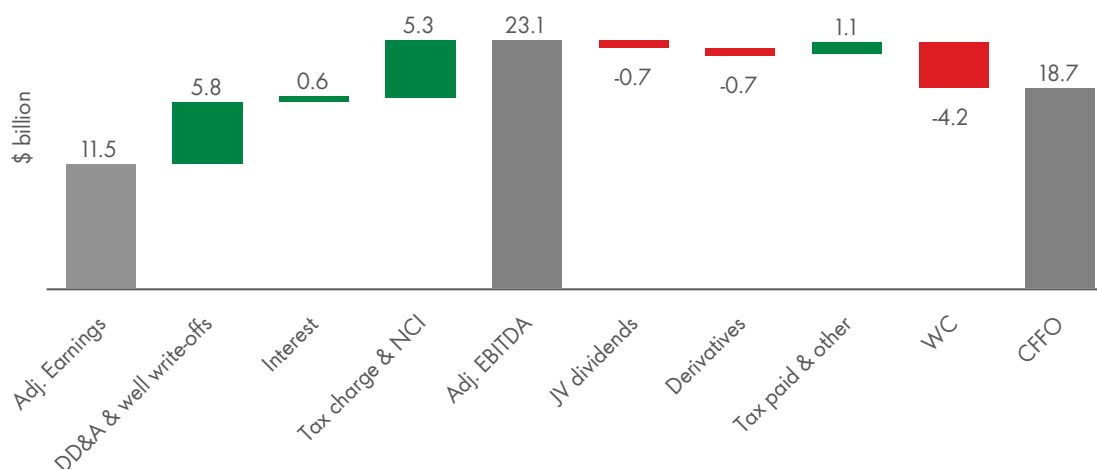
\$ million	Adj. Earnings ¹	Adj. EBITDA	CFO	Cash capex	
Integrated Gas	3,758	6,529	8,176	919	
Upstream	4,912	11,167	8,110	2,858	
Marketing	751	1,452	(454)	1,620	
Mobility	413	938		1,223	
Lubricants	225	333		206	
Sectors & Decarbonisation	113	181		191	
Chemicals & Products	2,035	3,184	2,728	1,226	
Chemicals	(158)	2		848	
Products	2,193	3,182		378	
Renewables & Energy Solutions	725	1,013	(558)	321	
Corporate	(626)	(197)	652	81	
Less: Non-controlling interest	82				
Shell					
	Q2 2022	11,472	23,150	18,655	7,024
	Q1 2022	9,130	19,028	14,815	5,064

¹Income/(loss) attributable to shareholders for Q2 2022 is \$ 18.0 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 increased by \$3.8 billion versus Q1 2022 to \$18.7 billion, driven by higher Adjusted EBITDA and lower working capital outflows. In Q2 2022, Tax paid & other includes tax payments of \$3.2 billion, offset by current cost of supplies adjustment and other movements. Working capital in Q2 2022 is mainly impacted by inventory price and volume hurt of \$6.8 billion, offset by favourable accounts receivable and payable movements and initial margin inflows.
- Net debt reduced by ~\$2.1 billion (~4%), to \$46.4 billion in Q2 2022.

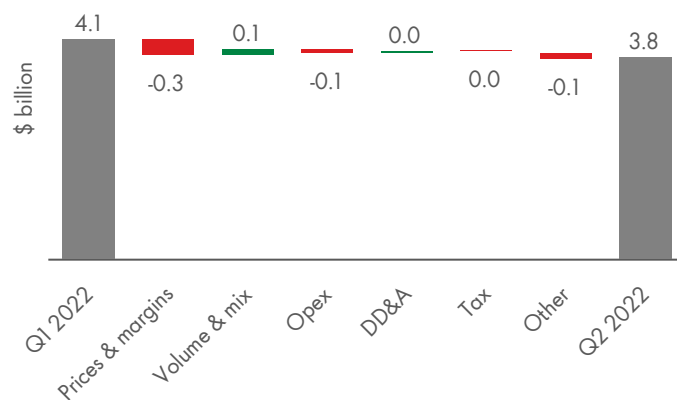
\$ billion	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Divestment proceeds	1.3	1.3	9.1	0.7	0.8
Free cash flow	9.7	12.2	10.7	10.5	12.4
Net debt	65.7	57.5	52.6	48.5	46.4

Q2 2022 FINANCIAL PERFORMANCE DRIVERS

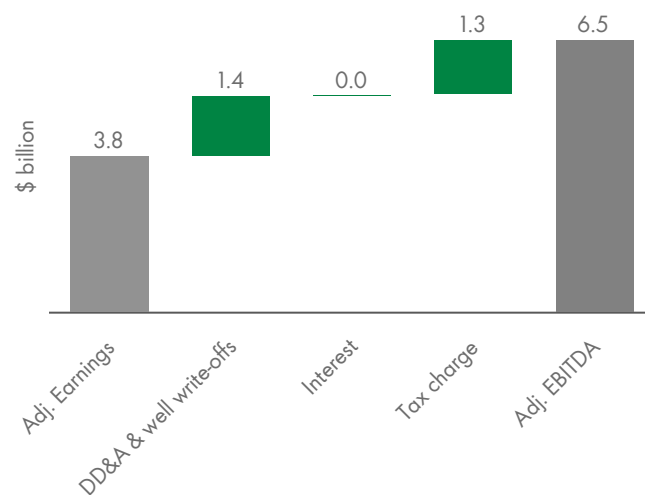
INTEGRATED GAS

Key data	Q1 2022	Q2 2022	Q3 2022 outlook
Realised liquids price (\$/bbl)	88.76	90.37	–
Realised gas price (\$/mscf)	10.31	11.28	–
Production (kboe/d)	896	944	890 - 940
LNG liquefaction volumes (MT)	8.00	7.66	6.9 - 7.5
LNG sales volumes (MT)	18.29	15.21	–

Adjusted Earnings



Adjusted EBITDA Q2

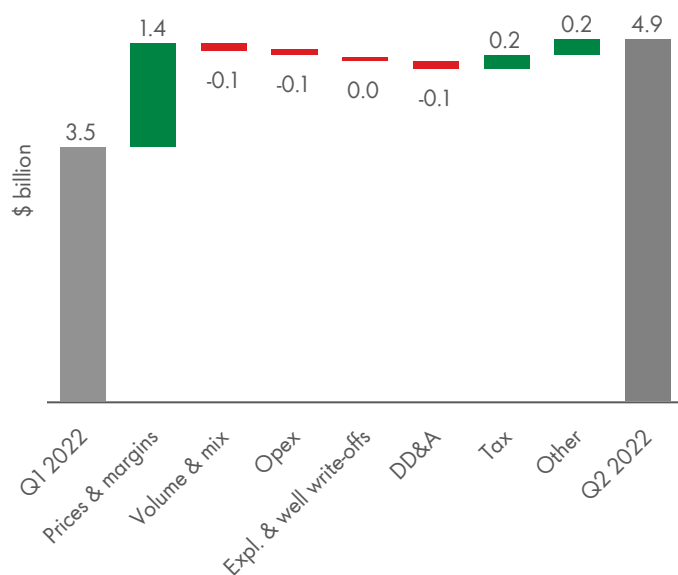


- Adjusted Earnings below Q1 2022, reflecting lower trading and optimisation results as well as impact of Sakhalin derecognition partly offset by higher realised prices and Pearl Train 1 and Prelude returning to operations in Q2 2022.
 - Trading and optimisation results in Q2 2022 were strong, but lower than Q1 2022, driven by lower sales volumes and fewer portfolio optimisation opportunities.
- Q3 2022 outlook includes substantially more planned maintenance compared with Q2 2022 and uncertainty around the impact of "Permitted Industrial Actions" at Prelude.

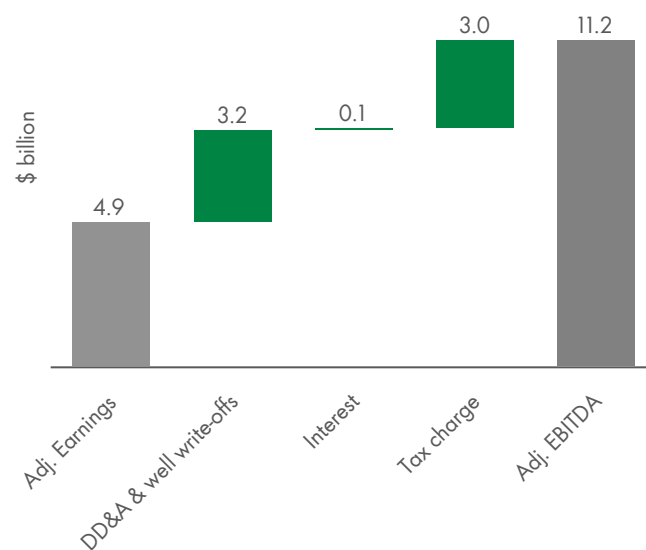
UPSTREAM

Key data	Q1 2022	Q2 2022	Q3 2022 outlook
Realised liquids price (\$/bbl)	88.63	101.42	–
Realised gas price (\$/mscf)	8.79	13.85	–
Liquids production (kboe/d)	1,403	1,325	–
Gas production (mscf/d)	3,606	3,428	–
Total production (kboe/d)	2,025	1,917	1,750 - 1,950

Adjusted Earnings



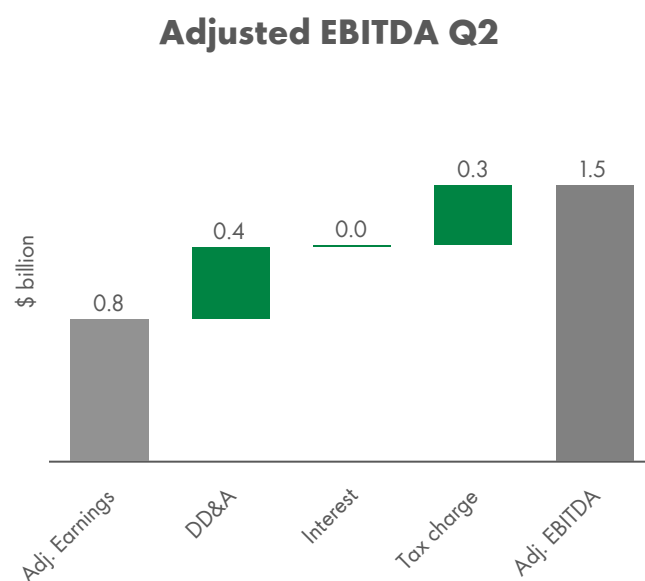
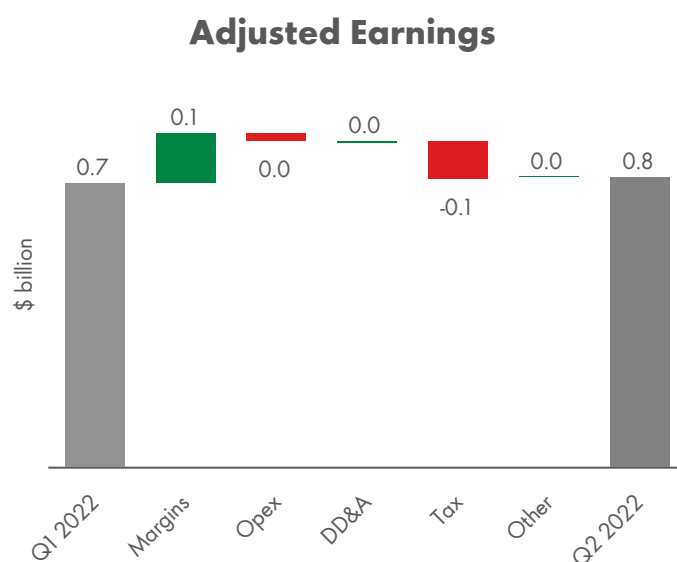
Adjusted EBITDA Q2



- Production was lower than in Q1 2022, mainly driven by higher scheduled maintenance.
- Adjusted Earnings benefited from higher prices and a gain related to storage and working gas transfer effects in a joint venture.
- The Q3 2022 production outlook reflects that Salym-related volumes in Russia are no longer recognised.

MARKETING

Key data	Q1 2022	Q2 2022	Q3 2022 outlook
Marketing sales volumes (kb/d)	2,372	2,515	2,350 - 2,850
Mobility (kb/d)	1,591	1,672	–
Lubricants (kb/d)	92	86	–
Sectors & Decarbonisation (kb/d)	690	757	–

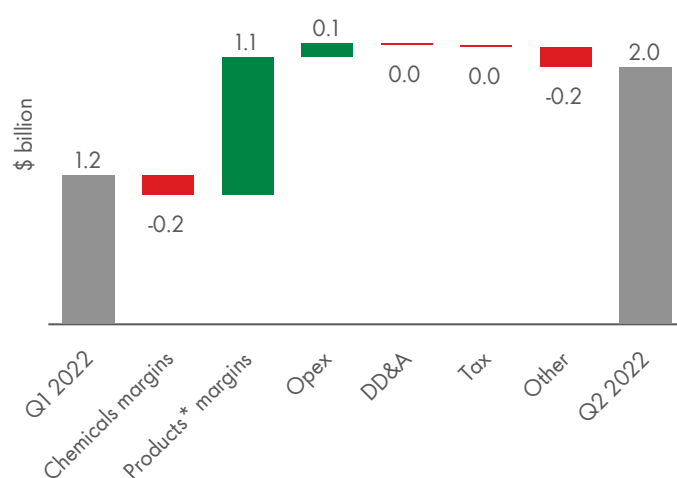


- Marketing margins were higher than in Q1 2022, with seasonal impact of higher volumes in Mobility, partly offset by lower Lubricants margins due to higher feedstock costs.
- Marketing Adjusted Earnings also impacted by deferred tax charges.

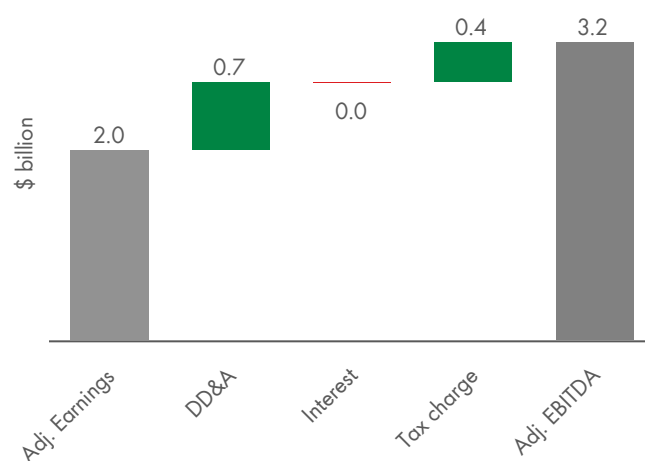
CHEMICALS & PRODUCTS

Key data	Q1 2022	Q2 2022	Q3 2022 outlook
Refining & Trading sales volumes (kb/d)	1,598	1,596	–
Chemicals sales volumes (kT)	3,330	3,054	3,100 - 3,600
Refinery utilisation ** (%)	81	84	90 - 98
Chemicals manufacturing plant utilisation ** (%)	85	78	82 - 90
Global indicative refining margin (\$/bbl)	10	28	–
Global indicative chemical margin (\$/t)	98	86	–

Adjusted Earnings



Adjusted EBITDA Q2



* Products covers refining and trading

- Higher realised refining margins reflecting the dislocation in product markets, particularly middle distillates.
- Trading and optimisation results in Q2 2022 were strong as demand outpaced supply, but below exceptional Q1 2022 results.
- Lower chemicals margins due to higher feedstock and utility costs and higher turnaround activities.

**With effect from Q2 2022, the methodology applied in calculating both Chemicals manufacturing plant utilisation and Refinery utilisation has been revised. For details, see the Quarterly Results Announcement.

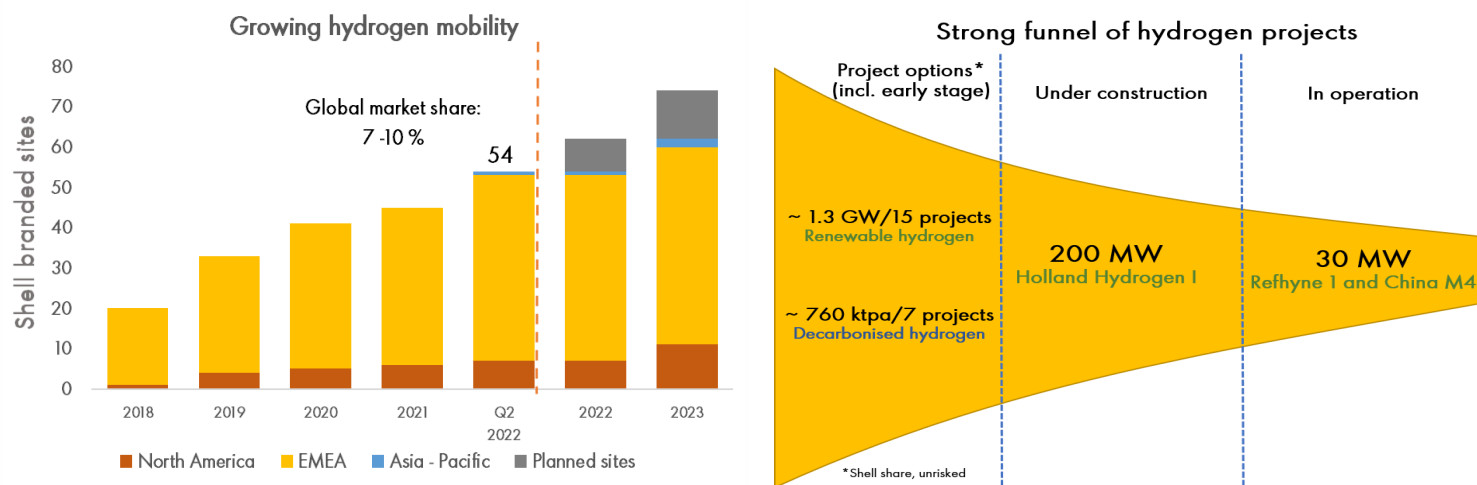
RENEWABLES & ENERGY SOLUTIONS

Key data	Q1 2022	Q2 2022
Adj. Earnings (\$ billion)*	0.3	0.7
Adj. EBITDA (\$ billion)	0.5	1.0
External power sales (TWh)	57	54
Sales of natural gas to end-use customers (TWh)	257	188
Renewables power generation capacity	4.6	5.7
- in operation (GW)	1.0	1.1
- under construction and/or committed for sale (GW)	3.6	4.6

*Segment Earnings for Q2 2022 is -\$ 0.2 billion. Reconciliation of non-GAAP measures can be found in the unaudited results, available on www.shell.com/investors.

- Exceptionally strong Adjusted Earnings and Adjusted EBITDA resulting from higher trading and optimisation margins for gas and power, due to extraordinary gas and power price volatility in North America, Europe and Australia.
- Final investment decision taken to build a 200 MW electrolyser Holland Hydrogen I, Europe’s largest renewable hydrogen plant once operational in 2025.
- Progressing with the acquisition of Sprng Energy group, one of India’s leading renewable power platforms.
- Signed 10-year renewable energy supply agreement with Air Liquide to provide 52 GWh of solar energy per year to power industrial and medical gas production operations in Italy.
- Launched the Shell Energy brand into the residential power market in the United States of America, offering 100% renewable electricity plans to eligible customers in Texas.
- Acquired minority stake in Carbonext, Brazil’s largest developer of REDD+ carbon credit generating projects.

Progress in building a hydrogen economy



The Renewables and Energy Solutions segment includes Shell’s Integrated Power activities, comprising electricity generation, marketing, trading and optimisation of power and pipeline gas, and digitally enabled customer solutions. The segment also includes production and marketing of hydrogen, development of commercial carbon capture & storage hubs, trading of carbon credits and investment in nature-based projects that avoid or reduce carbon.

CORPORATE

Key data	Q1 2022	Q2 2022	Q3 2022 outlook
Adjusted Earnings (\$ million)	(548)	(626)	(650) - (450)

- The Adjusted Earnings outlook is a net expense of \$2,000 - 2,400 million for the full year 2022. This excludes the impact of currency exchange rate effects.

UPCOMING INVESTOR EVENTS

6 October 2022 Shell Insights: Marketing Business Update

27 October 2022 Third quarter 2022 results and dividends

USEFUL LINKS

[Results materials Q2 2022](#)

[Quarterly Databook Q2 2022](#)

[Dividend announcement Q2 2022](#)

[Webcast registration Q2 2022](#)

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, CFO 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. 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

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 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, 2021 (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 28, 2022. 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.

Shell's Net Carbon Footprint

Also, in this announcement we may refer to Shell's "Net Carbon Footprint" or "Net Carbon Intensity", which include 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 terms Shell's "Net Carbon Footprint" or "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 Footprint (NCF) targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCF 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, 2021 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 2022 and half year unaudited results available on www.shell.com/investors.

CONTACTS

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