



Q4 2022 RESULTS

Press Release

London, February 2, 2023

Shell plc Chief Executive Officer, Wael Sawan

"Our results in Q4 and across the full year demonstrate the strength of Shell's differentiated portfolio, as well as our capacity to deliver vital energy to our customers in a volatile world.

We believe that Shell is well positioned to be the trusted partner through the energy transition. As we continue to put our Powering Progress strategy into action, we will build on our core strengths, further simplify the organisation and focus on performance. We intend to remain disciplined while delivering compelling shareholder returns, as demonstrated by the 15% dividend increase and the \$4 billion share buyback programme announced today."

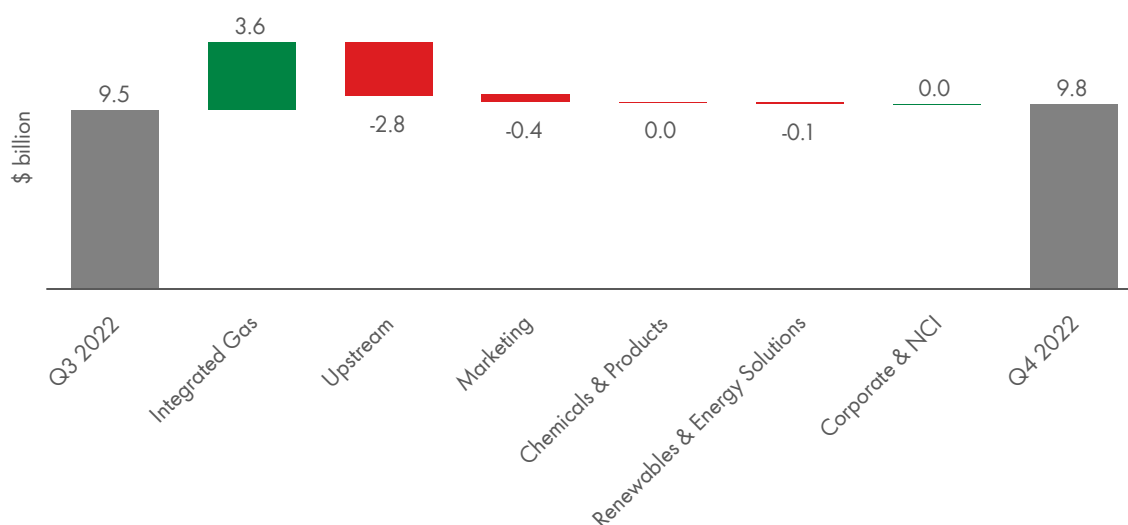
STRONG RESULTS, DISCIPLINED CAPITAL ALLOCATION

- Strong performance in a continuing uncertain economic environment. Q4 2022 Adjusted Earnings of \$9.8 billion, with Adjusted EBITDA of \$20.6 billion, despite lower oil and gas prices compared with Q3 2022, with higher LNG trading and optimisation results.
- 15% dividend per share increase for the fourth quarter. \$4 billion share buybacks announced, expected to be completed by Q1 2023 results announcement.
- 2022 full year shareholder distributions \$26 billion. Total distributions in excess of 35% of CFO for 2022.
- Strengthening the portfolio with the announced acquisition of Nature Energy (Denmark), a renewable natural gas producer, winning the wind tender for Hollandse Kust (west) VI as part of the Ecowende joint venture and further simplifying the portfolio with the merger of Shell Midstream Partners (USA).
- 2023 cash capex outlook: \$23 - 27 billion.

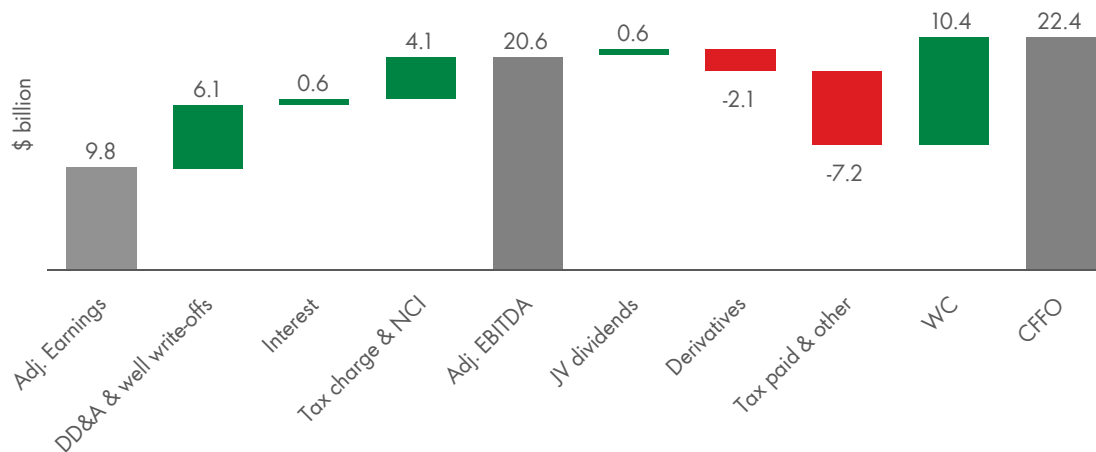
\$ million		Adj. Earnings ¹	Adj. EBITDA	CFO	Cash capex
Integrated Gas		5,968	8,332	6,409	1,527
Upstream		3,061	9,418	7,224	1,845
Marketing		446	1,045	1,062	1,993
Mobility		379	815		851
Lubricants		79	187		598
Sectors & Decarbonisation		(11)	42		544
Chemicals & Products		744	1,574	3,119	786
Chemicals		(688)	(525)		341
Products		1,432	2,098		445
Renewables & Energy Solutions		293	396	2,674	1,076
Corporate		(626)	(164)	1,916	91
Less: Non-controlling interest (NCI)		73			
Shell	Q4 2022	9,814	20,600	22,404	7,319
	Q3 2022	9,454	21,512	12,539	5,426
	FY 2022	39,870	84,289	68,413	24,833
	FY 2021	19,289	55,004	45,104	19,698

¹Income/(loss) attributable to shareholders for Q4 2022 is \$10.4 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 Q4



- CFFO of \$22.4 billion for Q4 2022 benefited from a working capital inflow of \$10.4 billion. The working capital inflow reflects the impact of lower oil and gas prices, active management of initial margin positions, decrease in accounts receivable and cash relating to joint ventures. Tax paid was higher at \$4.4 billion in Q4 2022. As a result, net debt decreased by ~\$3.5 billion (~7%) compared with last quarter, to \$44.8 billion in Q4 2022.

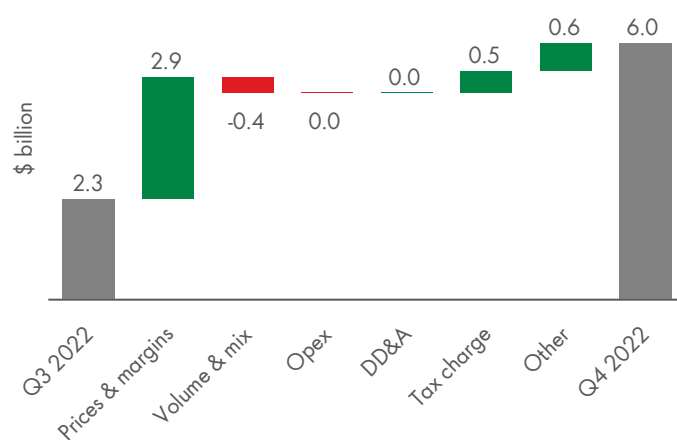
\$ billion	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Divestment proceeds	9.1	0.7	0.8	0.3	0.2
Free cash flow	10.7	10.5	12.4	7.5	15.5
Net debt	52.6	48.5	46.4	48.3	44.8

Q4 2022 FINANCIAL PERFORMANCE DRIVERS

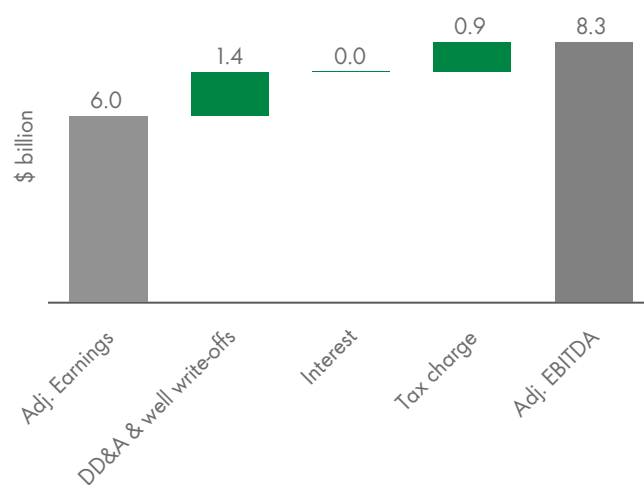
INTEGRATED GAS

Key data	Q3 2022	Q4 2022	Q1 2023 outlook
Realised liquids price (\$/bbl)	76.75	69.62	–
Realised gas price (\$/mscf)	13.18	12.31	–
Production (kboe/d)	924	917	910 - 970
LNG liquefaction volumes (MT)	7.24	6.78	6.6 - 7.2
LNG sales volumes (MT)	15.66	16.82	–

Adjusted Earnings



Adjusted EBITDA Q4

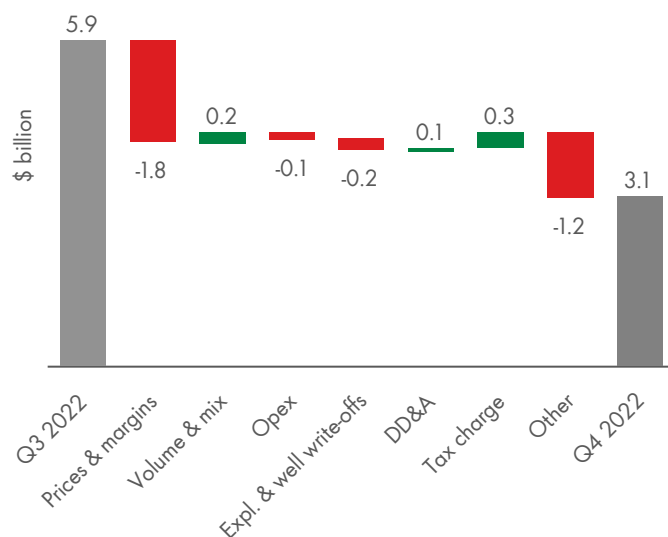


- Lower liquefaction volumes mainly reflect longer-than-expected maintenance at Prelude and operational issues at QGC in Australia.
- Adjusted Earnings were higher than in Q3 2022 due to higher trading and optimisation results coupled with favourable movements in deferred tax positions.
- Trading and optimisation results driven by seasonality combined with capturing unique optimisation opportunities generated through the large scale and scope of our LNG trading portfolio.

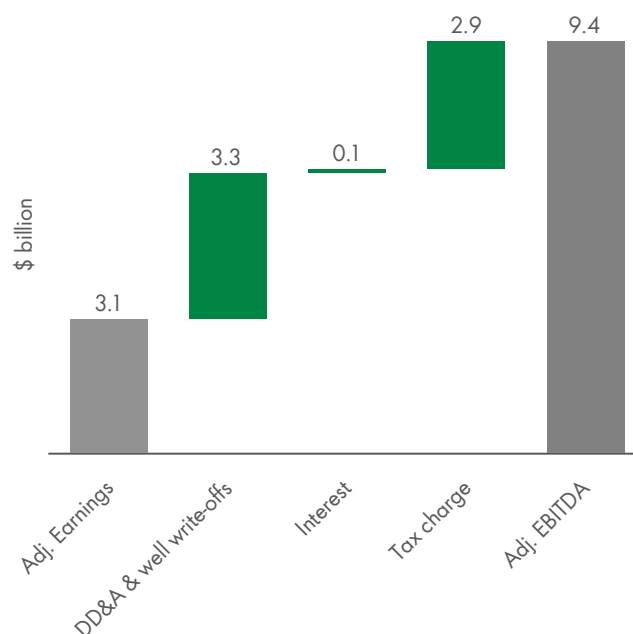
UPSTREAM

Key data	Q3 2022	Q4 2022	Q1 2023 outlook
Realised liquids price (\$/bbl)	93.02	82.42	–
Realised gas price (\$/mscf)	18.38	12.78	–
Liquids production (kboe/d)	1,273	1,331	–
Gas production (mscf/d)	2,995	3,067	–
Total production (kboe/d)	1,789	1,859	1,750 - 1,950

Adjusted Earnings



Adjusted EBITDA Q4

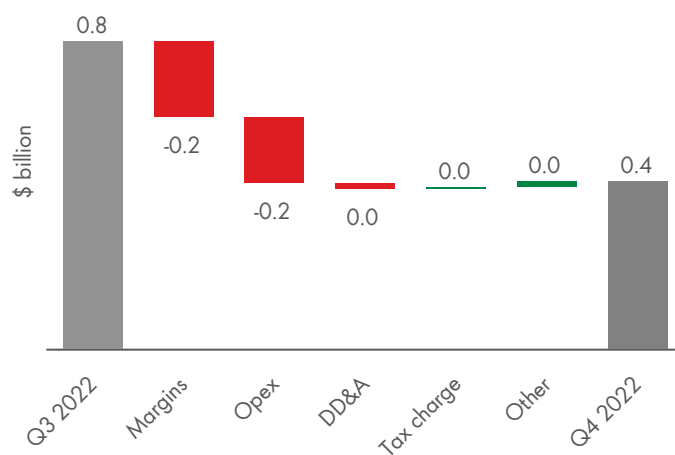


- Q4 2022 production was higher than in Q3 2022, mainly driven by lower scheduled maintenance and lower unscheduled deferment.
- Adjusted Earnings impacted by a decline in oil and gas prices. Q3 2022 earnings benefited from one-off non-cash provision releases and gains related to storage transfer effects in a joint venture.

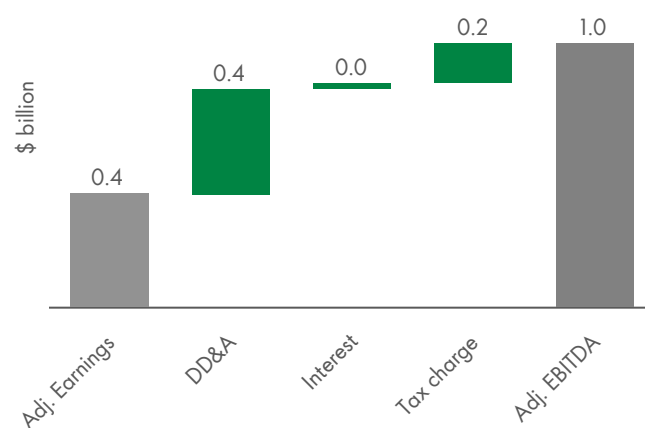
MARKETING

Key data	Q3 2022	Q4 2022	Q1 2023 outlook
Marketing sales volumes (kb/d)	2,581	2,543	2,150 - 2,650
Mobility (kb/d)	1,686	1,692	–
Lubricants (kb/d)	80	74	–
Sectors & Decarbonisation (kb/d)	815	777	–

Adjusted Earnings



Adjusted EBITDA Q4

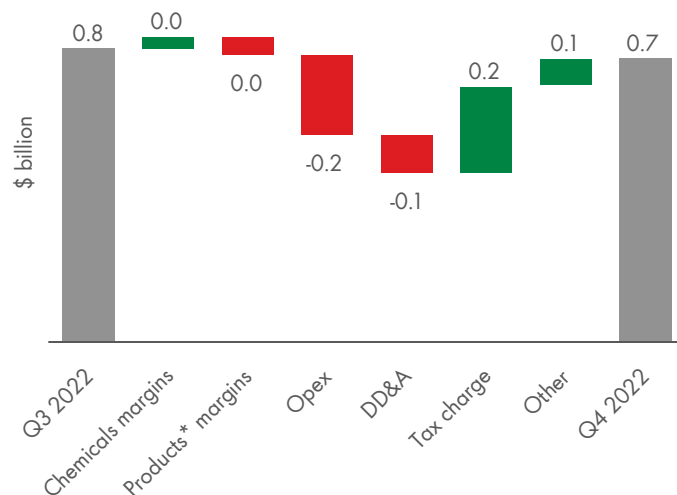


- Marketing earnings were lower than in Q3 2022, due to the seasonal impact of lower volumes and lower margins in Mobility, as well as higher opex.

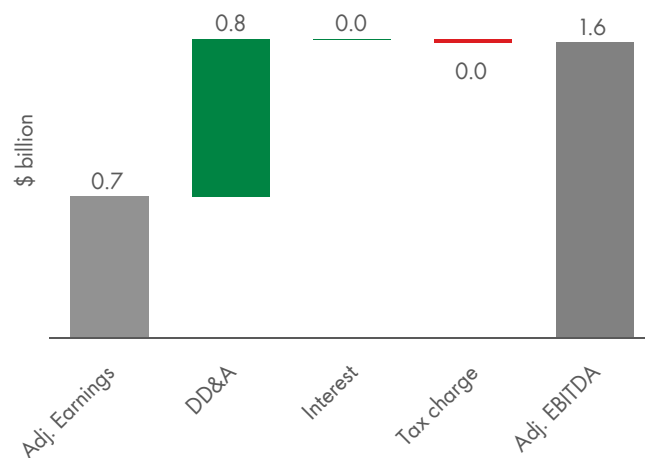
CHEMICALS & PRODUCTS

Key data	Q3 2022	Q4 2022	Q1 2023 outlook
Refining & Trading sales volumes (kb/d)	1,803	1,800	–
Chemicals sales volumes (kT)	2,879	3,017	–
Refinery utilisation ** (%)	88	90	87 - 95
Chemicals manufacturing plant utilisation** (%)	76	75	68 - 76
Global indicative refining margin (\$/bbl)	15	19	–
Global indicative chemical margin (\$/t)	(27)	37	–

Adjusted Earnings



Adjusted EBITDA Q4



* Products covers refining and trading

- Lower trading and optimisation margins were offset by higher refining margins.
- Higher opex and depreciation includes the impact of commencement of operations at Shell Polymers Monaca (the Pennsylvania project) partly offset by favourable movements in deferred tax positions.

**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	Q3 2022	Q4 2022
Adj. Earnings (\$ billion)*	0.4	0.3
Adj. EBITDA (\$ billion)	0.5	0.4
External power sales (TWh)	67	66
Sales of natural gas to end-use customers (TWh)	157	241
Renewables power generation capacity**	5.2	6.4
- in operation (GW)	2.2	2.2
- under construction and/or committed for sale (GW)	3.0	4.2

*Segment earnings for Q4 2022 are \$4.7 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 and prior period comparatives have been revised accordingly

- Q4 2022 Adjusted Earnings resulted from strong trading and optimisation margins for gas and power mainly driven by European and Australian markets as significant price volatility continued. This was partly offset by higher operating and development costs.
- Won bid with Eneco to jointly develop 760 MW installed capacity offshore wind power project in the Netherlands at Hollandse Kust (west) VI.
- Completed acquisition of Daystar Power Group, a provider of Solar-as-a-Service and Power-as-a-Service solutions to commercial and industrial customers in West Africa.
- Acquired 50% in Kondinin Energy Pty Ltd which holds land access for a wind, solar and battery energy storage development in Western Australia.
- Acquired Green Tie Capital's platform with ten medium mature solar energy projects across Spain and potential for 2 GW of solar power generation capacity.

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	Q3 2022	Q4 2022	Q1 2023 outlook
Adjusted Earnings (\$ million)	(571)	(626)	(600) - (400)

- The Adjusted Earnings outlook is a net expense of \$1,700 - 2,300 million for the full year 2023. This excludes the impact of currency exchange effects.

UPCOMING INVESTOR EVENTS

16 February 2023 Shell LNG Outlook 2023

22 March 2023 Annual ESG Update

4 May 2023 First quarter 2023 results and dividends

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 Q4 2022](#)

[Quarterly Databook Q4 2022](#)

[Dividend announcement Q4 2022](#)

[Webcast registration Q4 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, February 2, 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.

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 statutory accounts for the year ended December 31, 2022 will be delivered to the Registrar of Companies for England and Wales in due course.

The information in this announcement does not constitute the unaudited condensed consolidated financial statements which are contained in Shell's fourth quarter 2022 unaudited results available on www.shell.com/investors.

CONTACTS

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