



Q2 2021 RESULTS

PRESS RELEASE



The Hague, July 29, 2021

"We are stepping up our shareholder distributions today, increasing dividends and starting share buybacks, while we continue to invest for the future of energy. The quality of Shell's operational and financial delivery and strengthened balance sheet have given the Board confidence to rebase the dividend per share from Q2 2021 onwards to 24 US cents. We are also launching \$2 billion of share buybacks, which is targeted to be completed by the end of this year.

Total shareholder distributions for 2021 are expected to be around the middle of the 20-30% range of CFFO from the previous four quarters. Our progressive dividend policy to grow dividends per share by 4% annually, subject to Board approval, remains unchanged."

Royal Dutch Shell Chief Executive Officer, Ben van Beurden

STEPPING UP DISTRIBUTIONS TO OUR SHAREHOLDERS

- Another quarter of strong operational and financial delivery, with \$14.2 billion CFFO excl. WC and \$5.5 billion Adj. Earnings.
- Shell moves to the next phase of the capital allocation framework, consistent with our Powering Progress strategy:
 - Dividend rebased to 24 US cents per share, an increase of over 38% from Q1 2021; maintaining ~4% annual growth
 - Share buybacks targeted at \$2 billion in the second half of 2021
 - Targeting AA credit metrics through the cycle; \$65 billion net debt milestone retired
- Disciplined cash capex: remains below \$22 billion in 2021.

\$ million	Adj. Earnings ¹	Adj. EBITDA (CCS)	CFFO ex. WC	CFFO	Cash capex
Integrated Gas	1,609	3,364	4,350	3,761	880
Upstream	2,469	6,714	5,444	5,056	1,696
Oil Products	1,299	2,608	3,365	2,213	882
Refining & Trading	112	676			
Marketing	1,187	1,932			
Chemicals	670	1,036	1,225	1,133	895
Corporate	(399)	(101)	(208)	454	30
Less: Non-controlling interest	115	115			
RDS					
Q2 2021	5,534	13,507	14,176	12,617	4,383
Q1 2021	3,234	11,490	12,683	8,294	3,974

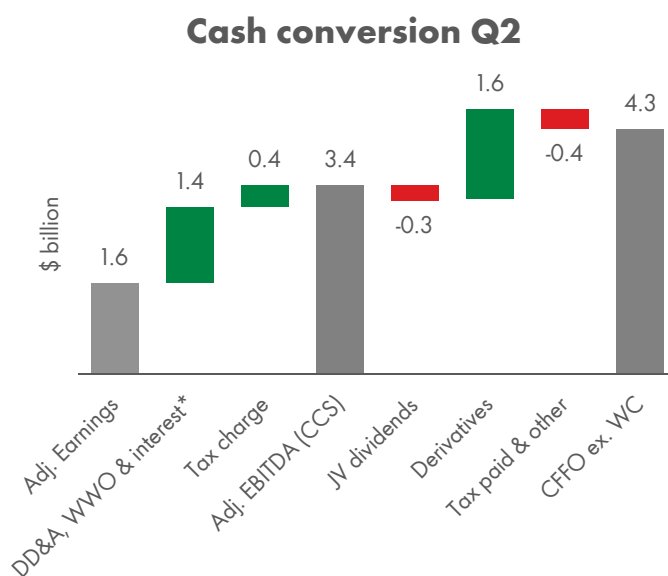
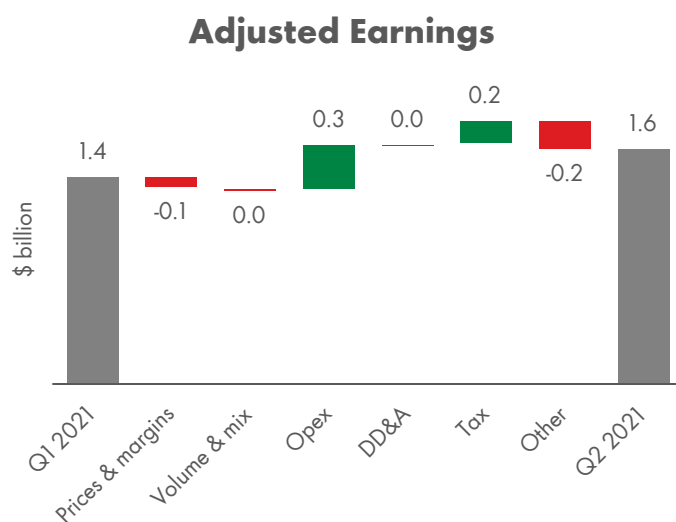
¹Income/(loss) attributable to shareholders for Q2 2021 is \$3.4 billion. Reconciliation of non-GAAP measures can be found in the unaudited results, available on www.shell.com/investors.

\$ billion	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Divestment proceeds	0.7	0.9	0.2	3.4	1.3
Free cash flow	0.2	7.6	0.9	7.7	9.7
Net debt	77.8	73.5	75.4	71.3	65.7

Q2 2021 FINANCIAL PERFORMANCE DRIVERS

INTEGRATED GAS, RENEWABLES AND ENERGY SOLUTIONS

Key data	Q1 2021	Q2 2021	Q3 2021 outlook
Realised liquids price (\$/bbl)	55.74	58.97	–
Realised gas price (\$/mscf)	5.41	6.32	–
Production (kboe/d)	967	938	870 - 920
LNG liquefaction volumes (MT)	8.16	7.49	7.4 - 8.0
LNG sales volumes (MT)	16.38	15.92	–



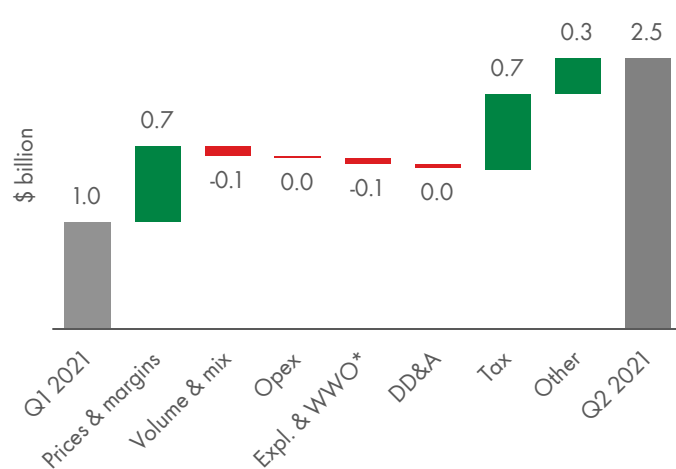
*WWO = well write-offs

- Adjusted Earnings and CFO benefited from higher realised prices, partly offset by lower trading and optimisation margins.
- Trading and optimisation contributions to earnings were significantly below average, mainly due to supply disruptions.
- Strong cash conversion, with CFO excluding working capital of \$4.3 billion, benefiting from variation margin inflows in gas and power trading.
- Q3 2021 production and LNG liquefaction volumes outlook is impacted by maintenance activities.

UPSTREAM

Key data	Q1 2021	Q2 2021	Q3 2021 outlook
Realised liquids price (\$/bbl)	55.17	62.53	–
Realised gas price (\$/mscf)	3.64	4.31	–
Liquids production (kboe/d)	1,579	1,558	–
Gas production (mscf/d)	5,126	4,082	–
Total production (kboe/d)	2,462	2,262	2,100 - 2,250

Adjusted Earnings



Cash conversion Q2



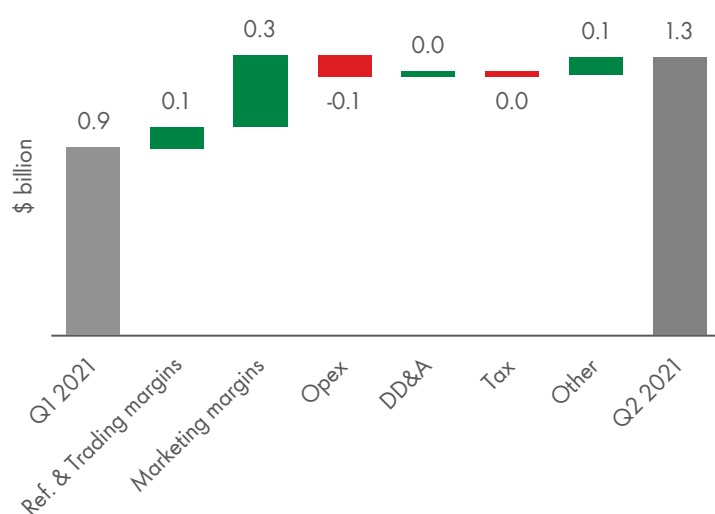
*WWO = well write-offs

- Higher Adjusted Earnings than in Q1 2021, driven by higher prices and a one-off release of a non-cash tax provision of approximately \$600 million.
- Continued strong cash conversion, with CFFO excluding working capital of \$5.4 billion.
- Production 8% below Q1 2021, driven by gas demand seasonality and increased maintenance.
- Q3 2021 total production is expected to be impacted by lower seasonal gas demand.

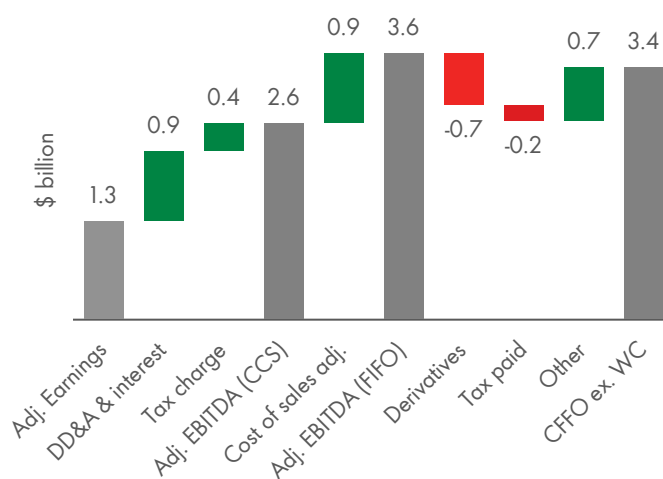
OIL PRODUCTS

Key data	Q1 2021	Q2 2021	Q3 2021 outlook
Sales volumes (kb/d)	4,164	4,552	4,300 - 5,300
Refining & Trading sales volumes (kb/d)	1,944	2,145	–
Marketing sales volumes (kb/d)	2,220	2,406	–
Refinery utilisation (%)	72	76	73 - 81
Global indicative refining margin (\$/bbl)	2.69	4.17	–

Adjusted Earnings



Cash conversion Q2

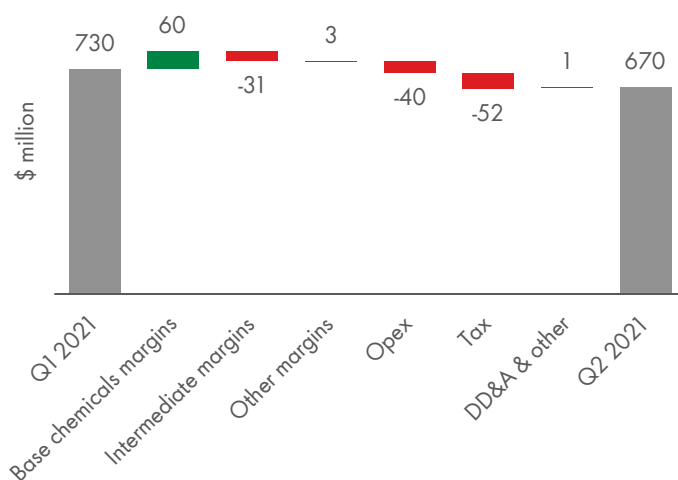


- Strong Marketing earnings driven by improved retail unit margins and volumes.
- Improved refining margins as well as higher intake and utilisation than in Q1 2021.
- Trading and optimisation contributions to earnings were average.
- Marginally higher operating expenses than in Q1 2021, driven by recovery in volumes.
- Strong cash conversion with CFO excluding working capital of \$3.4 billion.

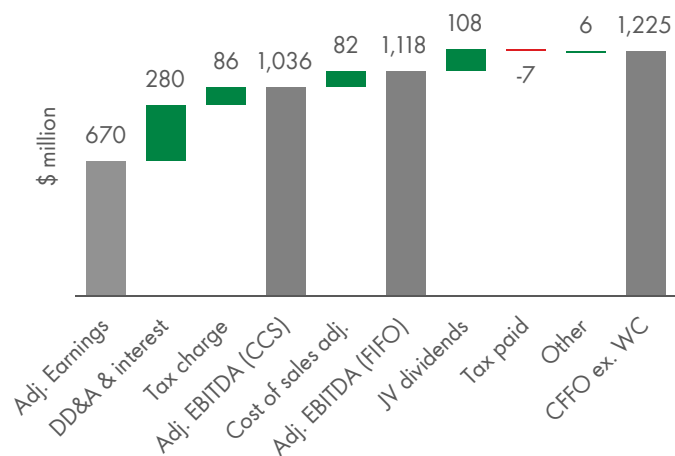
CHEMICALS

Key data	Q1 2021	Q2 2021	Q3 2021 outlook
Sales volumes (kT)	3,583	3,609	3,600 - 3,900
Manufacturing plant utilisation (%)	79	82	77 - 85

Adjusted Earnings



Cash conversion Q2



- Higher base chemicals margins due to higher utilisation, partly offset by lower intermediate margins resulting from lower spreads in key value chains.
- Marginally higher operating expenses than in Q1 2021, driven by maintenance catch-up.
- Strong cash conversion including timing impact of dividends from joint ventures and associates.

CORPORATE

Key data	Q1 2021	Q2 2021	Q3 2021 outlook
Adjusted Earnings (\$ million)	(666)	(399)	(600) - (700)

- Corporate segment Adjusted Earnings were a net expense of around \$400 million, impacted by favourable movements in deferred tax positions.
- The latest full year estimate for Corporate Adjusted Earnings is lowered to a net expense of \$2,300 - 2,600 million. This excludes the impact of currency exchange rate effects.
- Net debt decreased by \$5.5 billion to \$65.7 billion in Q2 2021 driven by higher cash flow from operations partly offset by a working capital outflow.

UPCOMING INVESTOR EVENTS

28 October 2021 Third quarter 2021 results and dividends

USEFUL LINKS

[Q2 2021 results materials and share buyback announcement](#)

[Quarterly Databook Q2 2021](#)

[Dividend announcement Q2 2021](#)

[Q2 results webcast registration](#)

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 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.

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 Shell, 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 Royal Dutch 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 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", "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, 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 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 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.

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 interim financial statements which are contained in Shell's second quarter 2021 and half year unaudited results available on www.shell.com/investors.

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