



Fourth quarter 2017 results

Delivering a world-class investment case

Royal Dutch Shell plc

February 1, 2018

#makethefuture



Ben van Beurden

Chief Executive Officer

Royal Dutch Shell



Royal Dutch Shell

February 1, 2018

Definitions & cautionary note

Reserves: Our use of the term “reserves” in this presentation means SEC proved oil and gas reserves. Resources: Our use of the term “resources” in this presentation includes quantities of oil and gas not yet classified as SEC proved oil and gas reserves. Resources are consistent with the Society of Petroleum Engineers (SPE) 2P + 2C definitions.

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 securities, all of which on an accruals basis. In 2016, the capital investment was impacted by the acquisition of BG Group plc. which are included in “Change in non-controlling interest” within “Cash flow from financing (CFFF) activities”. 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, CCS Earnings less identified items, Gearing, Underlying 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 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 subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this presentation refer to companies 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 “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 a venture, partnership or company, after exclusion of all third-party interest.

This presentation contains forward-looking statements 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 “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, 2016 (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, February 1, 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. This presentation may contain references to Shell’s website. These references are for the readers’ convenience only. Shell is not incorporating by reference any information posted on www.shell.com. 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.



Summary



2017

- Year of transformation
- Strong financial delivery + strengthened financial framework
- Growth momentum

Q4 2017

- Strong delivery + strong earnings
- Timing effects on cash flow
- Dividend: \$0.47 per share – no scrip



2017

Financial summary



Earnings and ROACE on CCS basis, excluding identified items

15.8

Earnings (\$ billion); EPS +109% versus 2016 FY

35.7

Cash flow from operations (\$ billion)

27.6

Free cash flow (\$ billion)

5.6

ROACE (%)

24.8

Gearing (%)



Q4 2017 Portfolio highlights

Divestment completions in Q4 2017

- UK North Sea up to \$3.8 billion
- Woodside ~\$2.7 billion
- Gabon ~\$900 million
- Comgas ~\$380 million
- Hong Kong LPG ~\$150 million



Brazil – Libra FPSO “Pioneiro de Libra”



Whale discovery – Gulf of Mexico

Divestments: headline, cash proceeds in Q4 2017: \$5.7 billion (in CFFI)

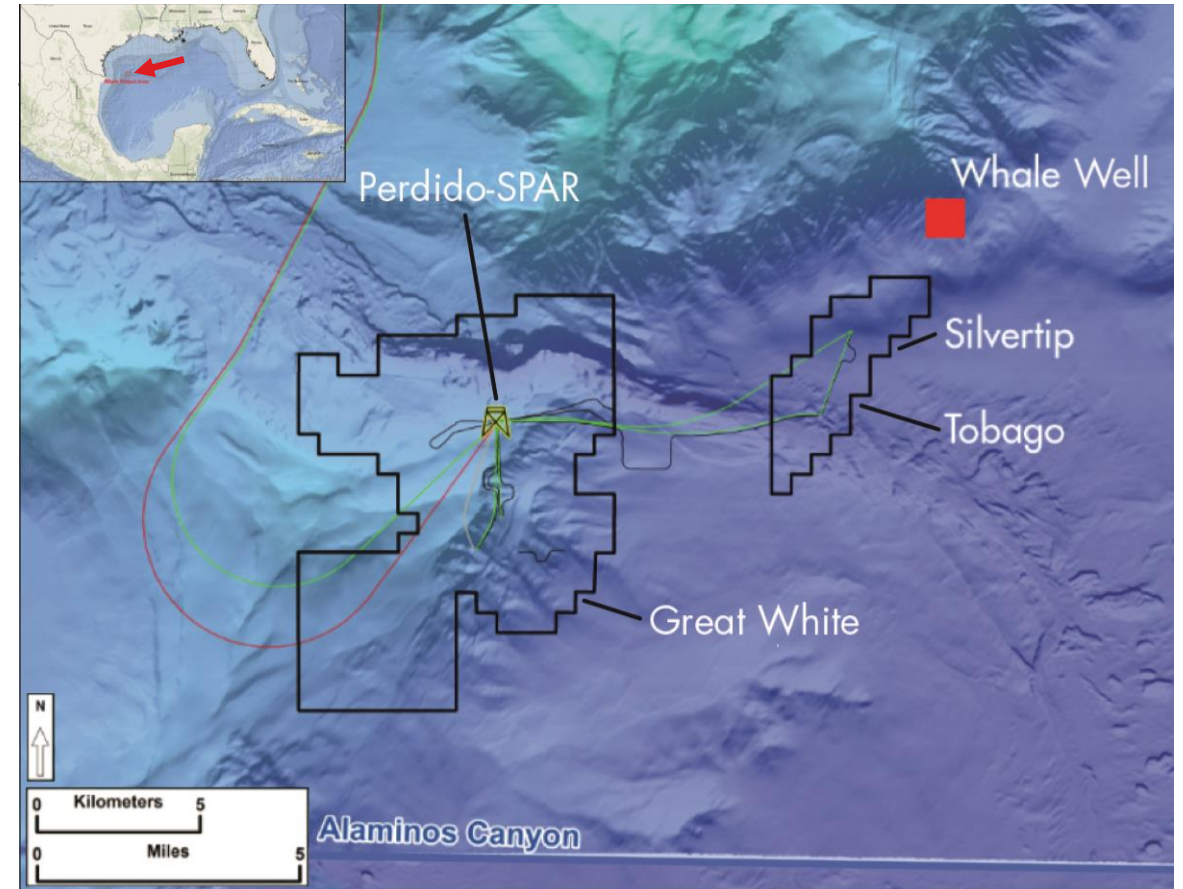


Exploration

Major Gulf of Mexico discovery

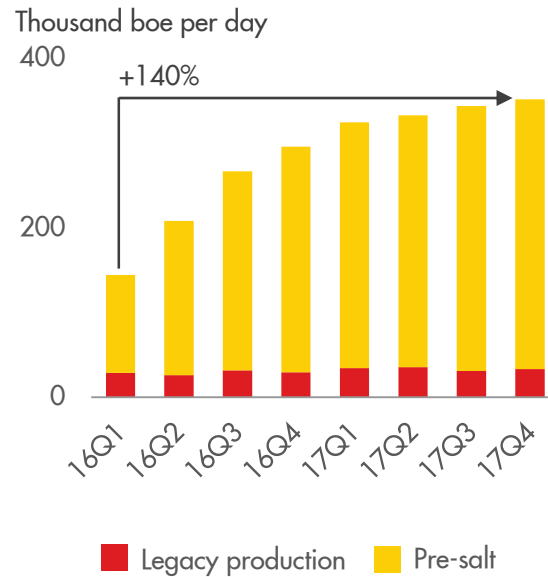
- One of Shell's largest discoveries in U.S. Gulf of Mexico in the last decade
- Close to existing infrastructure
- Appraisal drilling underway
- Shell-operated (60%)

Targeting production
in early 2020s



Deep water Brazil

Production + current development



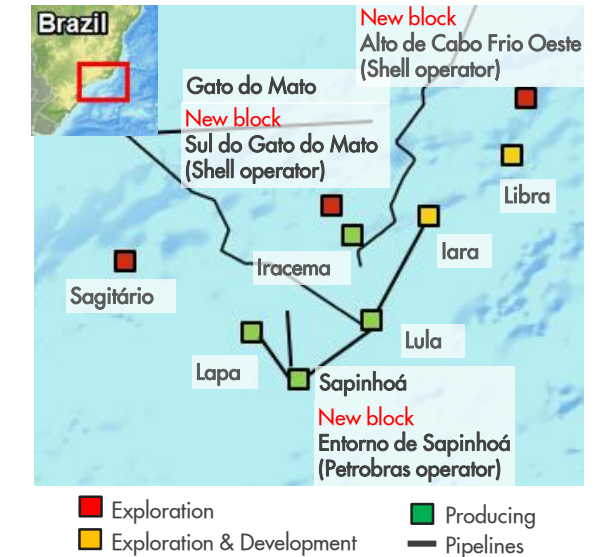
- ~350 kboe/d total Brazil in Q4 2017
- 2018: 3 FPSOs expected to start
- 2019+: 2 FPSOs expected
- Continuing to exceed expectations on productivity

Post 2020 - Libra



- Extended well test FPSO first oil in Nov17
- Declaration of commerciality of NW block (Mero field) in Nov17
- Charter of 1st production FPSO for Mero signed in Dec17
- 3 additional FPSOs expected in Mero

Post 2025 – new leases



- Brazil bid round Oct17:
3 successful bids in the Santos Basin
- Adds more than 1700 square kilometers
- Extends Brazil opportunities beyond mid-next decade

**Continued delivery
and robust growth
opportunities**



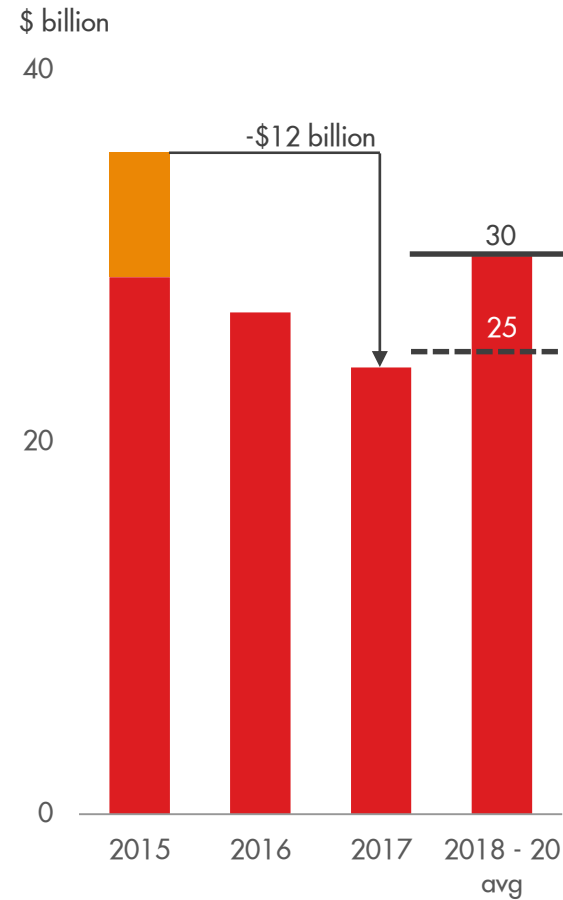
Capital discipline & operating cost supporting growth

- **More predictable**
- **Economic resilience of projects**

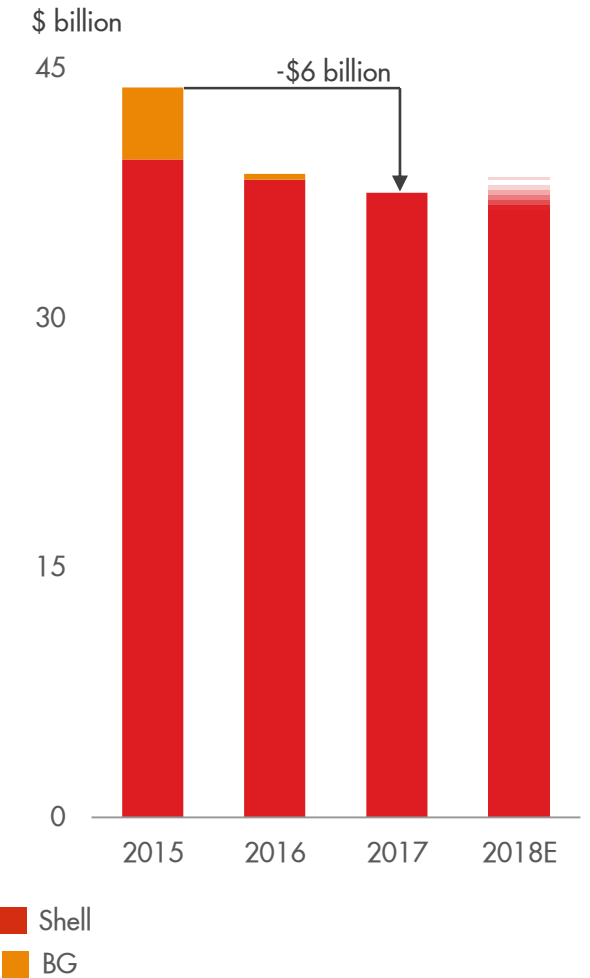
Capital investment

\$ billion (p.a.)	2018 – 2020
Oil products	4-5
Conventional oil + gas	4-5
Integrated gas	4-5
Deep water	5-6
Chemicals	3-4
Shales	2-3
New energies	1-2
Total	25-30

Capital investment



Underlying operating expenses



Excludes BG acquisition in 2016; historical BG capital investment is based on BG's published Annual Report



Strong cash momentum continues

\$39

2017 CFFO excl.
working capital
movements
(billion)

Cash flow from operations excluding working capital movements

\$ billion

40

30

20

10

0

2014

2015

2016

2017

99

52

44

54

+60%; +\$14.5 billion



Cash flow from operations excluding working capital movements



Average Brent oil price (\$/bbl)

Working capital movements in 2014, 2015, 2016 and 2017 (respectively): \$6.405, \$5.521, \$(6.289) and \$(3.158) (in million)



Royal Dutch Shell

February 1, 2018

Strategic themes delivery: on track

	2017 ~\$54			2019-21** ~\$60		
Strategic themes	Capital employed (\$ bln end 2017)	Free cash flow (\$ bln p.a)	ROACE (%)	Capital employed (\$ bln)	Free cash flow* (\$ bln p.a)	ROACE (%)
Cash engines	~59%	~14	~9	~70%	25-30	>10
Growth priorities	~27%	~2	~4	~20%	1-2	~5
Emerging opportunities	~6%	~(1)	~(4)	~5%	(2) - (1)	~5
Organic FCF		~15			25-30	
Divestments & acquisitions		~12			>5	
Total (incl. Corporate)	283	~28	~6	~290	30-35	~10

Price sensitivity:
+/- \$10 Brent =
+/- ~\$6 billion CFFO

*2019-21: 2016 RT \$60 per barrel, mid-cycle Downstream. **Includes Deep water in cash engines and Shales in growth priorities by 2020





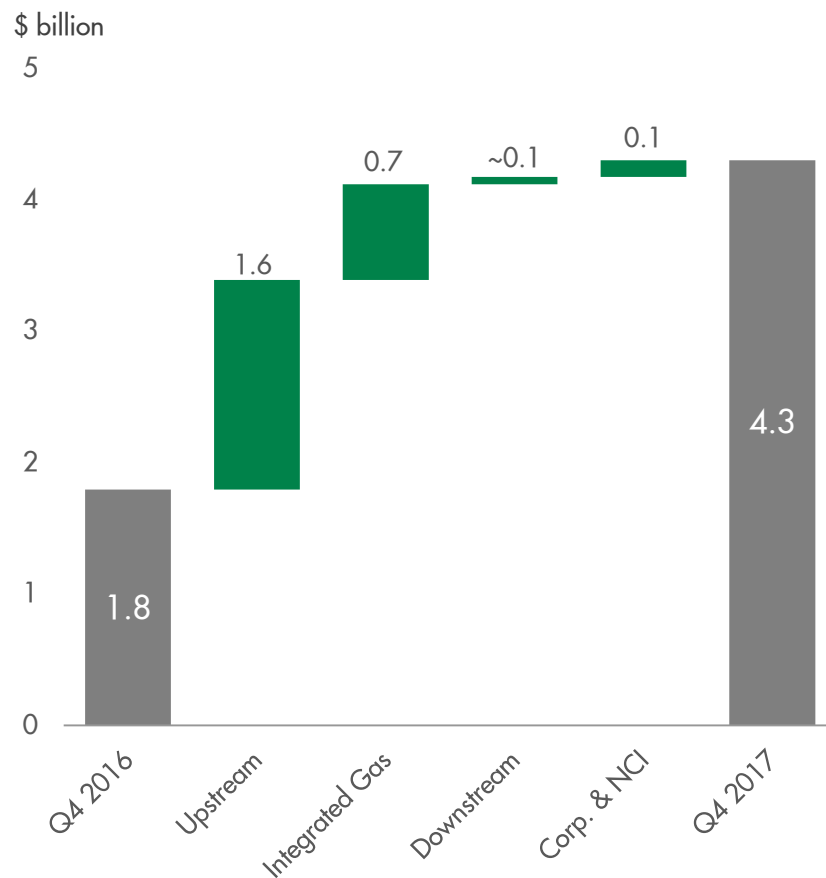
Jessica Uhl
Chief Financial Officer
Royal Dutch Shell



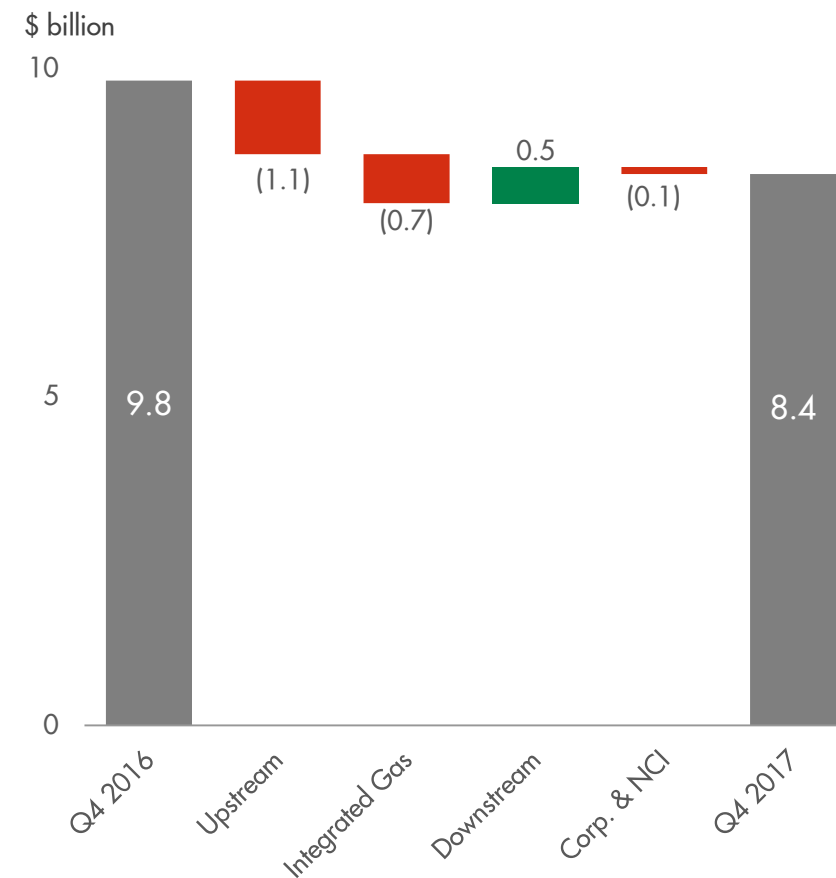
Q4 2017 Financial highlights

- **Strong earnings**
- **Cash flow timing effects**
- **Dividend: \$0.47 per share – no scrip**

Earnings Q4 2016 to Q4 2017



CFFO excl. working capital Q4 2016 to Q4 2017



Earnings on CCS basis, excluding identified items; CFFO excluding working capital movements



Preliminary results

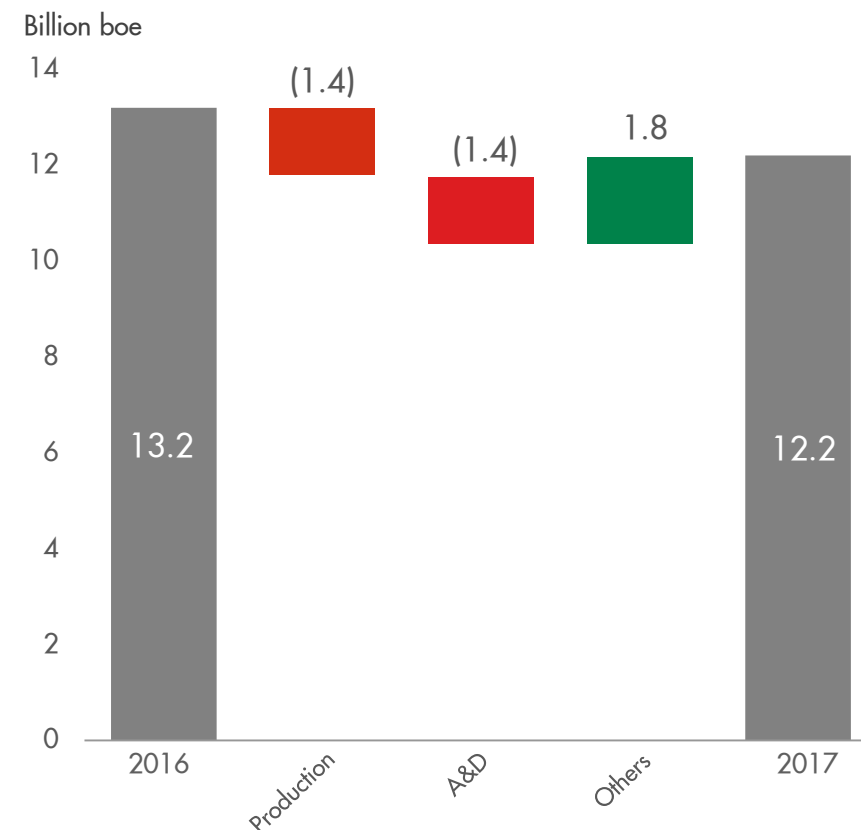
SEC proved reserves position

2017 Reserves performance

- 2017 RRR 27%
- 2017 RRR (excl. A&D) 127%
- 3-yr avg RRR 78%
- Reserves/Production at end 2017 ~8.9 years

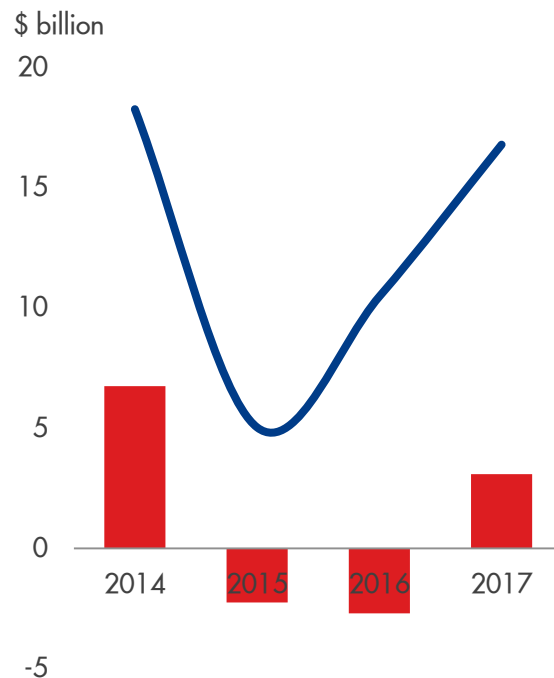
(billion boe)	2015	2016	2017
Production	1.1	1.4	1.4
SEC proved reserves	11.7	13.2	12.2
Reserves/Production	~10.5	~9.5	~8.9
RRR	-20%	208%	27%

Reserves performance

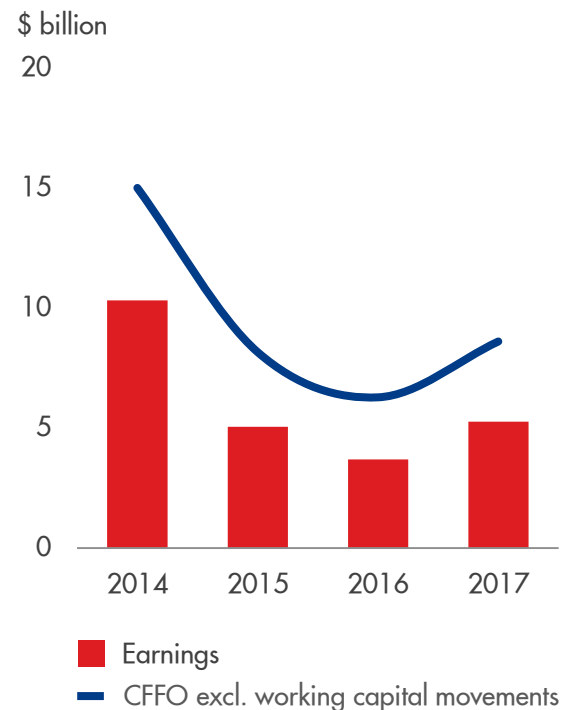


2017 Financial performance

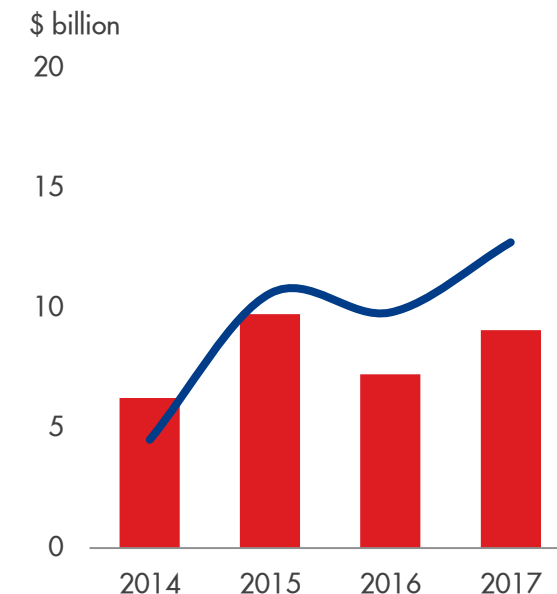
Upstream



Integrated Gas



Downstream



2017

■ Earnings	\$3.1 billion
■ CFFO	\$16.3 billion
■ CI	\$13.6 billion

■ Earnings	\$5.3 billion
■ CFFO	\$6.5 billion
■ CI	\$3.8 billion

■ Earnings	\$9.1 billion
■ CFFO	\$12.4 billion
■ CI	\$6.4 billion

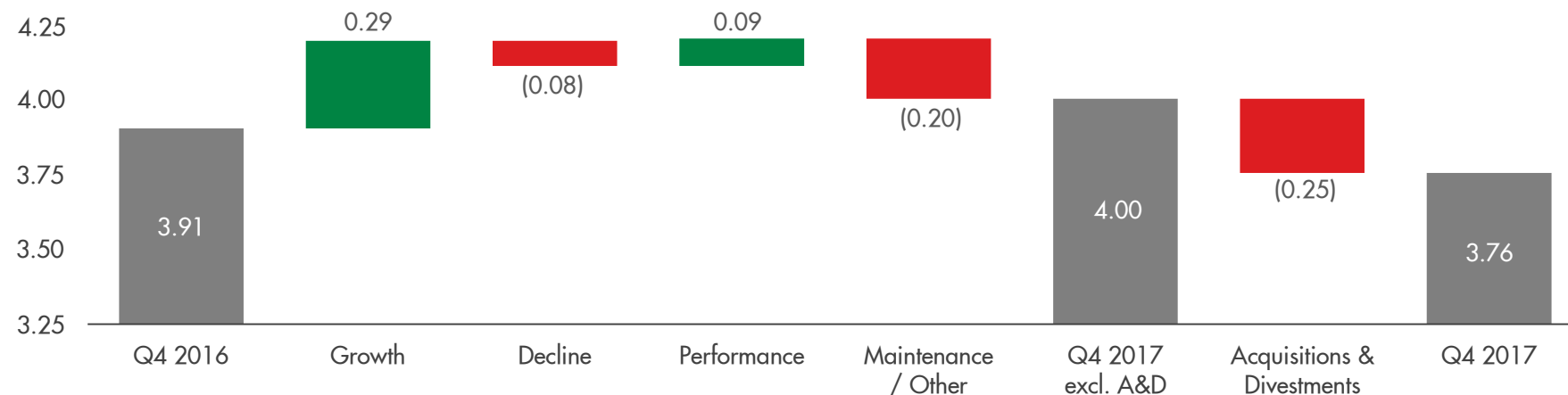
Earnings on CCS basis, excluding identified items; CI: capital investment



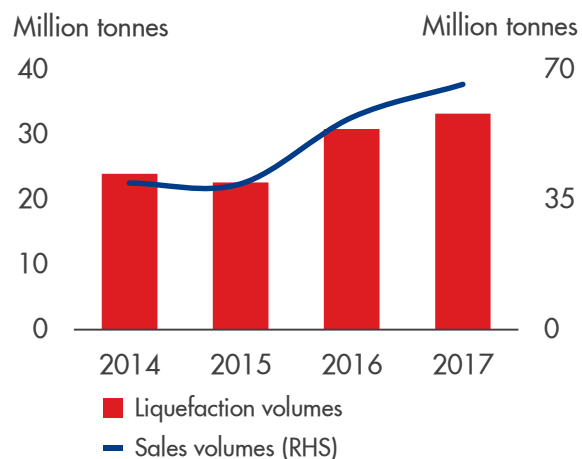
2017 Operational performance

Upstream + Integrated Gas – oil & gas production

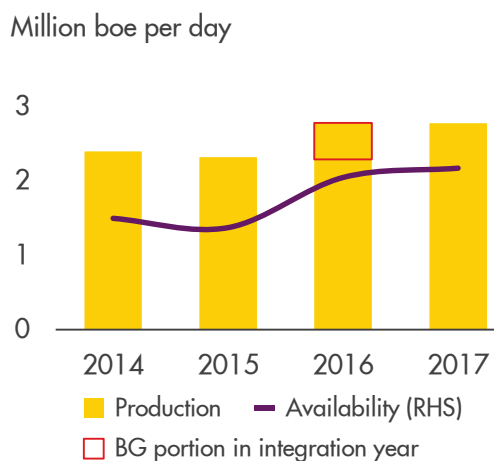
Million boe per day



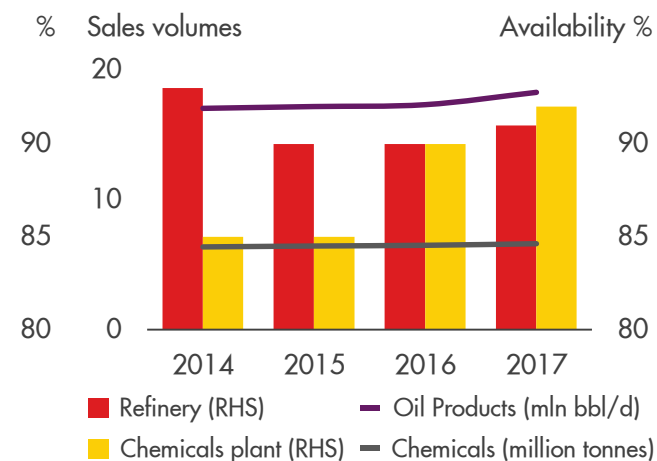
Liquefaction and sales volumes



UPS - availability and production



DS - availability and sales volumes



2015 – 2017 actions

Improving capital efficiency

- Driving structural change
- Integrated approach
- Capability, discipline & operational excellence

Capital efficiency potential

Supply chain

Competitive scoping

Efficient execution

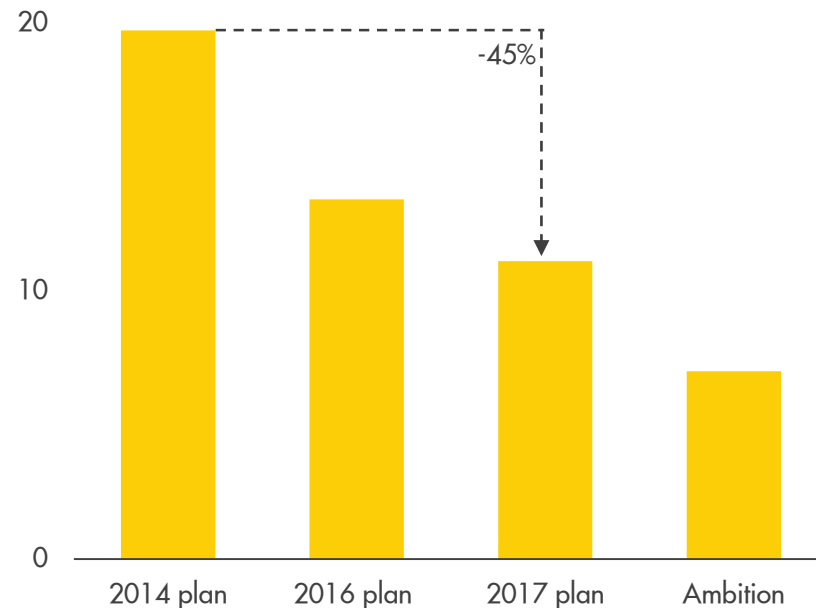
Affordable technology

■ Delivered \$6 billion capital efficiency savings in 2014-2017

■ Portfolio unit development costs reduced by 35% since 2014

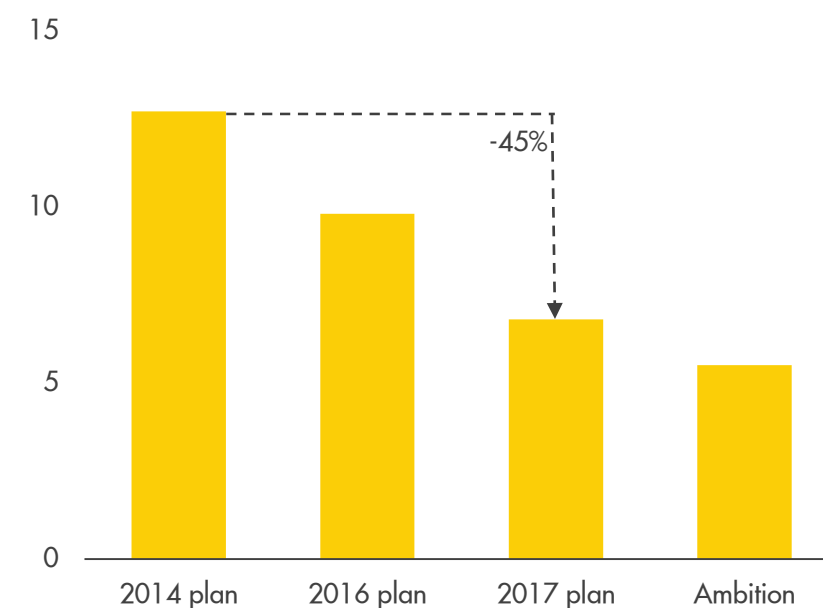
Deep water – unit development cost

\$ per boe



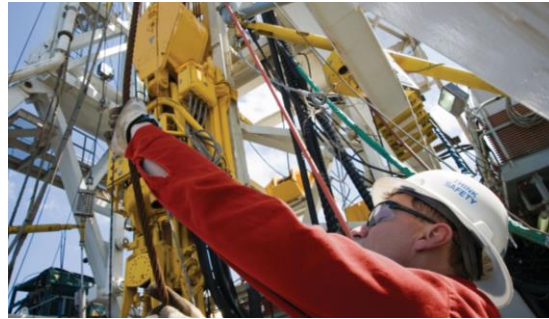
COG – unit development cost

\$ per boe



2018+ Sustaining capital efficiency

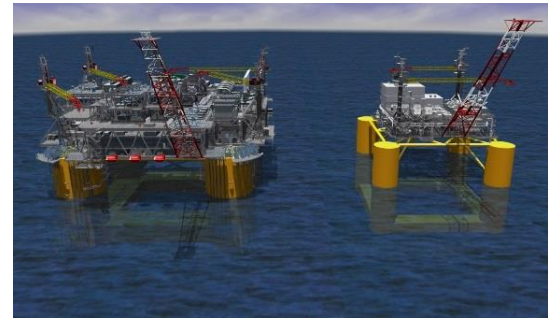
Ways of working



Efficient planning, execution, resources and utilisation

- Revamped risk-based approach operating philosophy
- Reduce manpower, increase productivity & reliability

Competitive scoping



Design, equipment and scope specifications

- Fit-for-purpose specifications
- Commercialising standards
- Leveraging affordable technology and digital capabilities

Supply chain transformation



Partnership and collaboration

- Outcome-based contract strategy
- Using market-ready products
- Logistics improvement, agile supply chain response

- Leaner work processes and efficiency
- Optimise, standardise and replicate design



Digitalisation – key driver for improving capital efficiency



Standard solutions to drive operational improvements



Financial framework

Foundation of the world-class investment case

- **Conservative financial management**
- **FCF/share & ROACE growth**
- **Focus on shareholder distributions**



Key features

- Maximising value for shareholders through cycle
- Multi-year timescales
- Surplus free cash flow in up-cycle and dividends fully covered in down-cycle
- Gearing 0-30%; AA credit metrics



Financial framework

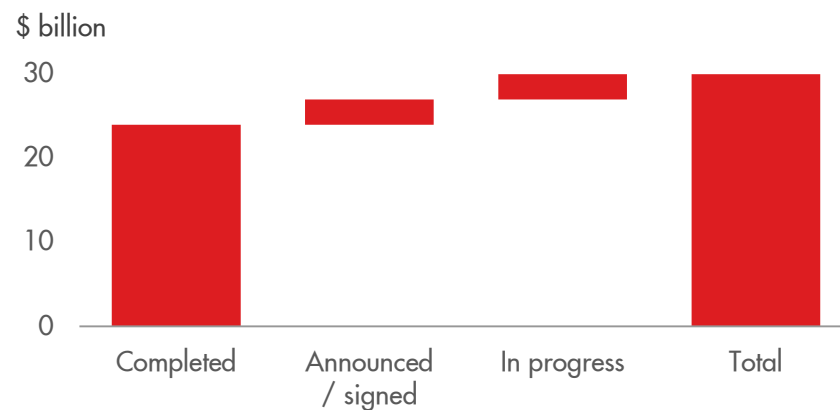
27.6

2017
Free cash flow
(\$ billion)

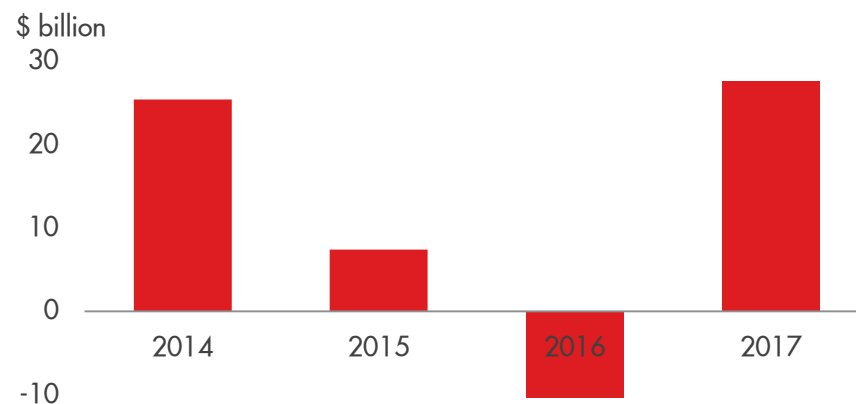
24.8

End Q4 2017
Gearing (%)

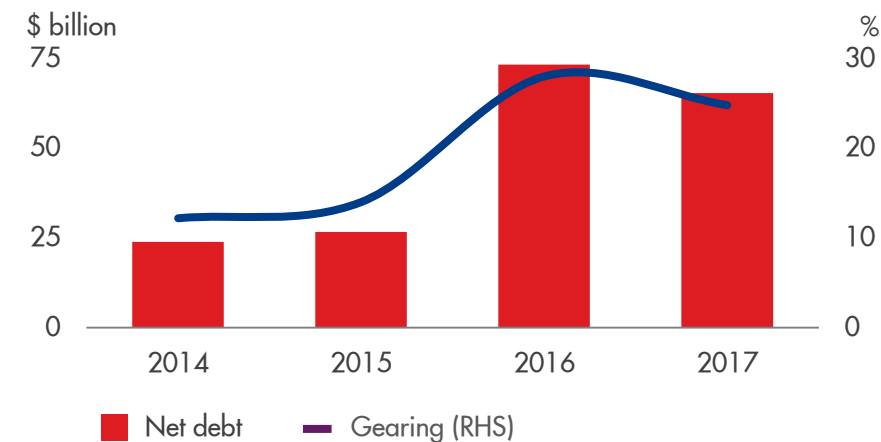
Divestments 2016 + 2017



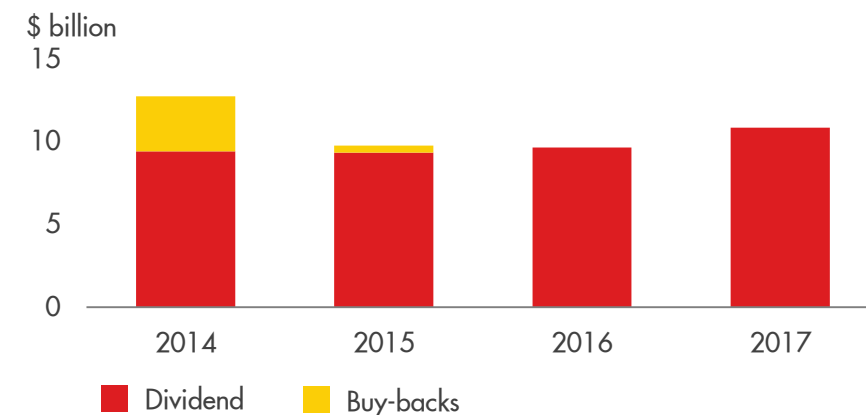
Free cash flow



Net debt and gearing



Shareholder distributions



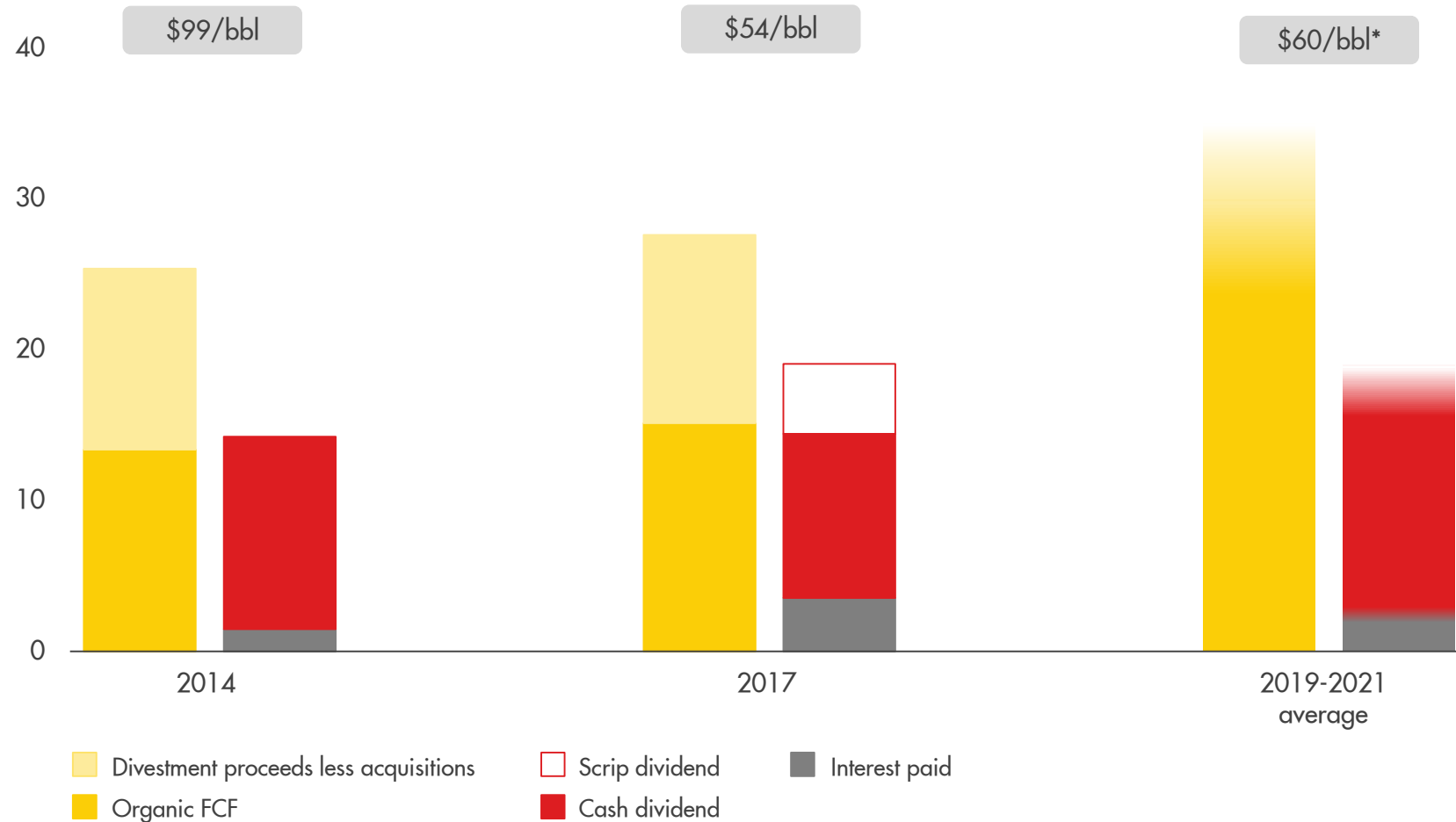
Divestments: headline, cash proceeds in 2016 + 2017: \$17.3 billion (in CFFI), \$1.4 billion related to Shell Midstream Partners, L.P. (in CFFF)



Free cash flow performance and payout

Distributions from free cash flow

\$ billion



- **Financial transformation 2014-2017**
- **2019-2021 average: FCF \$30-35 billion**
- **At least \$25 billion** buyback over 2017 - 2020**

* 2016 RT \$60 per barrel, mid-cycle Downstream **subject to progress with debt reduction and recovery in oil prices
2014 cash dividend includes \$3.3bln share buy backs, more than offsetting scrip issuance of \$2.4bln.



World-class investment case

Cash flow priorities





Ben van Beurden

Chief Executive Officer

Royal Dutch Shell



Royal Dutch Shell

February 1, 2018

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- Growth momentum

Q4 2017

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Questions & Answers



Ben van Beurden
Chief Executive Officer



Jessica Uhl
Chief Financial Officer



Q1 2018 Outlook

Q1 – Q1 OUTLOOK: Year-ago baseline reflects Shell's earnings seasonality

- **Integrated gas**
 - Production volumes: positive impact of ~210 thousand boe/d, mainly associated with Pearl, Gorgon and portfolio impacts
- **Upstream**
 - Divestment impact: reduction of ~270 thousand boe/d
 - Maintenance: positive impact of ~40 thousand boe/d
 - Restored production in Nigeria: positive impact of ~40 thousand boe/d
 - Production outlook for NAM in the Netherlands is subject to decisions on production volumes by the Dutch government following the earthquake in Zeerijp in January 2018
- **Downstream**
 - Refinery availability to decrease
 - Chemicals availability to increase
 - Divestment impacts: reduction of ~175 thousand barrels per day in oil products sales volumes

2018 OUTLOOK:

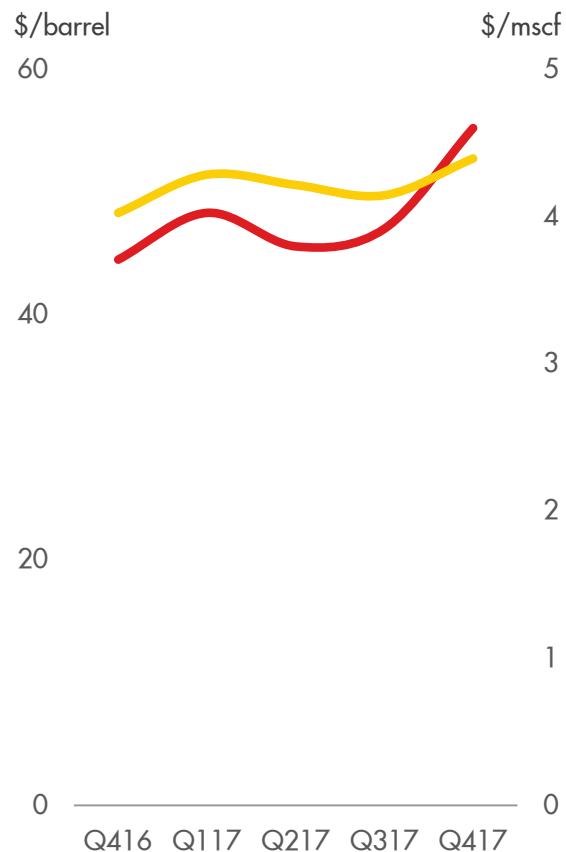
- **Corporate segment:** net charge of \$300 – 350 million in Q1; \$1.4 – 1.6 billion for the full year, excluding the impact of currency exchange rate effects and interest rate movements
- As a result of the expected change in the fiscal functional currency of some Shell entities in Australia to US dollars, the impact of exchange rate movements of the Australian dollar on deferred tax balances will be significantly reduced in 2018.



Q4 2017

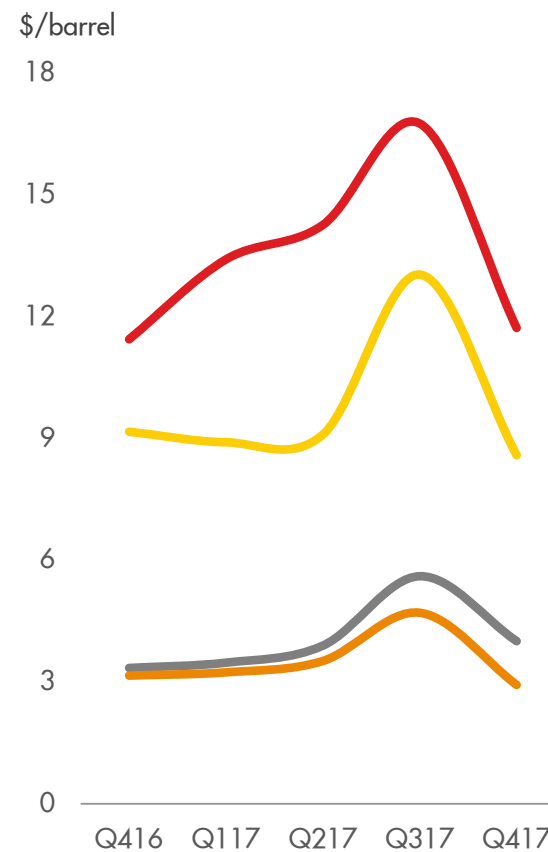
Prices & margins

Shell oil & gas realisations



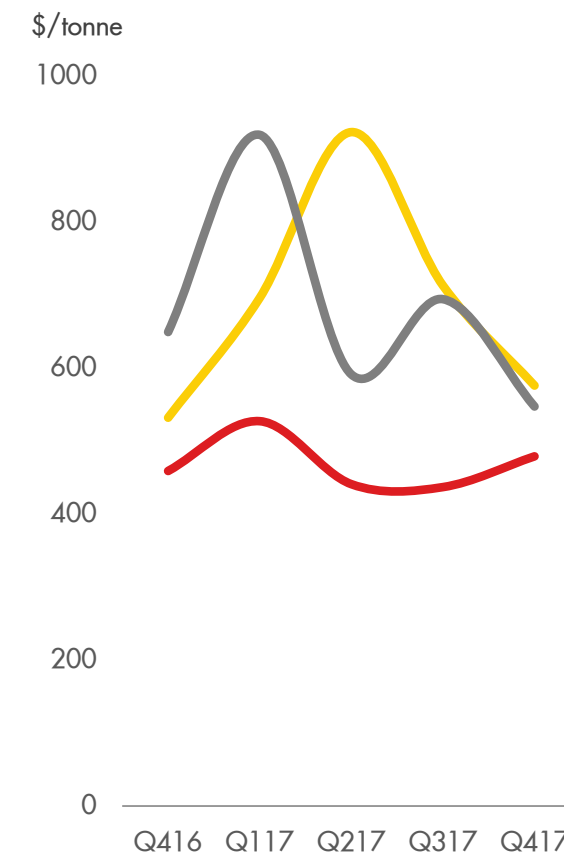
Oil
Gas (RHS)

Industry refining margins



US West Coast
US Gulf Coast coking
Rotterdam complex
Singapore

Industry chemicals margins



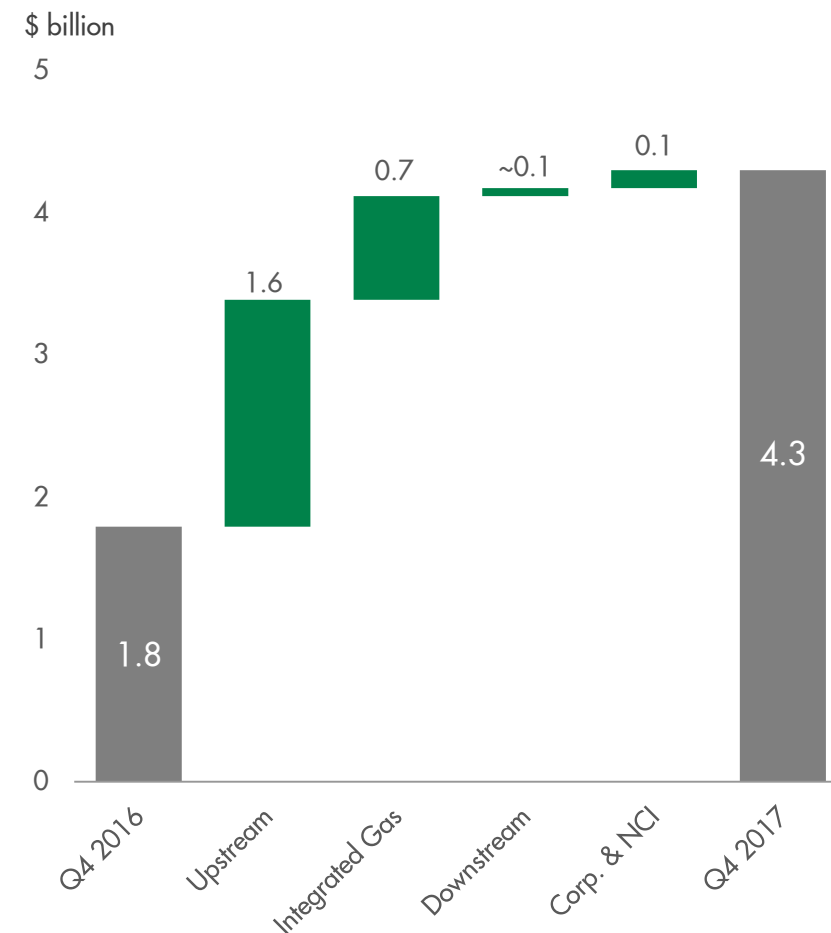
US ethane
Western Europe naphtha
NE/SE Asia naphtha



Q4 2017 Financial highlights

\$ billion	Q4 2016	Q4 2017
Upstream	0.1	1.7
Integrated Gas	0.9	1.6
Downstream (CCS)	1.3	1.4
Corporate & non-controlling interest	(0.5)	(0.4)
CCS net earnings	1.8	4.3
CCS earnings, \$ per share	0.22	0.52
Cash flow from operations	9.2	7.3
Free cash flow	5.7	6.6
Dividend	3.8	3.9
ROACE (%)	2.9	5.6

Earnings Q4 2016 to Q4 2017



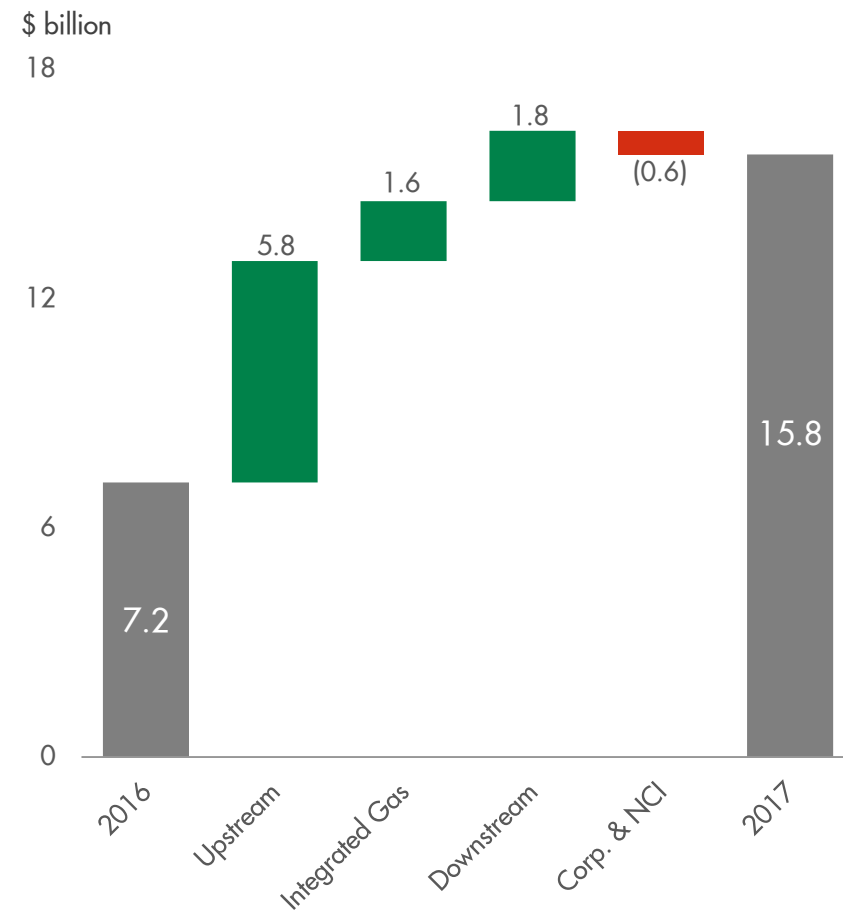
Earnings and ROACE on CCS basis, excluding identified items



2017 Financial highlights

\$ billion	2016	2017
Upstream	(2.7)	3.1
Integrated Gas	3.7	5.3
Downstream (CCS)	7.2	9.1
Corporate & non-controlling interest	(1.1)	(1.7)
CCS net earnings	7.2	15.8
CCS earnings, \$ per share	0.91	1.90
Cash flow from operations	20.6	35.7
Free cash flow	(10.3)	27.6
Dividend	15.0	15.6
ROACE (%)	2.9	5.6

Earnings 2016 to 2017

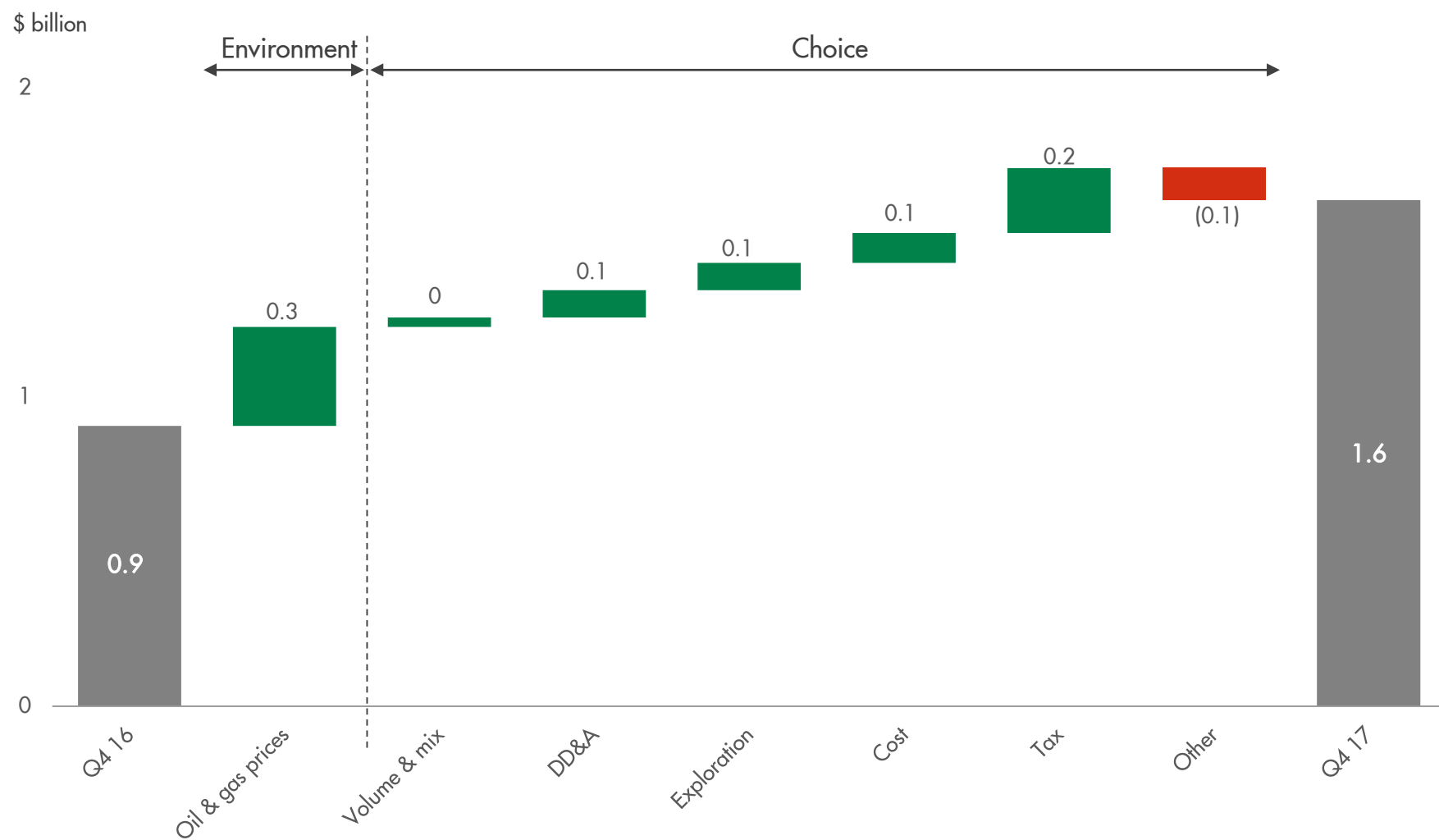


Earnings and ROACE on CCS basis, excluding identified items



Q4 2017 Integrated Gas results

Earnings Q4 2016 to Q4 2017

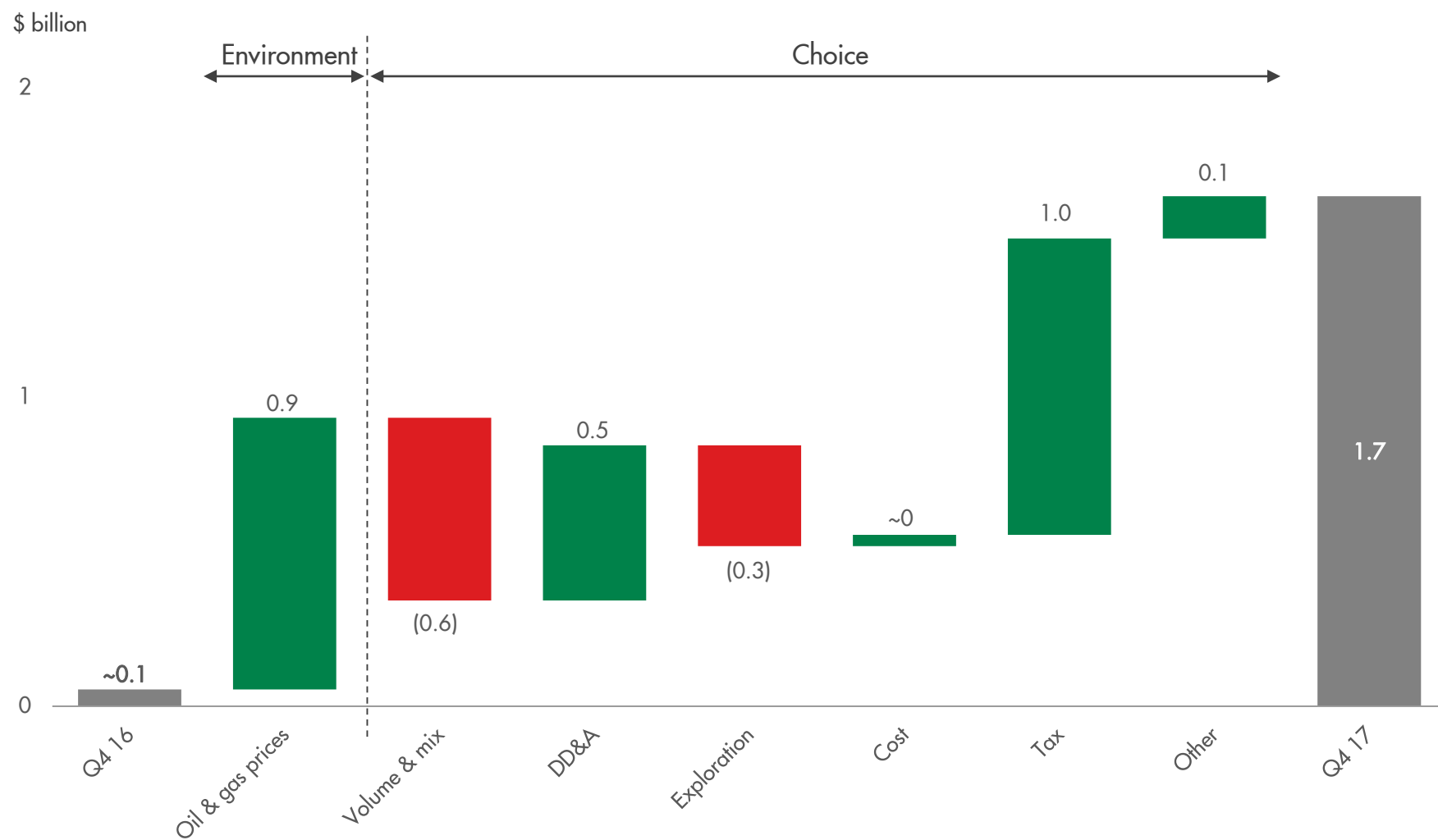


Earnings on CCS basis, excluding identified items



Q4 2017 Upstream results

Earnings Q4 2016 to Q4 2017



Earnings on CCS basis, excluding identified items

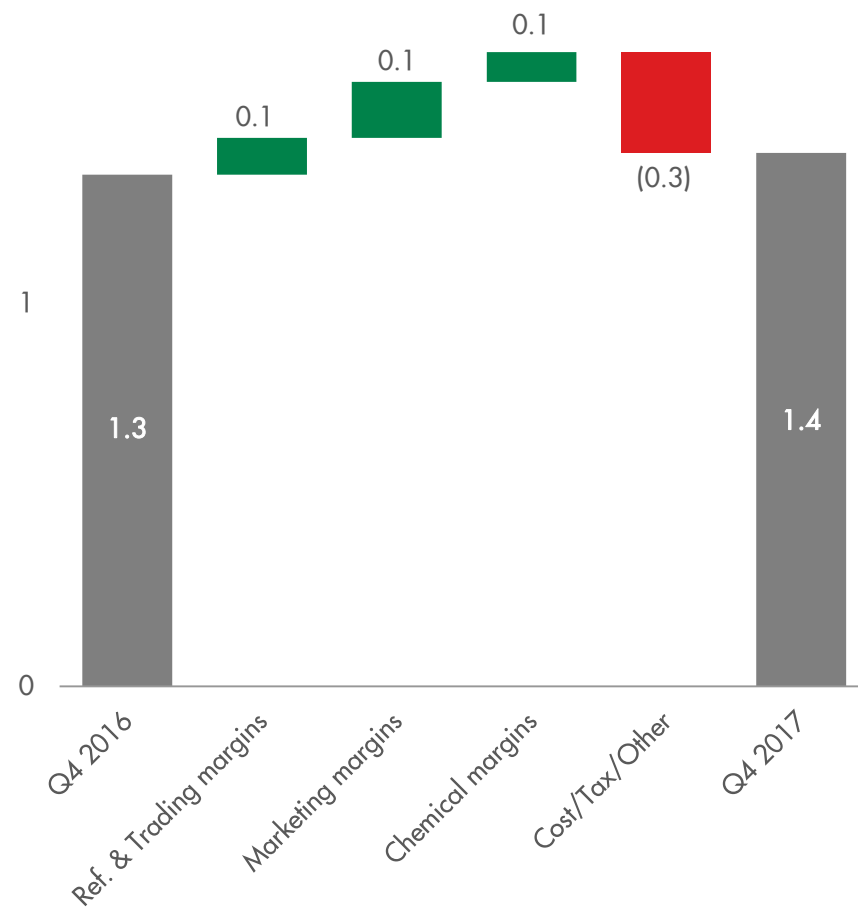


Q4 2017 Downstream results

Earnings Q4 2016 to Q4 2017

\$ billion

2

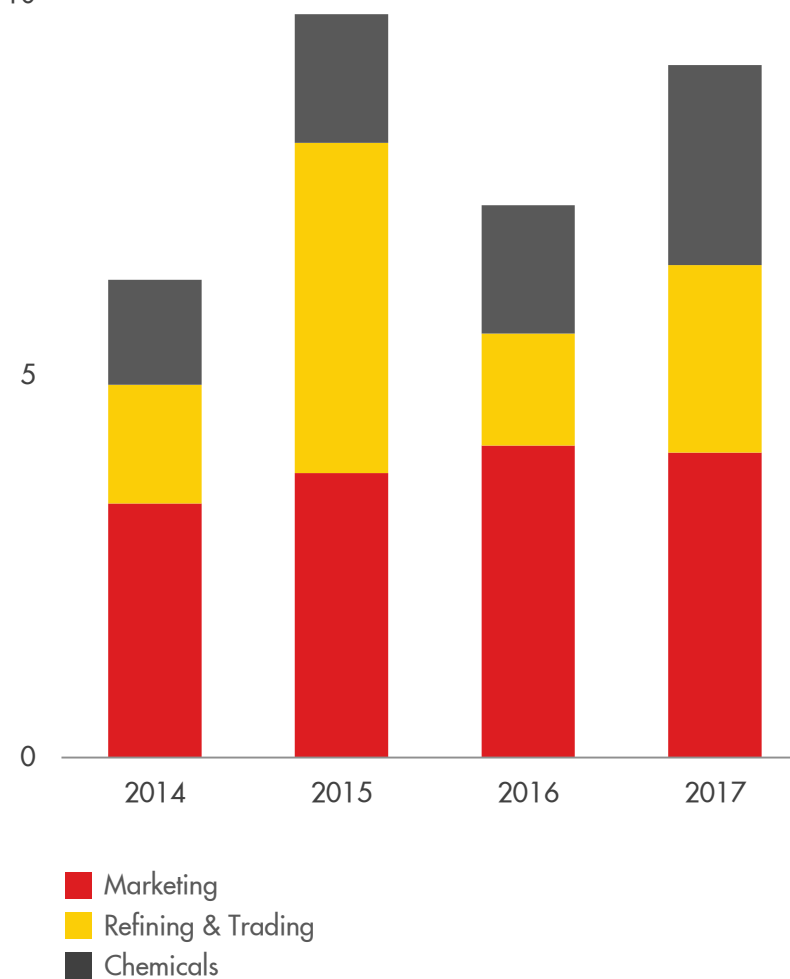


Earnings on CCS basis, excluding identified items

Earnings mix

\$ billion

10



Projects under construction

2018-19 Shell share

- >700 kboe/d
- 2.4 mtpa LNG
- 1.2 mtpa NGLs
- 50 kbpd refined products
- 0.6 mtpa ethylene
- 0.4 mtpa AO

2020+ Shell share

- >200 kboe/d
- 1.5 mtpa ethylene

Start up	Project	Country	Shell share (direct & indirect) %	Peak Production 100% kboe/d	LNG 100% Capacity mtpa	Products	Legend	Theme	Shell Operated
2018-19	Appomattox	United States	79	175			■	Deep water	✓
	Atapu 1**	Brazil	25	150			■	Deep water	
	Berbigão**	Brazil	25	150			■	Deep water	
	Changbei II	China	50	57			■	Integrated Gas	✓
	Clair Ph2	United Kingdom	28	95			■	Conventional oil + gas	
	Coulomb	United States	100	10			■	Deep water	✓
	Forcados Yokri Integrated Project (FYIP)	Nigeria	30	40			■	Conventional oil + gas	✓
	Geismar AO4	United States	100			425 ktpa AO	■	Chemicals	✓
	Kaikias Ph1	United States	80	40			■	Deep water	✓
	Lula Extreme South**	Brazil	25	150			■	Deep water	
	Lula North**	Brazil	25	150			■	Deep water	
	Nanhai China Chemicals	China	50			1.2 mtpa C2	■	Chemicals	
	Permian + Fox Creek*	United States + Canada	various	~200			■	Shales	✓
	Pernis Solvent Deasphalting	Netherlands	100			50 kbpd	■	Oil Products	✓
	Prelude FLNG	Australia	68	131	3.6	1.7 mtpa NGLs	■	Integrated Gas	✓
	Rabab Harweel Integrated Project	Oman	34	35			■	Conventional oil + gas	
2020+	Tempa Rossa	Italy	25	50			■	Conventional oil + gas	
	Southern Swamp AG	Nigeria	30	40			■	Conventional oil + gas	✓
	WDDM 9B	Egypt	50	60			■	Conventional oil + gas	
	FPSO P-71**	Brazil	25	150			■	Deep water	
	KBB Ph2	Malaysia	30	75			■	Conventional oil + gas	
	Libra 1 (pilot FPSO)**	Brazil	20	180			■	Deep water	
	Penguins Redevelopment	United Kingdom	50	45			■	Conventional oil + gas	✓
	Pennsylvania cracker	United States	100			1.5 mtpa C2	■	Chemicals	✓
	Tyra Future	Denmark	37	75			■	Conventional oil + gas	

* Permian and Fox Creek production represents Shell entitlement share of production growth 2017 through 2020.

** The Lula, Berbigão, Atapu accumulations are subject to unitisation agreements; production shown is FPSO oil capacity as per operator



Pre-FID options

Shell share potential

- ~700 kboe/d
- >15 mtpa LNG

Phase	Project	Country	Shell share (direct & indirect) %	Peak Production 100% kboe/d	LNG 100% Capacity mtpa	Products	Legend	Theme	Shell Operated
Assess / Select	Bonga Main Life Extension & Upgrade Project	Nigeria	55	90			■	Deep water	✓
	Clair South	United Kingdom	28	60			■	Conventional oil + gas	✓
	HI Development	Nigeria	40	7.5			■	Conventional oil + gas	✓
	Jackdaw	United Kingdom	70	40			■	Conventional oil + gas	✓
	Jerun	Malaysia	30	9.5			■	Conventional oil + gas	
	Kalamkas	Kazakhstan	17	5.5			■	Conventional oil + gas	
	Kashagan CC01	Kazakhstan	17	100			■	Conventional oil + gas	
	KGK Expansion Project Ph1	Kazakhstan	29	40			■	Conventional oil + gas	
	Libra 2	Brazil	20	TBD			■	Deep water	
	Libra 3	Brazil	20	TBD			■	Deep water	
	Libra 4	Brazil	20	TBD			■	Deep water	
	LNG Canada T3-4	Canada	50		14		■	Integrated Gas	
	Marjoram/Rosmari	Malaysia	7.5	60			■	Conventional oil + gas	
	Ormen Lange Recovery	Norway	18	50			■	Conventional oil + gas	✓
	Pearls Khazar	Kazakhstan	5.5	40			■	Conventional oil + gas	
	Pierce Depressurisation	United Kingdom	9.3	2.5			■	Conventional oil + gas	✓
	Sakhalin T3	Russia	2.8	6.9	5.4		■	Integrated Gas	
Define	Assa North	Nigeria	30	60			■	Conventional oil + gas	
	Bonga South West	Nigeria	4.3	17.5			■	Deep water	✓
	Gbaran Ph3	Nigeria	30	70			■	Conventional oil + gas	✓
	Gumusut-Kakap Ph2	Malaysia	30	50			■	Deep water	✓
	Lake Charles LNG	United States	TBD		16.8		■	Integrated Gas	
	LNG Canada T1-2	Canada	50		14		■	Integrated Gas	
	Pegaga	Malaysia	20	9.5			■	Conventional oil + gas	✓
	Bakong / Gorek / Larak (SK408)	Malaysia	30	7.5			■	Conventional oil + gas	✓
	Troll Ph3	Norway	8	25.5			■	Conventional oil + gas	
	Uzu Development	Nigeria	30	4.5			■	Conventional oil + gas	
	Val d'Agri Ph2	Italy	3.9	6.5			■	Conventional oil + gas	
	Vito	United States	6.3	100			■	Deep water	✓



