

Supplementary Information - Second quarter 2020

The information below has been provided to enhance understanding of the terminology and performance measures that have been used in the accompanying presentations.

Group measures

The following non-GAAP measures or associated adjustments are defined in Glossary on pages 35-38 of our second-quarter 2020 results announcement:

- Gearing.
- Inorganic capital expenditure.
- Non-operating items.
- Organic capital expenditure.
- Underlying replacement cost (RC) profit.
- Working capital.

Earnings before interest, depreciation and amortization (EBIDA)

EBIDA is defined as underlying RC profit before interest and tax, add back depreciation, depletion and amortization and exploration expenditure written-off (net of non-operating items), less taxation on an underlying RC basis.

Free cash flow

Free cash flow is operating cash flow less net cash used in investing activities and lease liability payments included in financing activities, as presented in the condensed group cash flow statement.

Lease liability payments of principal

Lease liability payments of principal are reported as financing activities in the group cash flow statement.

	Second quarter 2020
\$billion	
Upstream	0.3
Downstream	0.2
OB&C	0.1
Total	0.6

Underlying effective tax rate (ETR)

The underlying ETR is calculated by dividing taxation on an underlying RC basis by underlying RC profit or loss before tax. Taxation on an underlying RC basis is taxation on a RC basis for the period adjusted for taxation on non-operating items and fair value accounting effects.

Effective tax rate

	Second quarter 2020	First quarter 2020	Second quarter 2019
%			
ETR on profit or loss	19	3	40
Adjusted for inventory holding gains or losses	—	277	(1)
ETR on RC profit or loss	19	280	39
Adjusted for non-operating items and fair value accounting effects	(10)	(225)	(5)
Underlying ETR	9	55	34

Underlying cash flow

Operating cash flow excluding Gulf of Mexico oil spill payments.