PETRONAS Group
Financial Results
Announcement

First Quarter 2023

Resolute in Purpose, Advancing Solutions for a Sustainable Future
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Key Messages

• Quarter 1 saw continuation of central banks’ interest rate hikes across the world to tame inflation and concern over recession, leading to a **decrease in energy prices**.

• Leveraging on its integrated business and driven by continuous improvements in commercial and operational excellence, PETRONAS recorded **PAT of RM23.8 billion**, **EBITDA of RM38.6 billion** and **CFFO of RM25.5 billion**.

• Notwithstanding, oil and gas **prices are expected to moderate** further due to **prolong economic uncertainties**.

• PETRONAS remains committed to **strengthen its portfolio** in Malaysia and internationally, while **pursuing its sustainability agenda**.
PETRONAS recorded Commendable Quarter 1 2023 Performance, arising from Higher Sales Volumes despite Lower Market Price

### Performance

<table>
<thead>
<tr>
<th>Revenue</th>
<th>PAT</th>
<th>CFFO</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>90.4</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>23.8</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td><strong>25.5</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td><strong>38.6</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>YTD 2023</td>
<td>YTD 2023</td>
<td>YTD 2023</td>
<td>YTD 2023</td>
</tr>
<tr>
<td><strong>78.2</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>23.4</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td><strong>27.9</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td><strong>40.3</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>YTD 2022</td>
<td>YTD 2022</td>
<td>YTD 2022</td>
<td>YTD 2022</td>
</tr>
<tr>
<td><strong>16%</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>2%</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td><strong>9%</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td><strong>4%</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

### Financial Position

<table>
<thead>
<tr>
<th>Total Borrowings</th>
<th>Total Assets</th>
<th>Shareholders’ Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>105.2</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>713.6</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>388.7</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>31 Mar 2023</td>
<td>31 Mar 2023</td>
<td>31 Mar 2023</td>
</tr>
<tr>
<td><strong>104.2</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>710.6</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>401.6</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>31 Dec 2022</td>
<td>31 Dec 2022</td>
<td>31 Dec 2022</td>
</tr>
<tr>
<td><strong>1%</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>0.4%</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>3%</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

### Key Performance Indicators

- **Average Brent (USD/bbl)**: $81.17 YTD 2022 $102.23
- **Average JCC Single-month** (USD/bbl): $87.08 YTD 2022 $98.63
- **USD Strengthens**: RM4.39 YTD 2022 RM4.19

<sup>1</sup> Represents published price, not actualised price
<sup>2</sup> Average exchange rate
As the Momentum for the Energy Transition Accelerates, PETRONAS has crystallised the Three-Pronged Growth Strategy into the PETRONAS Energy Transition Strategy

Three-Pronged Growth Strategy

- Maximising Cash Generators
- Expanding Core Business
- Stepping Out

The Three-Pronged Growth Strategy (3PGS) has guided PETRONAS in strengthening the foundation of its oil and gas and new business, putting it on a stronger footing to pursue its next phase of growth.

With this Strategy in place, PETRONAS is determined to thrive in the energy transition and continue delivering energy to its customers in a just and responsible manner.

PETRONAS Energy Transition Strategy

Core Business
More energy, less emissions

New Business
Capturing New Growth Opportunities

Net Zero Carbon Emissions
Pathway to Zero
Quarter 1 2023 saw the Rise in Overall CAPEX and notable increase in Domestic Spending against same period last year

Group Capital Investments (CAPEX)

YTD 2023
RM10.5bil

YTD 2022
RM7.4bil

Domestic CAPEX (RM Bil)

- YTD 2023: 4.6
- YTD 2022: 3.2

Domestic CAPEX increased by 44% against same period last year, contributing to the economic recovery and fostering a robust local OGSE ecosystem.

Domestic CAPEX Trending (RM Bil)

- YEP2023-FY2027: ~113
- FY2018-FY2022: 101

Scaling-up domestic investment over the next five years by 12% in fulfilling our commitment to ensure energy security, affordability and sustainability at the same time capturing new growth opportunities for New Business.

- Higher CAPEX by RM3.1 billion primarily due to the acquisition of WIRSOL Energy, a prominent renewable energy solutions provider in Australia.
Group Costs Elevated in tandem with Increased Sales Volume

Domestic group costs surged by 35% in tandem with higher product costs following higher purchased volume to capture the favourable upside in domestic demand.

Additionally, the rise in domestic group costs is due to higher production expenses, repair and routine maintenance costs in line with higher Malaysia operations activities.

- Product costs
- Tax expenses, sales tax & duties and cash payments
- Non-cash items
- Production and transportation expense, purchased services, materials & supplies
- Others (HR cost, rental, utilities, finance cost, etc.)
Uphold Prudent Financial Management to Support Increased Investments for Growth, Larger Dividend Payments, and Debt Servicing Obligations

**CFFO**

**RM bil**

- **YTD 2022**: 27.9
- **YTD 2023**: 25.5

**Capital Expenditure (CAPEX)**

- **RM10.5 billion**

**Contributions to Governments and NTF**

- **Taxes**: 7.5
- **Petroleum Cash Payments**: 7.5
- **Dividend to Government**: 4.0
- **State Sales Tax**: 1.5
- **Export Duty**: 0.2
- **National Trust Fund**: 2.0

**Nation’s Sustainability and Community Wellbeing**

- **> RM 125 Mil**

1 Includes CSR contributions, Human Resource Development Fund & Sponsorships
PETRONAS Remains Steadfast in realising its NZCE 2050 Pathway and Making Progress towards its Short-term Targets

Greenhouse Gas Emissions Target (Scope 1 and Scope 2)

2024

49.5 MtCO₂e
Capping Emissions at 49.5 million tonnes of carbon dioxide equivalent (MtCO₂e) from PETRONAS’ Malaysia operations by 2024.

Q1 2023 Efforts towards meeting NZCE Pathway Short-term Targets

Against same period last year, the businesses recorded

**Upstream**
- 10.5% reduction in greenhouse gas (GHG) emissions
- 18.7% reduction in flaring & venting emissions from Malaysia-operated assets

**Gas**
- reduced an estimated 0.04 MtCO₂e GHG emissions, mainly through flaring reduction and fuel gas optimisation efforts from operations under PETRONAS Gas Berhad

**Downstream**
- reduced an estimated 0.05 MtCO₂e of GHG emissions, mainly through flaring reduction and fuel gas optimisation efforts from operations under Malaysian Refining Company Sdn. Bhd. and PETRONAS Chemicals Group Berhad

Quarter 1 2023 GHG Emissions*

11.8 MtCO₂e

*Scope 1 and Scope 2 in Malaysia operations
Most Businesses registered Improved Profitability mainly driven by Higher Sales Volume

### Profit After Tax / (Loss After Tax) RM Bil

<table>
<thead>
<tr>
<th></th>
<th>YTD 2022</th>
<th>YTD 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upstream</strong></td>
<td>11.9</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Gas</strong></td>
<td>8.4</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>Downstream</strong></td>
<td>5.1</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Corporate &amp; Others</strong></td>
<td>(0.5)</td>
<td>0.6</td>
</tr>
</tbody>
</table>

**Upstream**
Higher PAT primarily due to higher revenue, partially offset by higher product cost.

**Gas**
Higher PAT primarily driven by higher revenue and partially offset with higher product costs.

**Downstream**
Lower PAT primarily due to lower refining and petrochemical margins in line with lower average realised prices.

**Corporate & Others**
Higher PAT mainly attributable to higher revenue, coupled with favourable impact from foreign exchange, partially offset by higher operating expenditure.
Promising Start for the Year Supported by Operational and Commercial Excellence in Delivering Sustainable Operations

Business Highlights

- Achieved 1st hydrocarbon for 4 projects
- Achieved FID for 4 projects
- Signed 12 PSCs in Malaysia under MBR 2022
- Offered 10 exploration blocks and 2 DROs under MBR 2023
- Signed an HOA with SMJ Sdn Bhd for the potential interest in the Samarang PSC

<table>
<thead>
<tr>
<th></th>
<th>YTD 2022</th>
<th>YTD 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural Gas</strong></td>
<td>1,620</td>
<td>1,640</td>
</tr>
<tr>
<td><strong>Crude &amp; Condensates</strong></td>
<td>836</td>
<td>857</td>
</tr>
<tr>
<td>Production (Kboe/d)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>YTD 2022</strong></td>
<td>2,456</td>
<td>2,497</td>
</tr>
<tr>
<td><strong>YTD 2023</strong></td>
<td>1,673</td>
<td>1,773</td>
</tr>
<tr>
<td>Entitlement (Kboe/d)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Business Highlights**

**Gas**

Focused on Strengthening Supply Reliability and Customised Solutions to Fulfill the Demand for Lower Carbon Energy

<table>
<thead>
<tr>
<th>109</th>
<th>9</th>
<th>941</th>
<th>2,253 MMscfd</th>
</tr>
</thead>
<tbody>
<tr>
<td>total LNG cargoes delivered from PETRONAS LNG Complex</td>
<td>LNG cargoes delivered from PFLNG SATU and PFLNG DUA</td>
<td>Virtual Pipeline System (VPS) and LNG Bunkering deliveries completed</td>
<td>of average sales gas volume delivered in Peninsular Malaysia</td>
</tr>
</tbody>
</table>

| 8.4 | 8.9 | 99.0% | 97.3% |
| YTD 2022 | YTD 2023 | YTD 2022 | YTD 2023 |
| Gross LNG Sales (MMT) | Overall Equipment Effectiveness | Gross LNG Sales (MMT) | Overall Equipment Effectiveness |

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**Downstream**

**Stable operations amid increased market demand**

**Business Highlights**

- **Overall Equipment Effectiveness (OEE)**: 88.9%
- **Litres of overall marketing sales volume**: 6.3 Bil
- **Petrochemical Plant Utilisation**: 96.1%*

**2022 vs 2023 Comparisons**

<table>
<thead>
<tr>
<th></th>
<th>YTD 2022</th>
<th>YTD 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Products Sales (Mil Barrels)</td>
<td>58.3</td>
<td>77.2</td>
</tr>
<tr>
<td>Crude Oil Sales (Mil Barrels)</td>
<td>30.4</td>
<td>27.4</td>
</tr>
<tr>
<td>Petrochemical Product Sales (Mil Metric Tonnes)</td>
<td>1.9</td>
<td>2.4</td>
</tr>
</tbody>
</table>

- **Downstream**
  - Inaugurated the LNG bunkering business with long-term partner TIGER GAS, through PETRONAS Marine brand. TIGER GAS is also the first Chinese customer of PETRONAS LNG bunkering business.
  - Joined DuitNow QR ecosystem, allowing its users to seamlessly make payments at over 1.6 million merchants nationwide while being rewarded with Mesra Points.

- **7 new outlets launched with 5 located beyond PETRONAS stations.**
  - This includes standalone dining menu at The Gardens North Tower, Mid Valley and the 1st pilot café trailer at PETRONAS Station Paka 2, Terengganu.
Achieved approx. 1.5 million clean kilometers (approx. 4 million clean kilometers cumulatively) across India and Malaysia.
Remains on track with Value Creation Journey of Sustainable Growth and Profitability

- Welcomed its new-generation LNG carriers, Seri Damai and Seri Daya
- Both vessels are equipped with sustainable technologies and will be on long-term charters to ExxonMobil’s wholly-owned subsidiary, SeaRiver Maritime LLC.

- Signed respective MoUs with Mitsui & Co., Ltd., Samsung Heavy Industries and Andritz AG to explore opportunities for CCS solutions in the maritime value chain

- Secured a contract from Carigali-PTTEPI Operating Company Sdn Bhd to undertake the provision of EPCI for 5 wellhead platforms, 5 subsea pipelines and host tie-ins works through its subsidiaries.

- Valverde Power Solutions, Inc., MISC, Clean Energy Systems, Inc. and Aker Solutions announced the execution of an agreement to specify and fund certain Pre-FEED to assess and demonstrate 2 North American emission-free power projects utilizing Clean Energy Systems’ proven Oxy-Fuel burner technology (“Hestia Demo Project”).

Notes: - CCS : Carbon Capture and Storage - EPCI : Engineering, Procurement, Construction & Installation - Pre-FEED : Preliminary Front-end Engineering Design
PETRONAS
Passionate about Progress