



**PETRONAS**

# **PETRONAS Group Financial Results Announcement**

Half Yearly 2019

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# Half Yearly Key Features



## Performance

9%   
in net profit of  
RM28.9 billion

5%   
in EBITDA of  
RM54.7 billion

- Improved earnings for the first half of 2019 compared to the same period last year.
- Continued focus on **commercial and operational excellence**.
- Persevere with efforts to **maximise cash generation** despite more challenging market conditions

## Progress of projects & CAPEX spending



99.7%

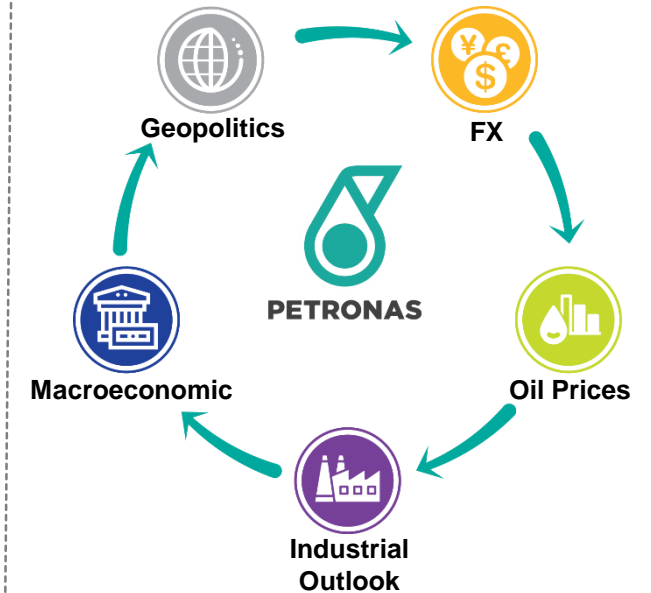
PIC<sup>1</sup> completion as at 30  
June 2019

**RM15.7 billion**

CAPEX spending in the first  
half of 2019








<sup>1</sup> Pengerang Integrated Complex (PIC)

## Outlook



- The Group will continue to pursue **business improvement**
- **Delivering commercial and operational excellence** will be our focus despite volatile environment

# Half Yearly Results Improved on the Back of Higher Sales Volume

Key Financial Indicators (RM bil)	1H '18	1H '19
Revenue	117.2	 <b>121.1</b>
PAT	26.6	 <b>28.9</b>
PAT excluding net impairment/(write-back) on assets	25.4	 <b>28.7</b>
EBITDA	52.2	 <b>54.7</b>
EBITDA Margin	45%	 <b>45%</b>
CFFO	41.7	 <b>44.9</b>
Capital investments	19.8	 <b>15.7</b>



**Dated Brent**  
(USD/bbl)

**\$66.02**



**2018**  
\$70.56

**JCC single-month<sup>1</sup>**  
(USD/bbl)

**\$67.33**



**2018**  
\$68.87

**MYR/USD<sup>2</sup>**

**RM4.12**



**2018**  
RM3.94

**Production<sup>3</sup>**  
(kboe/d)

**2,418**



**2018**  
2,383

**Entitlement<sup>4</sup>**  
(kboe/d)

**1,757**



**2018**  
1,681

<sup>1</sup> Represents published price, not actualised price

<sup>2</sup> Average exchange rate

<sup>3</sup> Represents Malaysia's production (PETRONAS Group and other Operators) and PETRONAS Group's international equity production volume

<sup>4</sup> Represents PETRONAS Group's sales entitlement to Malaysia's production and PETRONAS Group's international sales entitlement volume

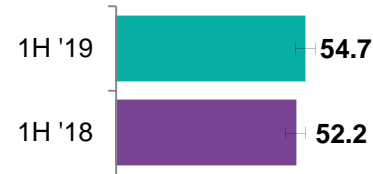


# Group Financial Results

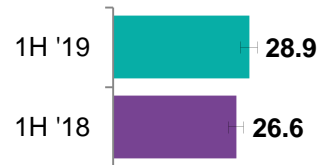
## Higher EBITDA and PAT Recorded

Half Year  
2019

EBITDA  
*RM bil*

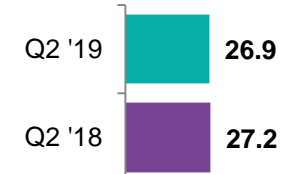
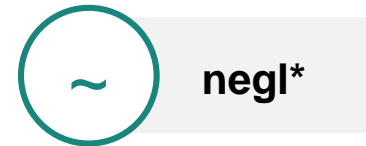


PAT  
*RM bil*

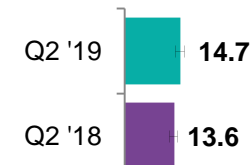


Q2 2019  
Y-o-Y

EBITDA  
*RM bil*



PAT  
*RM bil*



\* Negligible

### Half Year 2019

- Higher EBITDA in line with higher PBT

### Q2 2019 Y-o-Y

- Lower EBITDA due to lower average realised prices

### Half Year 2019

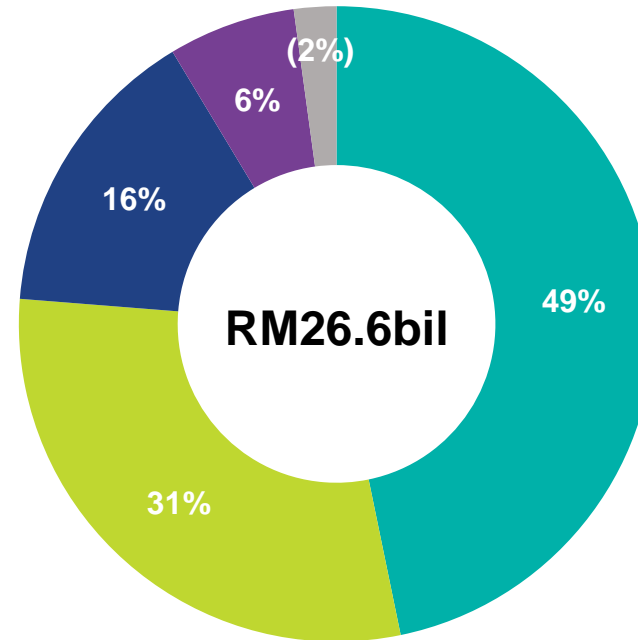
- Higher PAT due to higher sales volume and effect of FOREX movement

### Q2 2019 Y-o-Y

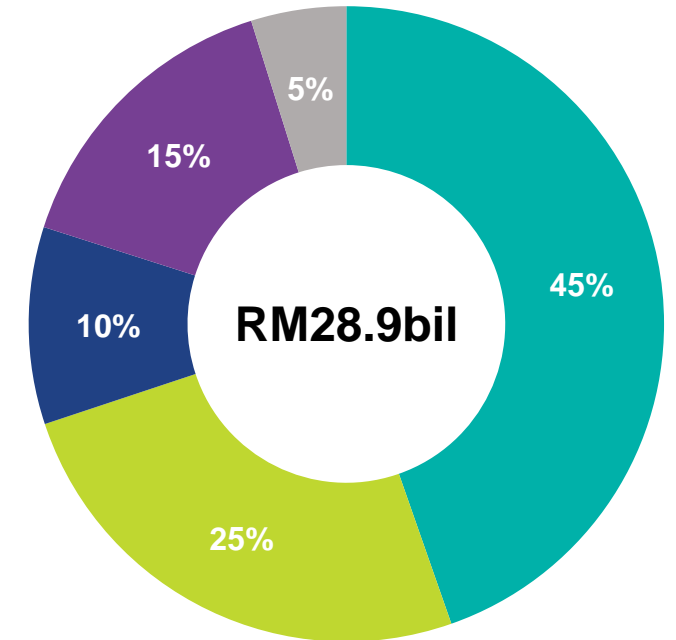
- Higher PAT due to effect of FOREX movement

# Segment Results

## PAT by Business Segments



1H 2018



1H 2019

■ Upstream ■ Gas & New Energy ■ Downstream ■ C&O ■ Inter-segment elimination



# Half Yearly Upstream Performance

## Focus Areas



11

**Projects** achieved **first Hydrocarbon**  
(9 Brownfields, 1 Greenfield, 1 Unconventional)



4

**Exploration** discoveries



**Digital Fields** deployment which provides **actionable insights** for enhanced field operations and management



4

**New PSC** signed + **2 Operatorship Transfer** in Malaysia



2

**Acquisition** of offshore blocks in Egypt

## Operational Performance

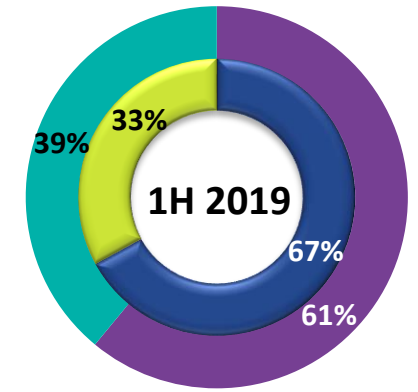
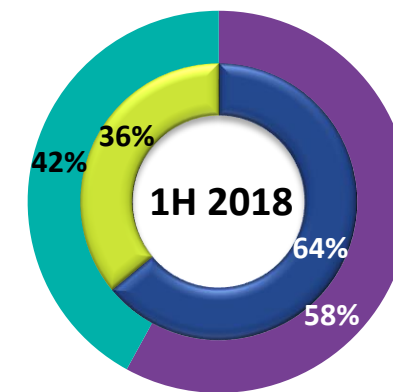
**Production**  
(kboe/d)

2,418



**Entitlement**  
(kboe/d)

1,757



■ Production Crude and Cond.    ■ Entitlement Crude and Cond.  
■ Production Natural Gas    ■ Entitlement Natural Gas

# Half Yearly Gas and New Energy Performance

## Focus Areas

Maximizing  
Cash  
Generator



PFLNG Satu Successful Relocation

**2** cargoes loaded from Keabangan in first half of 2019



**22** Years supply of steam and extension of current electricity by PETRONAS Gas Berhad to Polyplastic Asia Pacific Sdn. Bhd.

Expanding  
Core  
Business



Focus on customer centricity:

- 2** successful Gassing Up Cooling Down (GUCD)
- LNG break-bulking via ship-to-ship transfer in Malaysian waters

Stepping  
Out



**500** MW of solar capacity under operation and development with the acquisition of **Amplus Energy Solutions Pte Ltd.**



Pursuing domestic renewables capacity

## Operational Highlight

LNG Sales Volume  
(MMT)



5%

14.5

15.2

1H' 18

1H' 19

Overall Equipment Effectiveness  
(OEE)

97.9

98.2

1H' 19

1H' 18



# Half Yearly Downstream Performance

## Focus Areas



91.2%

Overall Equipment Effectiveness (OEE)



98.7%

Petrochemical Plant Utilisation<sup>1</sup> above **best-in-class**



7.7%

Increase in **retail business**, mainly contributed by higher sales in **Mogas**



1<sup>st</sup>

**Mobile refueling service** in Malaysia through the introduction of **ROVR**



1 mil

**Transactions** achieved for **SETEL**



99.7%

Progress of **Pengerang Integrated Complex** as at 30 June 2019



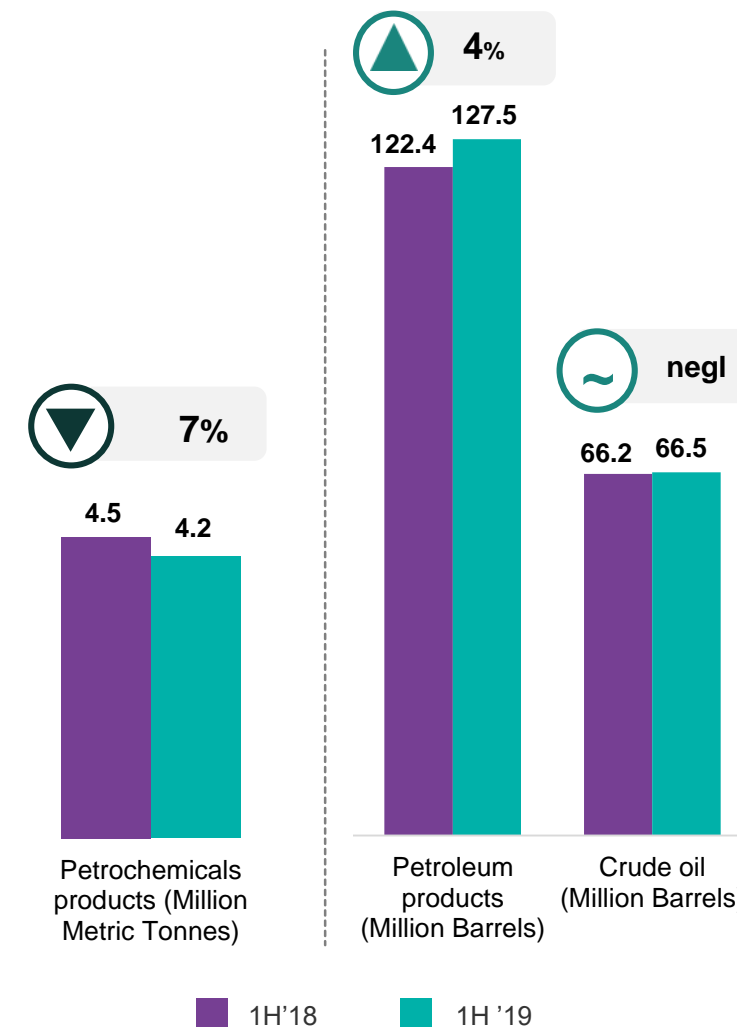
100%

**Completed the acquisition** of Da Vinci Group B.V. (Da Vinci).

of shares

<sup>1</sup> Plant Utilisation based on Nexant

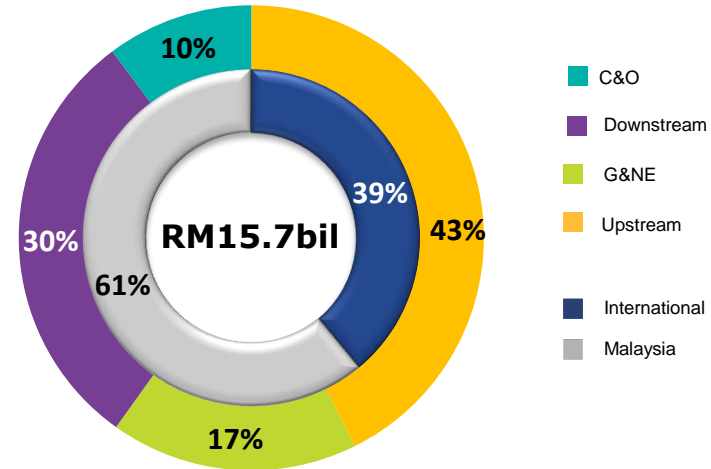
## Sales Volume



# Capital Investments and Group Costs

## Capital Investments

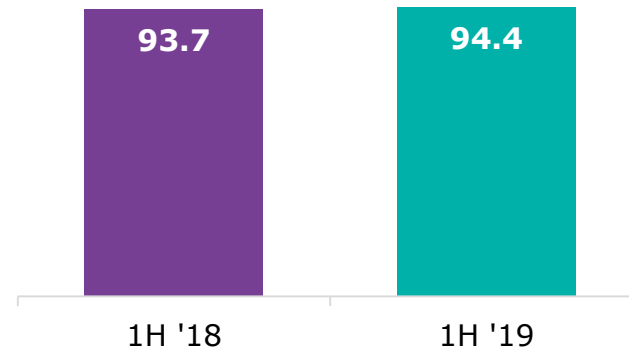
Half Yearly Capital Investments



- Full year spending in line with plans

## Group Costs<sup>1</sup>

RM Bil

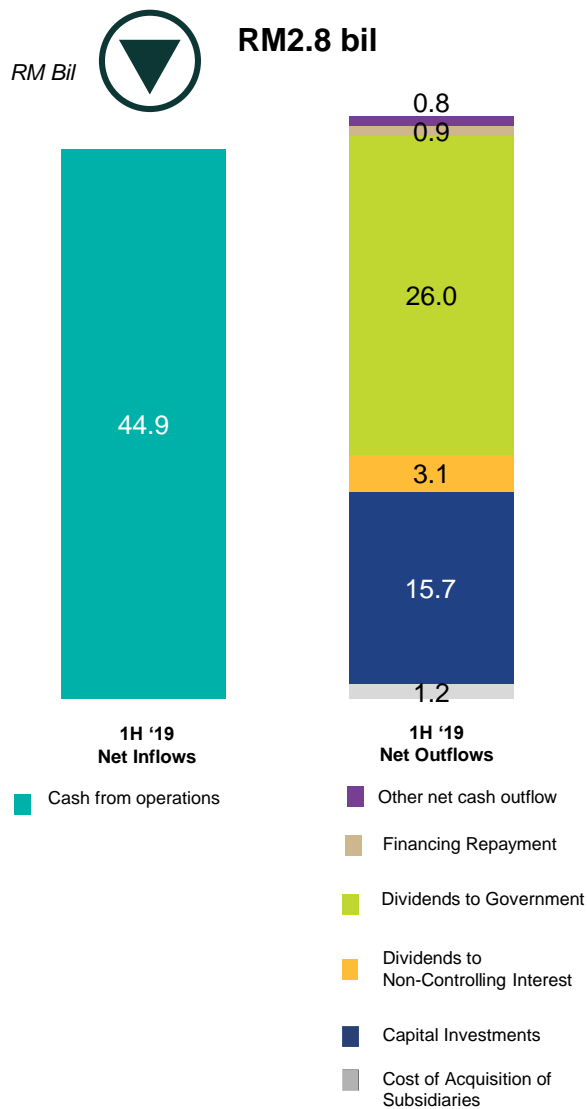


- Higher product costs incurred in tandem with higher sales volume

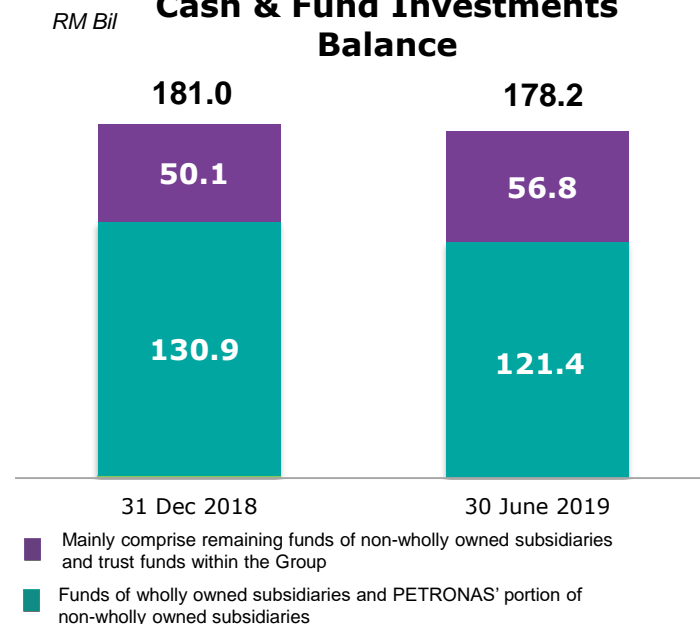
<sup>1</sup> Relate to costs charged to Income Statement only

# Other Financial Highlights

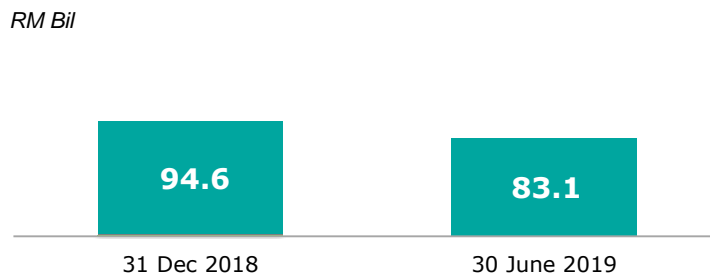
## Cash & Fund Investments



## PETRONAS Group Cash & Fund Investments Balance



## PETRONAS Holding Company Cash & Fund Investments Balance



12.4%

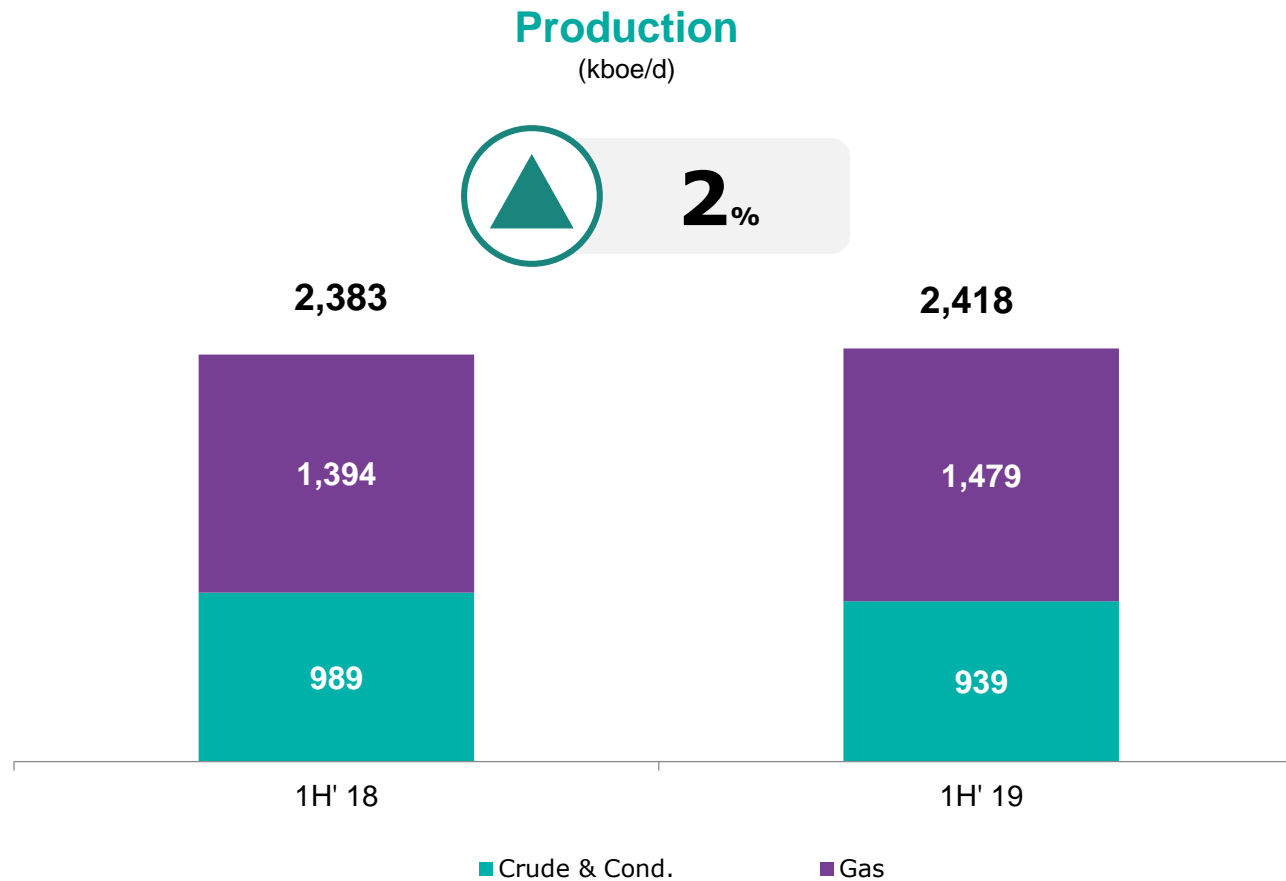
ROACE was higher in line with improved PAT

RM644.2B

Total assets increased to RM644.2b from RM636.3b as at 31 Dec 2018

# Upstream Business

# Half Yearly Operational Highlights



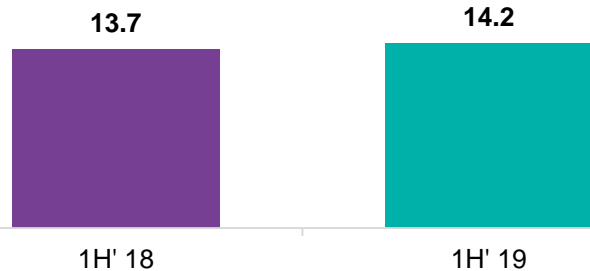
Higher production for 1<sup>st</sup> half of 2019 mainly attributable to higher gas production in Malaysia, partially offset by lower crude production from Iraq



# Gas and New Energy Business

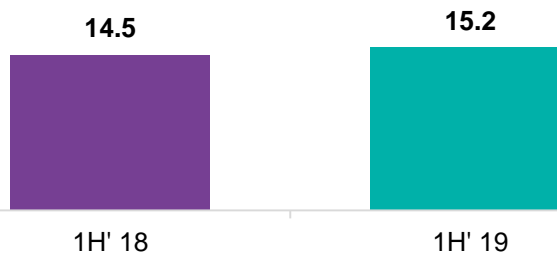
# Half Yearly Operational Highlights

## LNG Production (MMT)



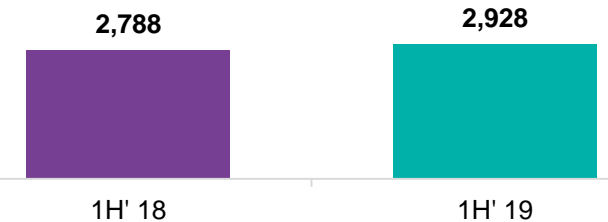
Higher LNG production for the first half of 2019 attributable to higher feedgas supply and better plant performance.

## LNG Sales Volume (MMT)



Total LNG sales volume for the first half of 2019 was higher mainly attributed to higher volume from PETRONAS LNG Complex ("PLC") and higher trading activities.

## Malaysia Average Sales Gas (mmscfd)

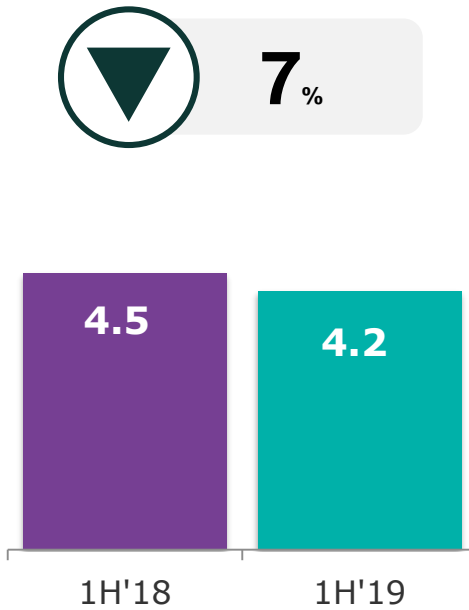


Malaysia average sales gas volume was higher mainly due to higher demand.

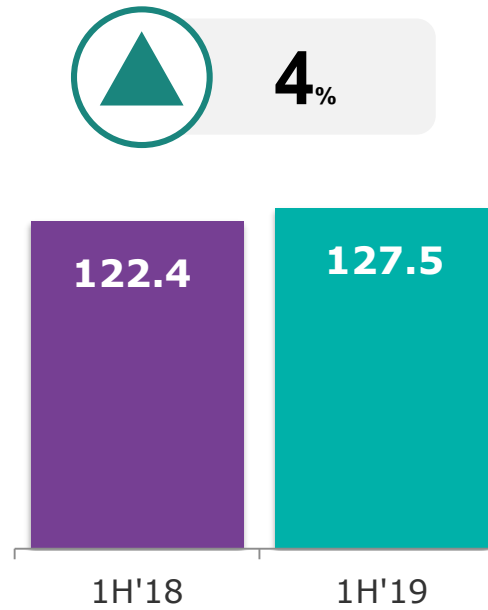
# Downstream Business

# Half Yearly Downstream Sales Volume

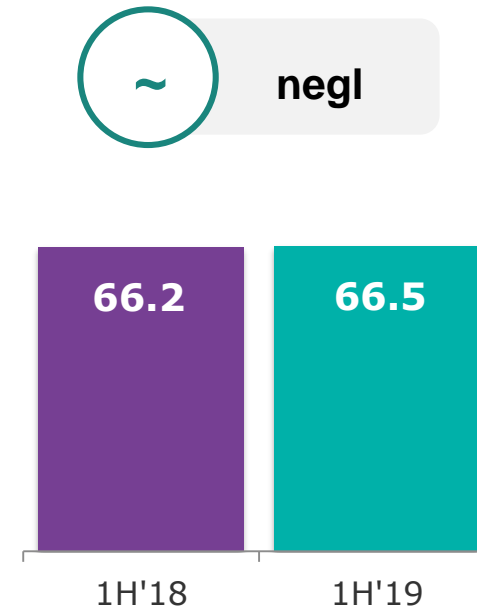
**Petrochemical Products**  
Mil Metric Tonnes



**Petroleum Products**  
Mil barrels



**Crude Oil**  
Mil barrels



Higher petroleum products sales volume contributed by better trading and marketing performance while petrochemical sales volume fell due to inventory buildup in anticipation of plant turnarounds in Q3 2019

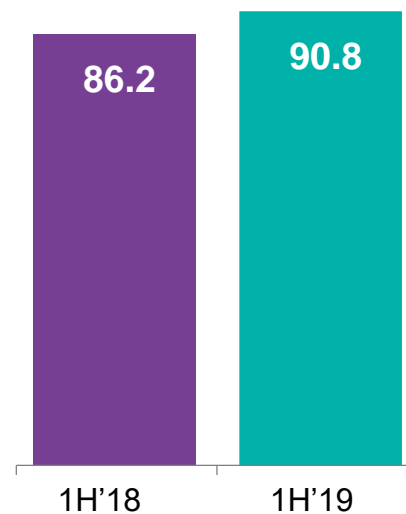
# Half Yearly Plant Utilisation

## Plant Utilisation (%)

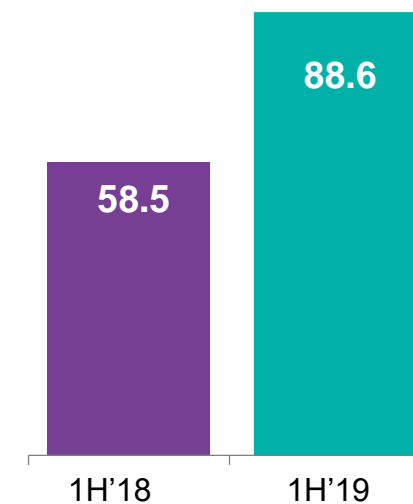
### Petrochemical Plants<sup>1</sup>



### Domestic Refineries



### International Refinery



Better utilisation across all segments following stable plant operations

<sup>1</sup> Plant Utilisation based on Nexant



Thank you for your passion!



PETRONAS