



PETRONAS

PETRONAS Group Financial Results Announcement

Quarter 4 and Year Ended FY2019

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FY2019 Key Features



Performance

4% 
in revenue to
RM240.3 billion

27% 
in net profit to
RM40.5 billion

6% 
in net profit to
RM47.8 billion
excluding identified items

- Lower earnings reported **amidst challenging market conditions**
- **Continued pressure** on **commodity prices** and **margins**
- Increase in **crude oil, gas production** and **LNG sales volume**
- Results demonstrated the Company's **resilience, fiscal discipline** and **emphasised efforts** in improving **operational excellence**

Progress of projects & CAPEX spending



PIC¹

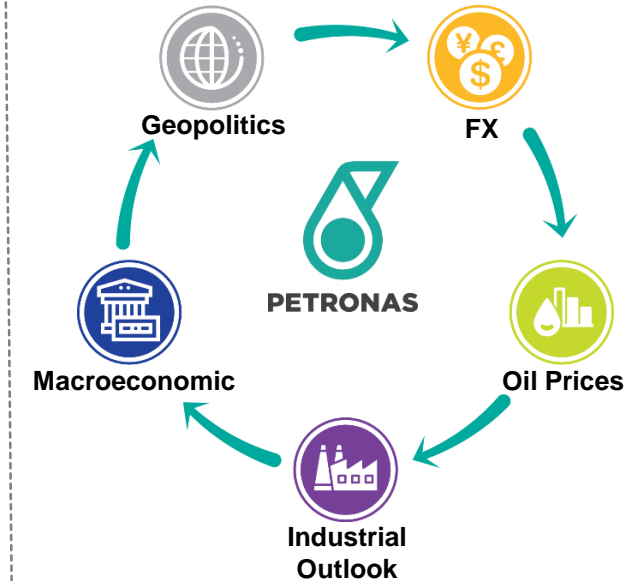
Is now **ready** to
fulfil the market demand

RM47.8 billion

CAPEX spending for FY2019

¹ Pengerang Integrated Complex (PIC)

Outlook



- Outlook for the oil and gas industry **remains bearish**:
 - **ongoing geopolitical uncertainties**
 - **prolonged trade tensions**
 - **near-term demand disruptions** (COVID-19 outbreak)
- Notwithstanding these challenges, PETRONAS will continue to **deliver operational excellence and growth strategies**
- The Board expects **FY2020 financial performance** to be **affected by these factors**

Cash flow from operations improved amidst challenging market conditions, enabling the Group to sustain its momentum for growth

Key Financial Indicators (RM bil)	FY2018	FY2019
Revenue	251.0	▼ 240.3
PAT	55.3	▼ 40.5
PAT excluding identified items	50.6	▼ 47.8
EBITDA	116.5	▼ 96.3
EBITDA Margin	46%	▼ 40%
CFFO	86.3	▲ 90.8
FCF	39.4	▲ 43.0
Capital investments	46.9	▲ 47.8



Dated Brent
(USD/bbl)

\$64.31



2018
\$71.04

JCC single-month¹
(USD/bbl)

\$66.58



2018
\$72.92

MYR/USD²

RM4.14



2018
RM4.03

Production³
(kboe/d)

2,406



2018
2,361

Entitlement⁴
(kboe/d)

1,751



2018
1,686

¹ Represents published price, not actualised price

² Average exchange rate

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

⁴ Represents PETRONAS Group's sales entitlement to Malaysia's production and PETRONAS Group's international sales entitlement volume

Group Financial Results

CFFO

5%

RM90.8 bil



FCF

9%

RM43.0 bil



Positive working capital changes

Capital Investment

2%

RM47.8 bil



Healthy CFFO and FCF driven by effective working capital management

FY2019

EBITDA
RM bil



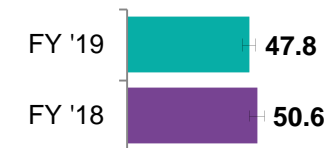
17%



PAT*
RM bil



6%

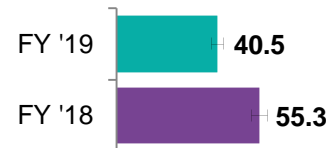


* Excluding identified items

PAT
RM bil



27%



Q4 2019
Y-o-Y

EBITDA
RM bil



39%



PAT*
RM bil



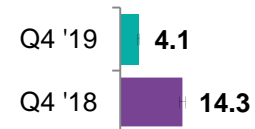
14%



PAT
RM bil



71%



Lower EBITDA in line with lower PBT

Excluding identified items, lower PAT was primarily due to lower prices, partially offset by the effect of FOREX translation

Net impairment on assets mainly arising from lower price outlook

Segment Results

Upstream

2%

2,406 kboe/d



Production

Gas & New Energy

6%

30.6 MMT



LNG sales volume

Downstream

2%

258.8 MMbbl

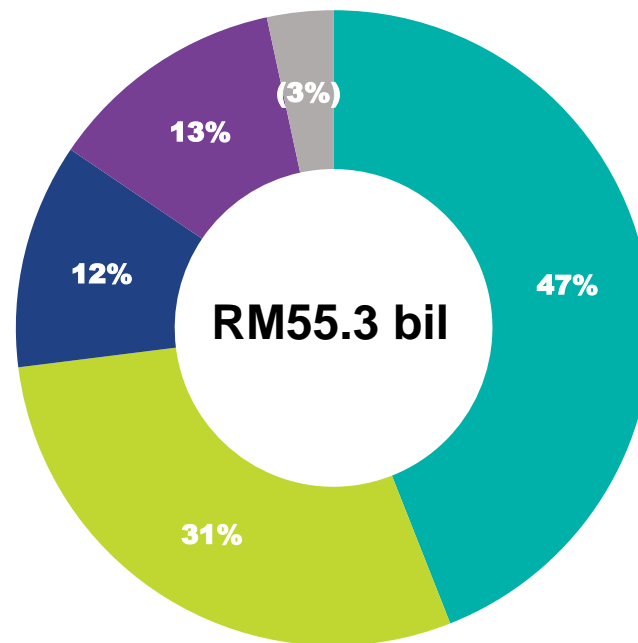


Petroleum products sales volume

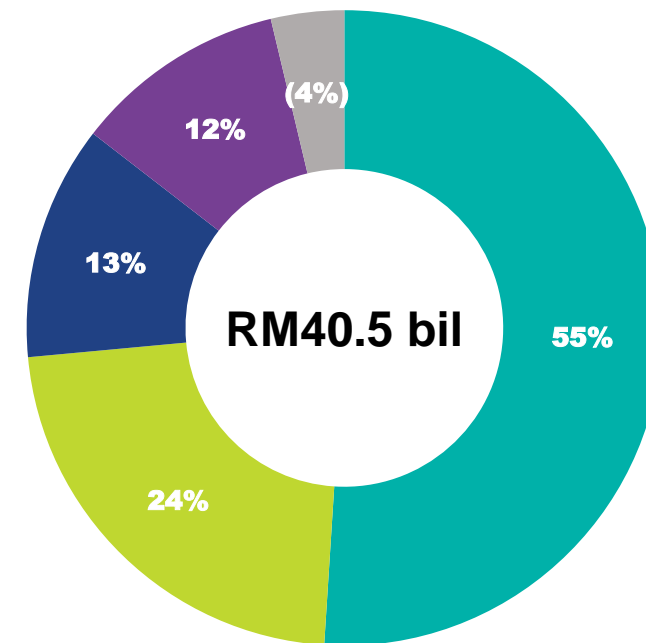


Upstream continues to be the biggest contributor to the Group's Profit After Tax

Profit After Tax by Business Segments



FY2018



FY2019

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

FY2019 Upstream Performance

Focus Areas



35

Projects achieved **first Hydrocarbon** including **unconventional** oil development in **Argentina** (30 Brownfield, 5 Greenfield)



11

Exploration discoveries with **2 significant gas discoveries** in Sarawak's SK410B Lang Lebah & Indonesia's Sakakemang Kaliberbau Dalam fields



47

Projects achieved **Final Investment Decision (FID)** including **Kasawari major gas development** project offshore Sarawak (42 Malaysia, 5 International)



28

Plug and abandonment (P&A) wells with **lower than benchmark cost**



1st

Relocation operation via one piece lift removal **without structural modification**, a first in the world, from *Ophir field Wellhead Platform to Jitang field*



6

New Production Sharing Contracts (PSCs) awarded in Malaysia



10

Acquisitions of offshore blocks in International (5 Brazil, 2 Egypt, 2 Gabon, 1 Indonesia)

Operational Performance

Production
(kboe/d)

2,406



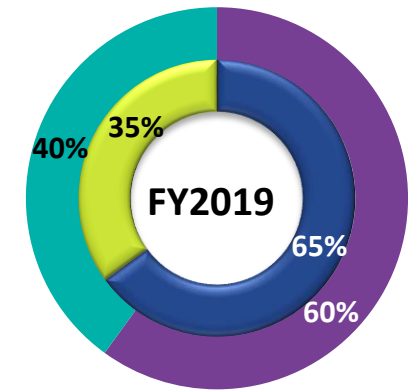
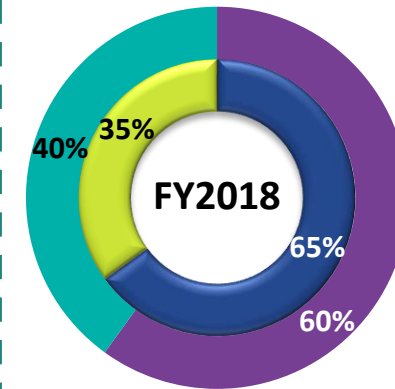
2018
2,361

Entitlement
(kboe/d)

1,751



2018
1,686



Production Crude and Cond.

Entitlement Crude and Cond.

Production Natural Gas

Entitlement Natural Gas

FY2019 Gas and New Energy Performance

Focus Areas



Maximising
Cash
Generator



10

LNG cargoes loaded following PFLNG Satu successful relocation to Keababangan



22

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



Expanding
Core
Business



2nd

Floating LNG successfully named as PFLNG DUA

8

successful Gassing Up Cooling Down (GUCD)

4

successful LNG ship-to-ship transfer in Malaysian waters

FID of Virtual Pipeline System (VPS) and LNG Bunkering



Stepping
Out



1st

PETRONAS' solar rooftop solution launched in Malaysia, known as M+ by PETRONAS

600

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



Pursuing domestic and international renewables capacity

Operational Highlight

LNG Sales Volume (MMT)



6%

28.9

30.6

FY' 18

FY' 19

Overall Equipment Effectiveness (OEE)

97.1

98.7

FY' 18

FY' 19

FY2019 Downstream Performance

Focus Areas

Operational Excellence



90.6%

Overall Equipment Effectiveness (OEE)



91.7%*

Sustained Petrochemical Plant Utilisation¹

Commercial Excellence



5.1%*

Increase in PDB sales volume, contributed by PETRONAS Primax 95 with Pro-Drive, Smartpay sales, and higher demand from commercial clients



12.4%*

Increase in PLI sales volume, contributed by base oil

Growth Delivery Excellence



Pengerang Integrated Complex is now ready to fulfil the increasing market demand for various products ranging from differentiated and specialty chemical

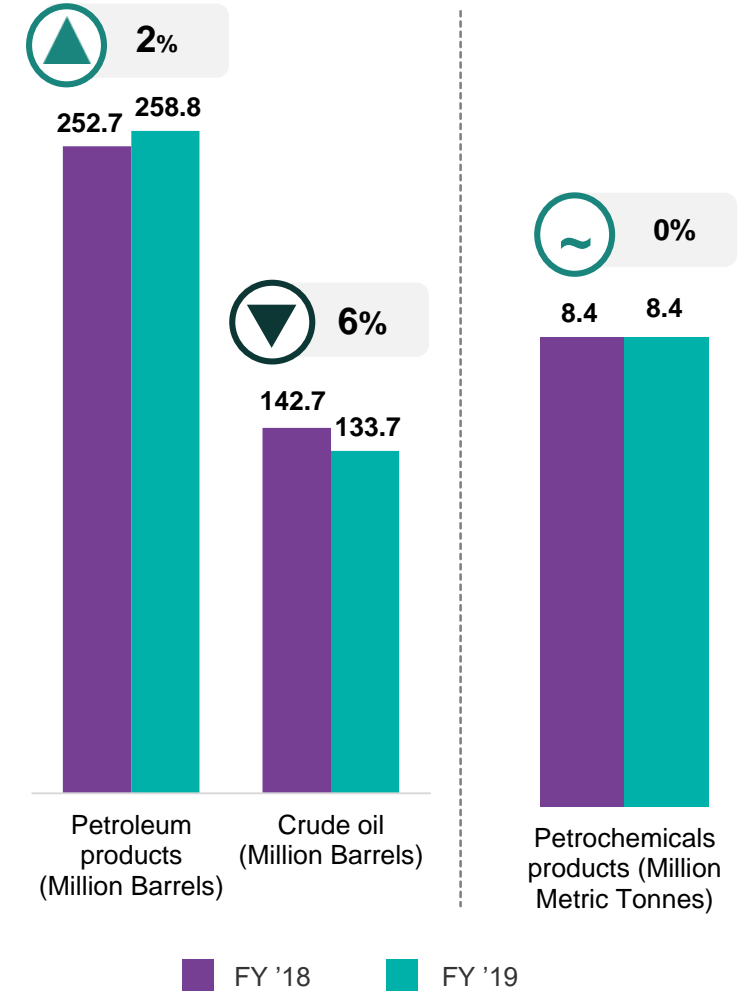


Improved features on SETEL which integrates payment gateways and loyalty benefits



Launched ROVR, the first mobile refuelling service in Malaysia

Sales Volume



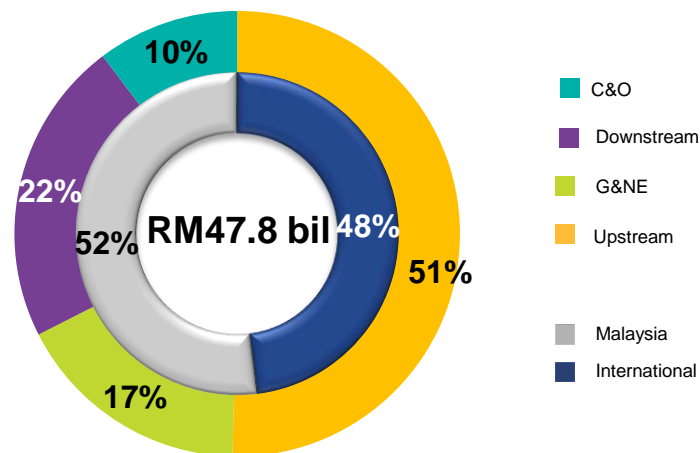
¹ Plant Utilisation based on Nexant

* Compared to SPLY 2018

Sustaining the growth momentum whilst continuing our focus on cost containment

Capital Investments

FY2019 Capital Investments



- CAPEX attributed to its core Upstream, Downstream as well as Gas and New Energy projects, in support of the Group's growth strategies

Group Costs¹

RM Bil



- Higher Group costs mainly due to identified items
- Group costs decreased on a cash basis, excluding non-cash adjustments

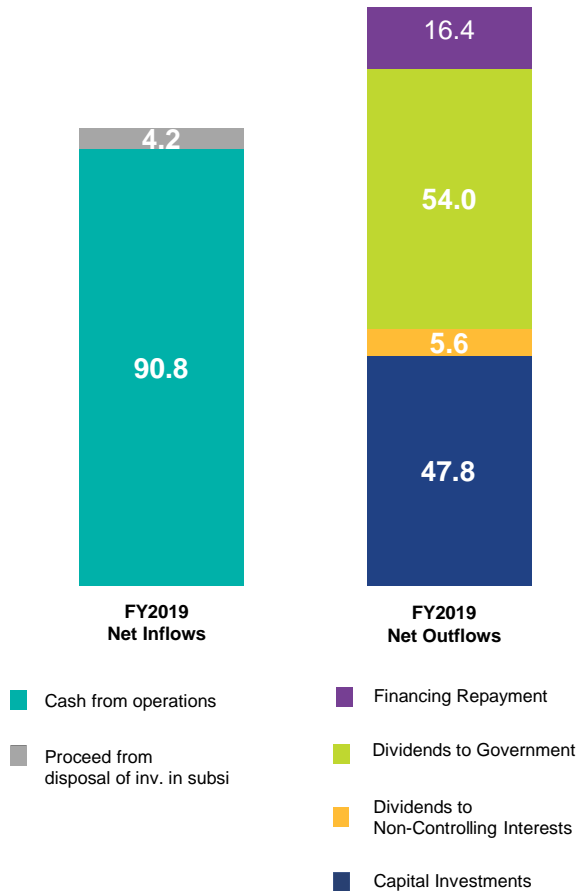
¹ Relate to costs charged to Income Statement only

Strong cash and fund investment balance of RM152.2 bil to support both operational requirements and fund future growth

Cash & Fund Investments

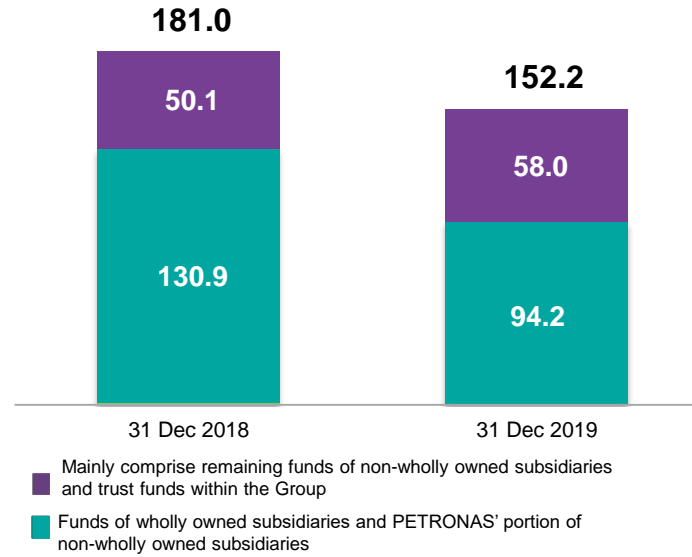
 **RM28.8 bil**

RM Bil



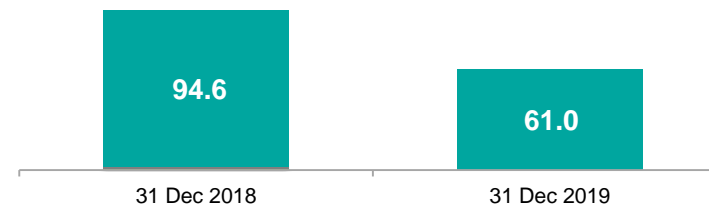
PETRONAS Group Cash & Fund Investments Balance

RM Bil



PETRONAS Holding Company Cash & Fund Investments Balance

RM Bil



RM81.6 bil

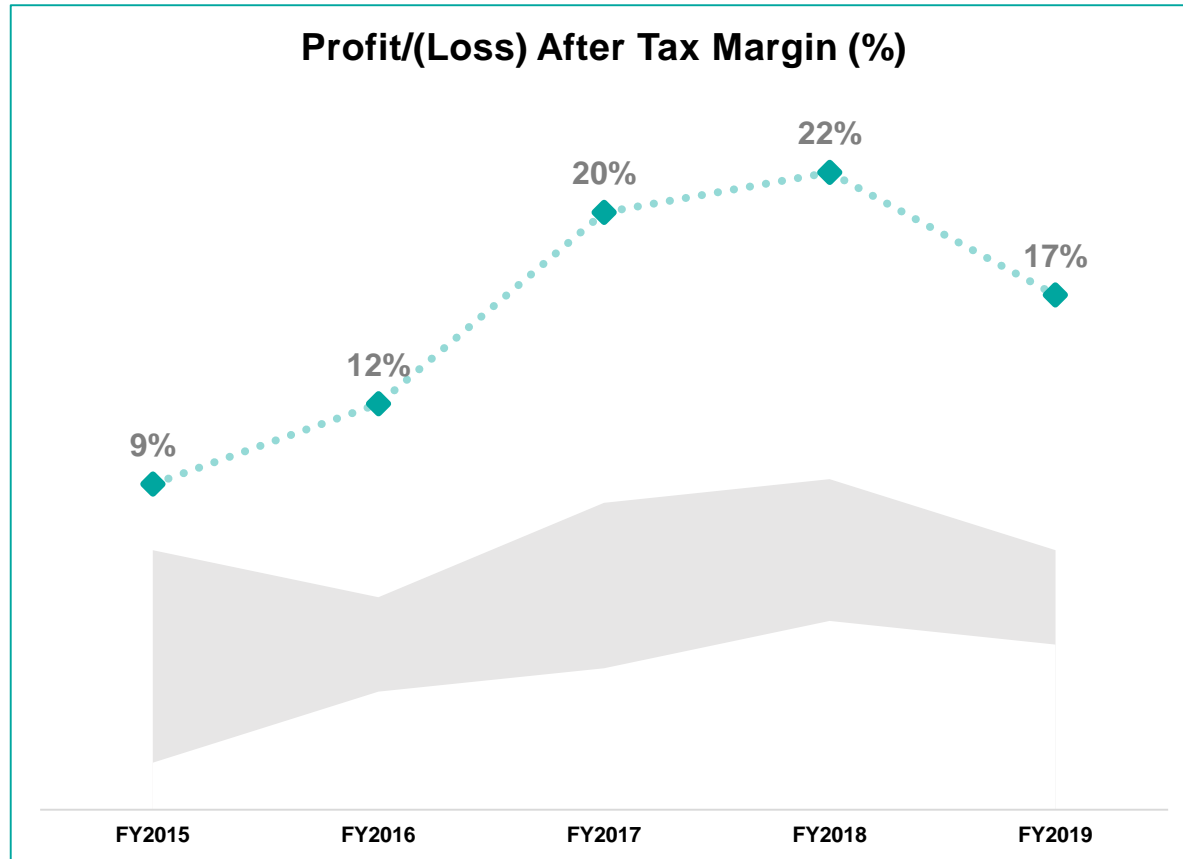
Robust net cash position
as at 31 Dec 2019



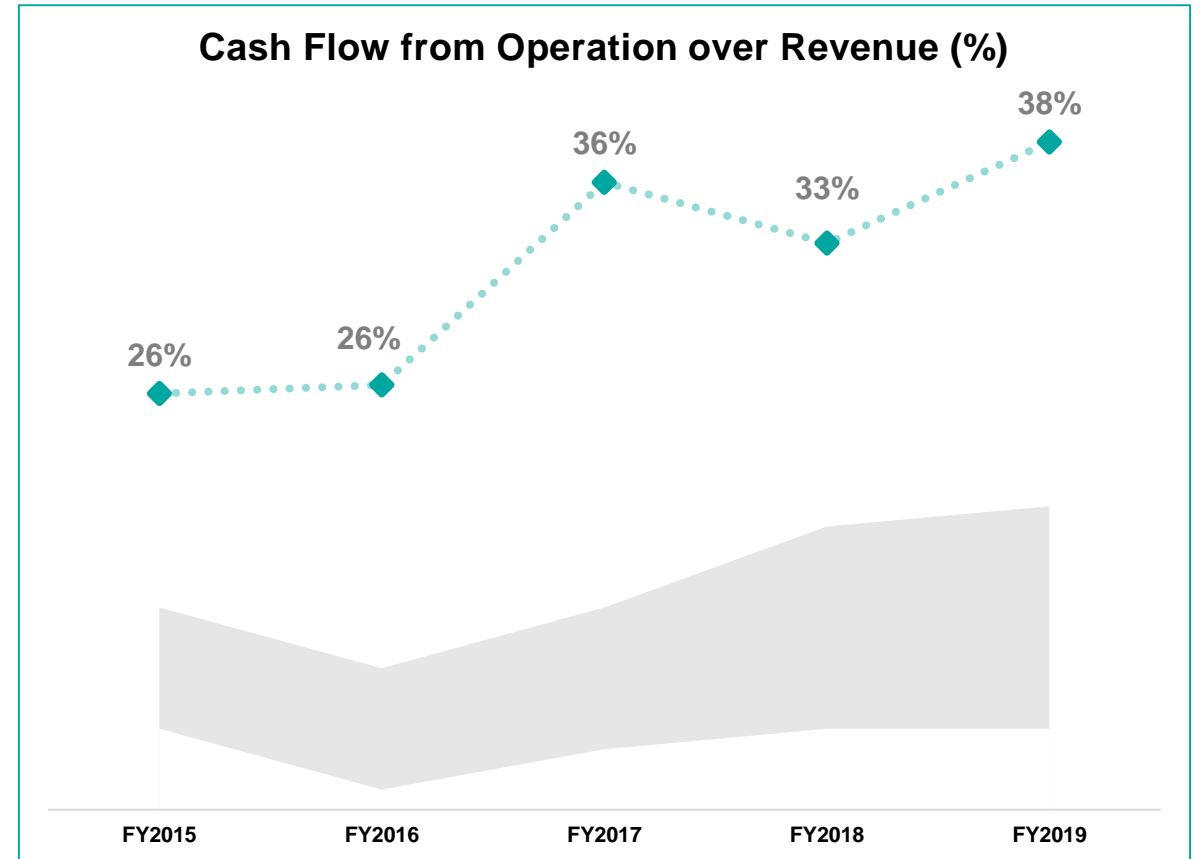
RM622.4 bil

Total assets decreased from
RM636.3bil as at 31 Dec 2018

Sustained highest PAT and CFFO margins over the years driven by our diversified portfolio and fully integrated business operations



..... PETRONAS ■ Peer Group



..... PETRONAS ■ Peer Group

Information on other oil companies were sourced from the respective Quarterly Announcements. PETRONAS Group is not responsible for errors or omissions contained in the information, and makes no representations as to the accuracy of the information. The user is cautioned that the chart which appears above may not be subject to accurate transmission in their entirety and is advised to read the information above in conjunction with the respective oil companies Quarterly Announcements.

Upstream Business

FY2019 Operational Highlights

Production

(kboe/d)



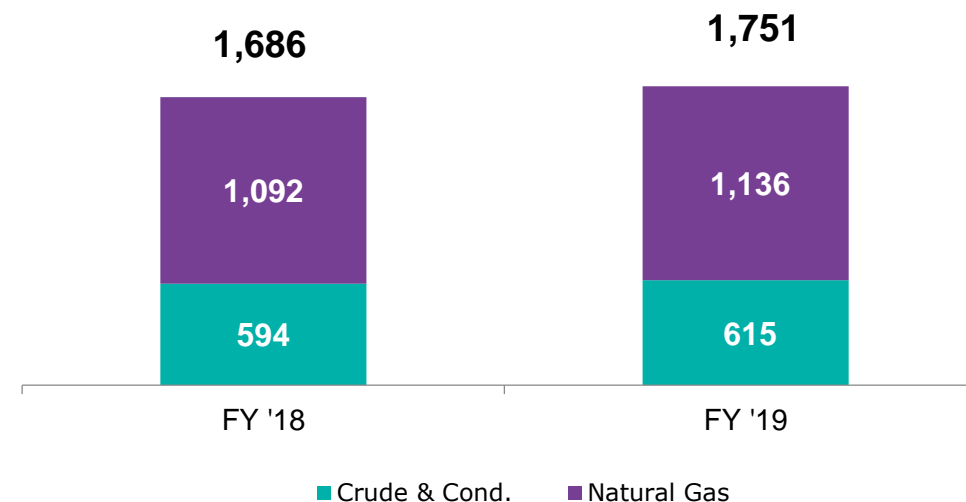
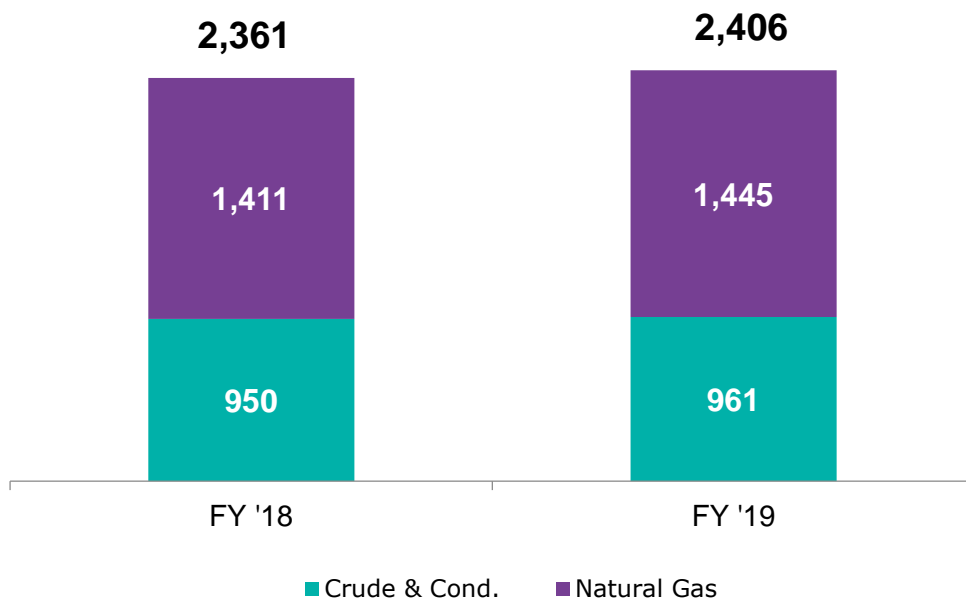
2%

Entitlement

(kboe/d)



4%

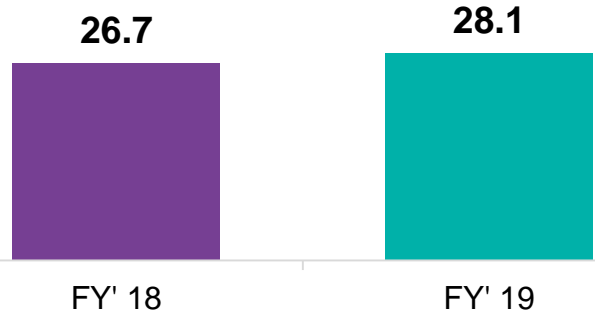


Higher production and entitlement for FY2019 mainly attributable to higher liquid production from international operations and higher natural gas production in Malaysia.

Gas and New Energy Business

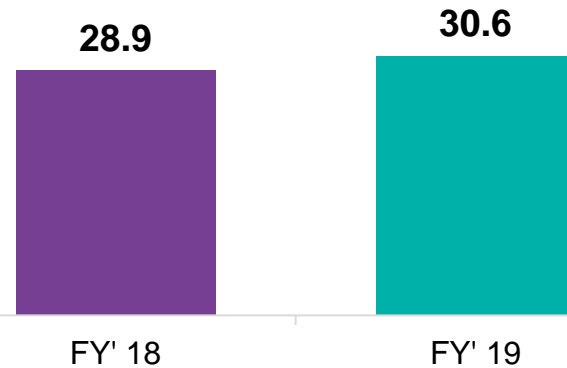
FY2019 Operational Highlights

LNG Production (MMT)



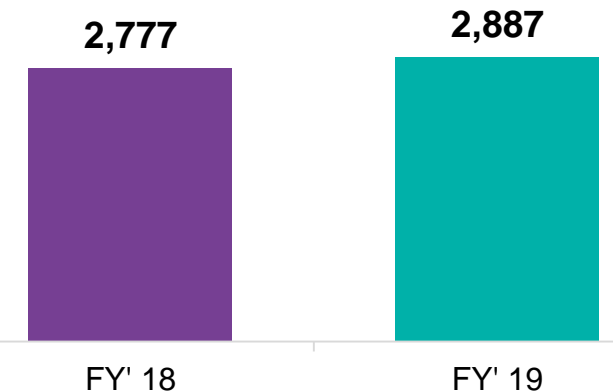
Higher LNG production for the year mainly attributed to higher feedgas supply and stable plant performance.

LNG Sales Volume (MMT)



Total LNG sales volume for the year was higher mainly attributed to higher volume from PETRONAS LNG Complex (PLC).

Malaysia Average Sales Gas (mmscfd)



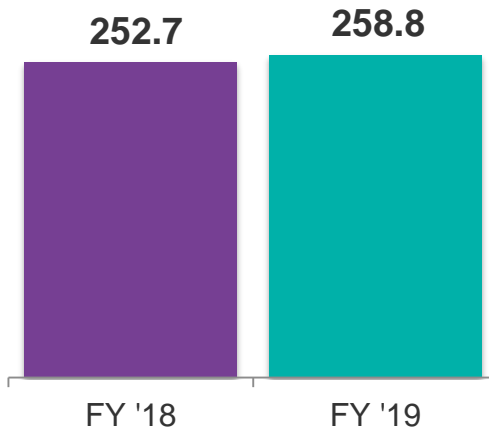
Malaysia average sales gas volume for the year was higher mainly due to higher demand.

Downstream Business

FY2019 Downstream Sales Volume

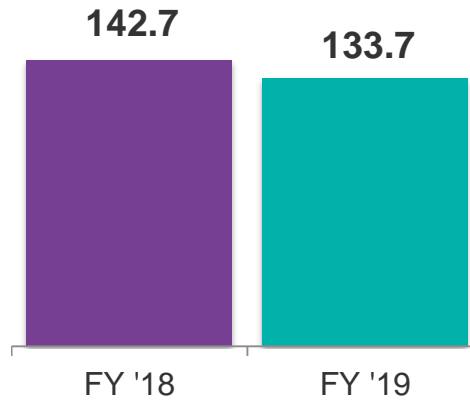
Petroleum Products

Mil barrels



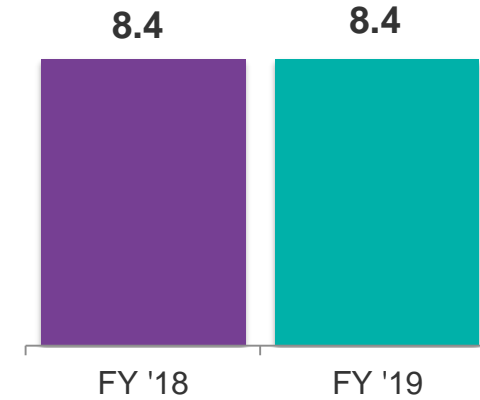
Crude Oil

Mil barrels



Petrochemical Products

Mil Metric Tonnes

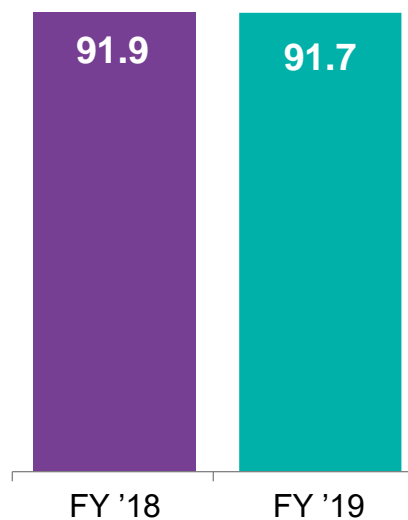


Higher petroleum products sales volume contributed by better trading and domestic marketing performance

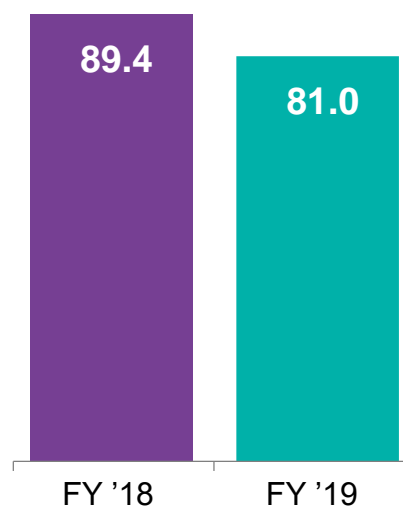
FY2019 Plant Utilisation

Plant Utilisation (%)

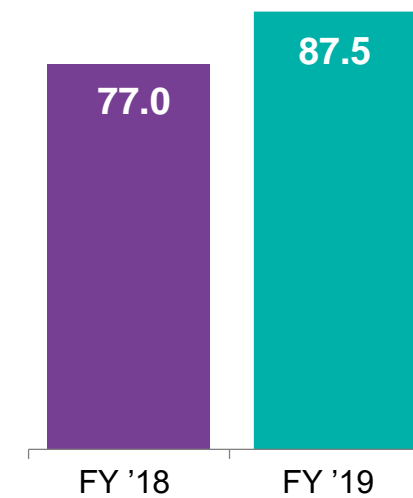
Petrochemical Plants¹



Domestic Refineries



International Refinery



Sustained plant utilisation despite heavy statutory turnaround activities at petrochemical plants and domestic refineries

¹ Plant Utilisation based on Nexant

Thank you for your passion!



PETRONAS