

# Group Financial Results and Position

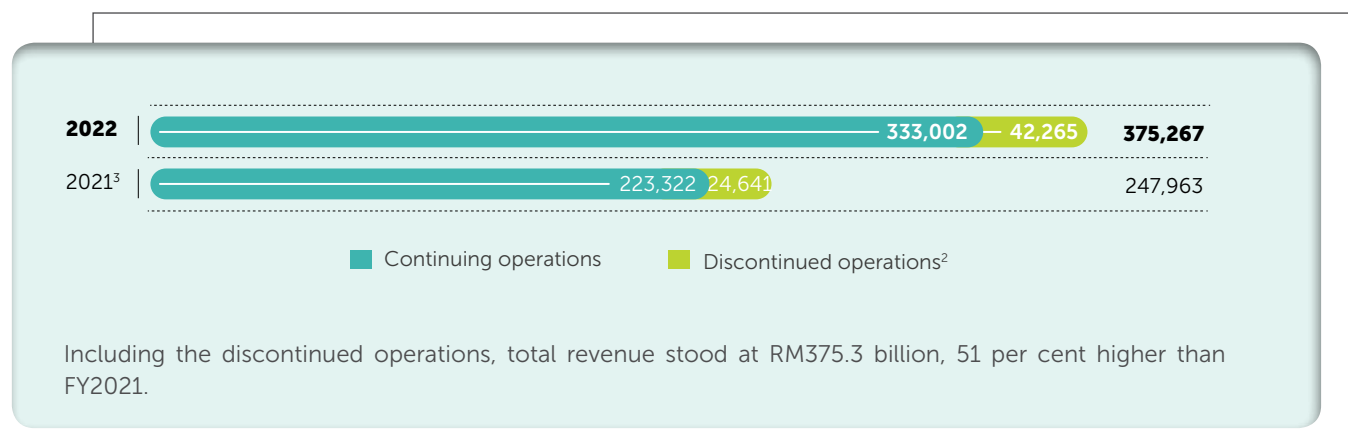
## Analysis of Financial Results

### Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

In RM million	Financial Year ended 31 December	
	2022	2021 <sup>3</sup>
<b>Continuing operations</b>		
Revenue	333,002	223,322
Cost of revenue	(178,502)	(137,831)
<b>Gross profit</b>	<b>154,500</b>	85,491
Selling and distribution expenses	(7,324)	(8,334)
Administration expenses	(13,888)	(10,558)
Net impairment (losses)/reversals <sup>1</sup>	(1,749)	4,711
Other expenses	(3,312)	(2,759)
Other income	7,723	4,338
<b>Operating profit</b>	<b>135,950</b>	72,889
Financing costs	(4,929)	(4,841)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	957	1,818
<b>Profit before taxation</b>	<b>131,978</b>	69,866
Tax expense	(34,173)	(20,211)
<b>PROFIT FOR THE YEAR</b>	<b>97,805</b>	49,655
<b>Discontinued operations<sup>2</sup></b>		
Profit for the year from discontinued operations, net of tax	3,813	1,214
<b>PROFIT FOR THE YEAR</b>	<b>101,618</b>	50,869
<b>Profit attributable to:</b>		
Shareholders of the Company	92,313	44,061
Non-controlling interests	9,305	6,808
<b>PROFIT FOR THE YEAR</b>	<b>101,618</b>	50,869

## Revenue

(RM million)



In RM million	Financial Year ended 31 December	
	2022	2021 <sup>3</sup>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net changes in fair value of equity investments at fair value through other comprehensive income (OCI)	(429)	639
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net movements from exchange differences	8,430	3,533
Cash flow hedge	2,999	(174)
Others	185	170
<b>Total other comprehensive income for the year, net of tax</b>	<b>11,185</b>	4,168
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>112,803</b>	55,037
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	100,926	47,279
Non-controlling interests	11,877	7,758
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>112,803</b>	55,037

Note 1: Excludes well costs and includes certain amount relating to write-back and write-off of other assets and loss on derecognition of financial assets measured at amortised cost.

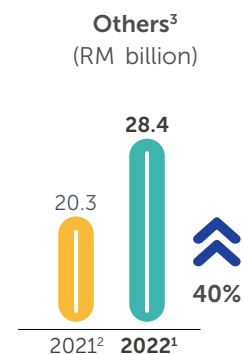
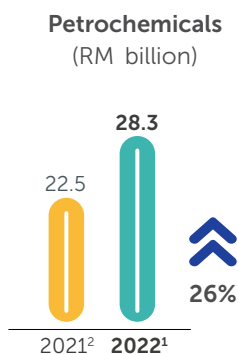
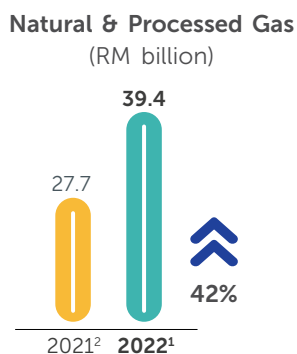
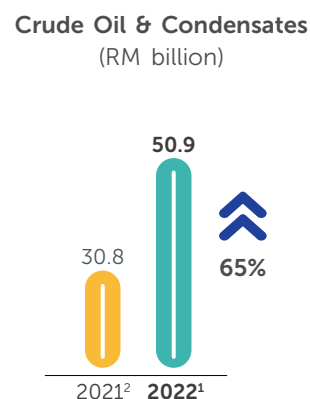
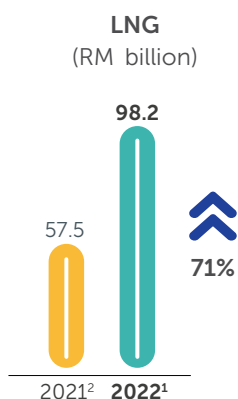
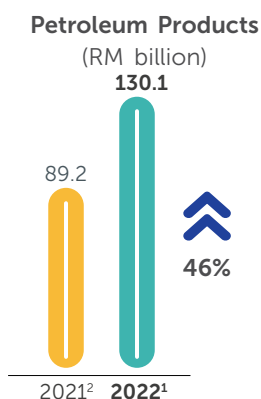
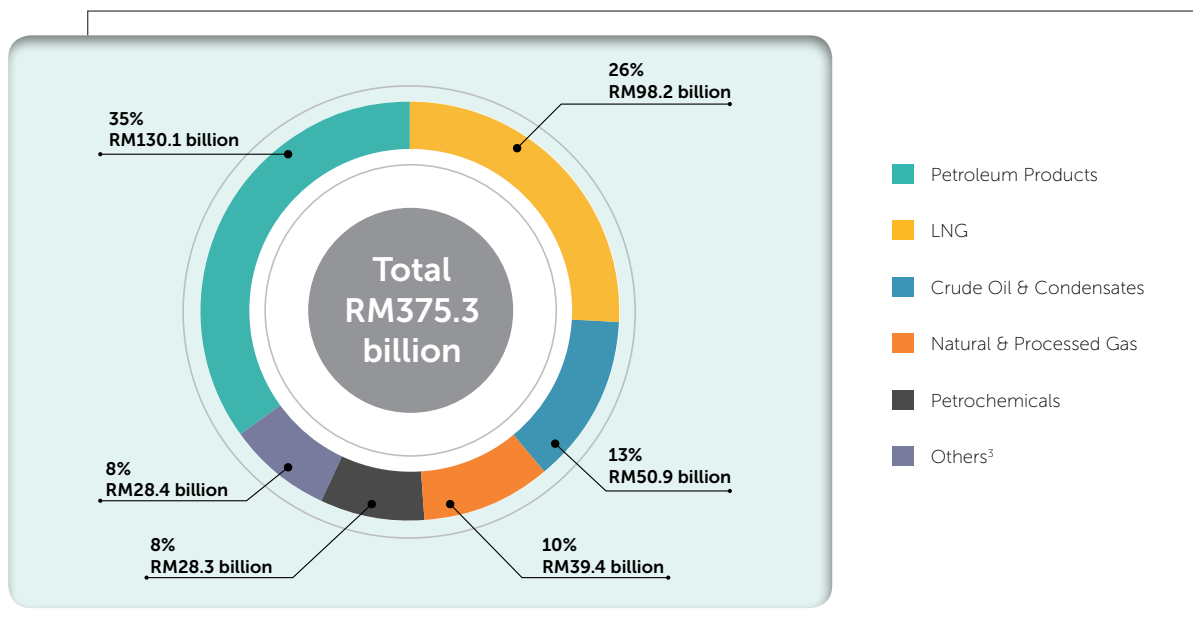
Note 2: Discontinued operations relate to intended disposal of Engen Group.

Note 3: Restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment- Proceeds before Intended Use).

## Group Financial Results and Position

### Revenue by Products

The Group's total revenue was RM375.3 billion, primarily contributed by petroleum products and LNG which accounted for 35 per cent and 26 per cent of revenue, respectively.



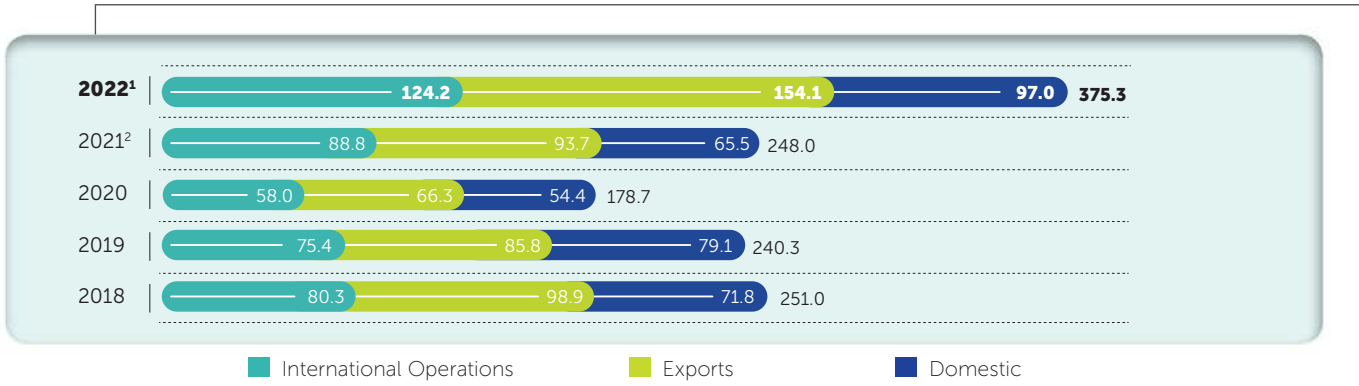
Note 1: All financial and operational results comprise continuing and discontinued operations. Discontinued operations relate to intended disposal of Engen Group.

Note 2: Restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment- Proceeds before Intended Use).

Note 3: Others comprise Property and Others; and Maritime and Logistics.

### Revenue by Geographical Trade

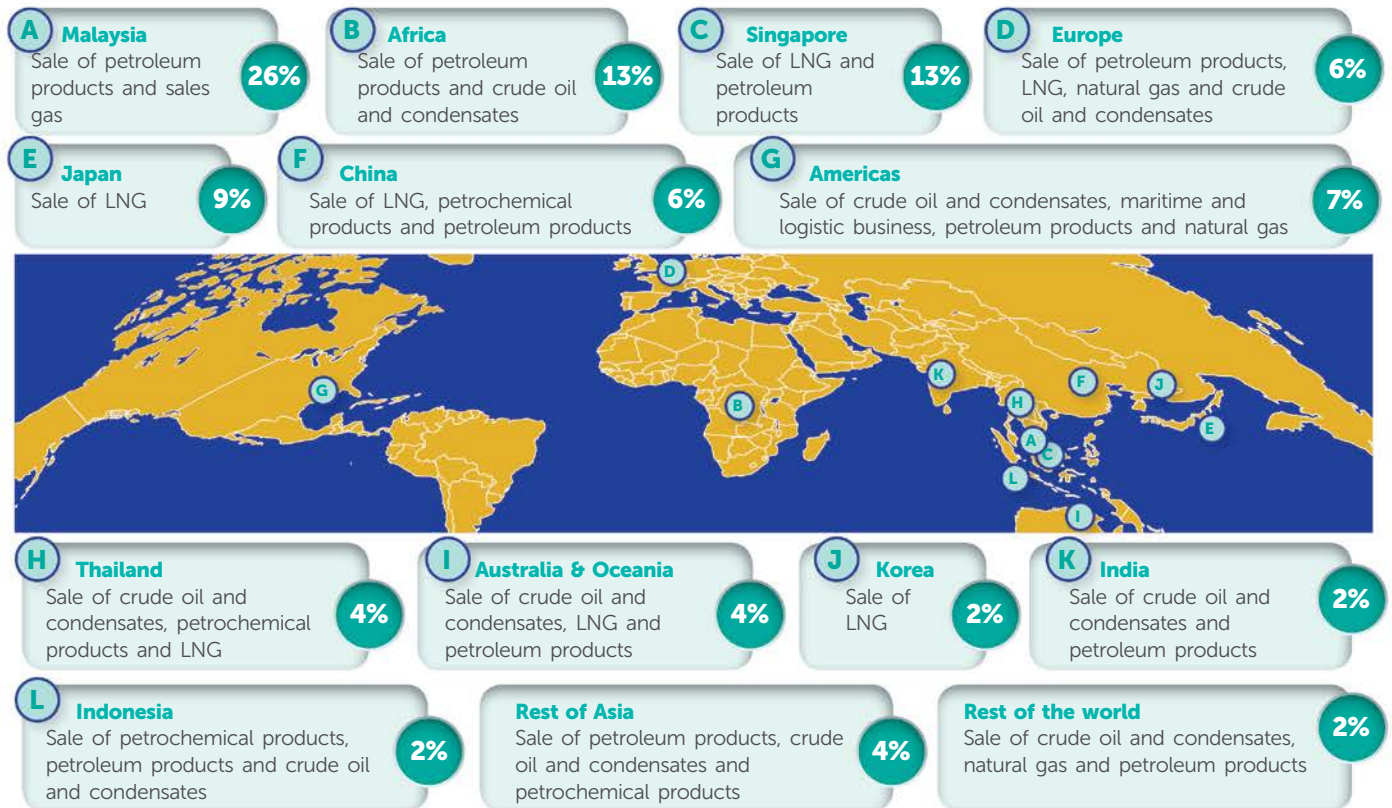
(RM billion)



- Export sales continued to be the highest contributor to the PETRONAS Group revenue which accounted for 41 per cent of the Group’s total revenue in FY2022.
- The higher export sales were contributed by higher sales volumes and upward trending of key benchmark prices for major products mainly LNG.
- Meanwhile, international operations revenue which contributed 33 per cent of the Group’s total revenue recorded an increase of 40 per cent as compared to the previous year, resulted from higher sales volume as well as upward trending of key benchmark prices mainly petroleum products.
- The higher domestic sales are mainly contributed by the higher key benchmark prices for major products namely petroleum products in line with the recovery in demand.

### Revenue by Geographical Segments<sup>3</sup>

Revenue from outside Malaysia, which included export and international sales, accounted for 74 per cent of the Group’s revenue, demonstrating PETRONAS’ strong global presence.



Note 1: All financial and operational results comprise continuing and discontinued operations. Discontinued operations relate to the intended disposal of Engen Group.

Note 2: Restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment-Proceeds before Intended Use).

Note 3: The revenue by Geographical segments are populated according to the customer’s location.

## Group Financial Results and Position

### Group Cost

(RM billion)



Group cost stood at RM280.7 billion, an increase against last year by RM78.7 billion, mainly due to higher product cost, cash payments and states sales tax in line with higher prices. Despite the increase in the Group's total costs, PETRONAS recorded a lower Group Cost to Revenue ratio of 75 per cent in FY2022 compared to 81 per cent in the previous year, demonstrating our effective cost management efforts. Some of the examples of the cost control measures that we undertook during the year include fuel consumption management and vessel optimisation.

In RM billion	Financial Year ended 31 December		
	2022	2021 <sup>2</sup>	Variance 2022 vs 2021
<b>Strategically Actionable Costs</b>	<b>226.9</b>	158.5	68.4
Product costs	<b>123.0</b>	81.9	41.1
Tax Expenses, Sales Tax & Duties and Cash Payments	<b>56.2</b>	33.6	22.6
Price-Sensitive Expense Items	<b>47.7</b>	43.0	4.7
Depreciation, Amortisation, Write-Off & Write-Down	<b>34.2</b>	34.6	(0.4)
Net Impairment on Assets	<b>2.6</b>	(2.2)	4.8
Others (Forex, Finance Cost, etc)	<b>10.9</b>	10.6	0.3
<b>Operationally Actionable Costs</b>	<b>53.8</b>	43.5	10.3
Production and transportation expense, purchase services, materials & supplies	<b>24.9</b>	20.5	4.4
Others (HR cost, rental, leases, utilities, G&A etc)	<b>28.9</b>	23.0	5.9
<b>TOTAL GROUP COSTS</b>	<b>280.7</b>	202.0	78.7
<b>Group Cost to Revenue Ratio (%)</b>	<b>75</b>	81	

Note 1: Group cost above relates to costs charged to Income Statement only.

Note 2: Restated for impact from adoption of Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment-Proceeds before Intended Use).

## Segment Earnings

Businesses across the value chain took bold choices and displayed operational resilience to capture market uptrend, which resulted in a solid financial performance for the year 2022.

- The Group operated three core businesses in FY2022, namely Upstream, Gas and Downstream.
- Corporate and Others which complements our core businesses, comprising primarily the maritime and logistics segment; property segment and central treasury; project delivery and technology division as well as the renewables, hydrogen and green mobility businesses.

