



PETRONAS GAS BERHAD

Analyst Briefing for Quarter Ended 31 March 2023

**Monday, 22 May 2023
6:00 - 7:00 p.m. (GMT+8)**

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Commercial



Izan Hajar Ishak

Head, Investor
Relations

Presentation Outline

- 01 KEY HIGHLIGHTS
- 02 BUSINESS UPDATES
- 03 FINANCIAL PERFORMANCE
- 04 Q&A



KEY HIGHLIGHTS

Business activities are picking up, and so is business spending

Covid-19 no longer a global emergency, says WHO



NATION

Tuesday, 09 May 2023

PETALING JAYA: More than three years after the declaration of a global emergency for Covid-19 and close to seven million lives lost worldwide, the World Health Organization (WHO) is now saying it is over.

Prof Dr Moy Foong Ming of Universiti Malaya's Department of Social and Preventive Medicine said that with hybrid immunity from a high vaccination rate and natural Covid-19 infection, public health measures in managing the pandemic, and less virulent variants, the public will be able to co-exist with the coronavirus and enter the endemic phase.

Covid-19 no longer a public health emergency, says Dr Zaliha



By R. SEKARAN

NATION

Monday, 08 May 2023 12:13 PM MYT

PETALING JAYA: Covid-19 is not a public health emergency of international concern anymore, says the Health Ministry.

Minister Dr Zaliha Mustafa said the Emergency Committee of the International Health Regulations (2005), which met in Geneva on May 4, had decided on the move.

Services producer price index up



ECONOMY

Tuesday, 09 May 2023



KUALA LUMPUR: Malaysia's services producer price index (SPPi) rose 3.4% year-on-year (y-o-y) to 114.7 points in the first quarter of 2023 (1Q23) from 110.9 points in the same quarter last year as most sub-sectors recorded an increase of prices during the quarter under review.

Chief statistician Datuk Seri Mohd Uzir Mahidin said among the sub-sectors, the accommodation and food and beverage (F&B) service activities increased 8.3% y-o-y in 1Q23 from 8% y-o-y in 4Q22 due to the increase in restaurants and mobile food service activities which rose 9.8%.

GDP forecast for 2023 revised upward to 4.2%



ECONOMY

Wednesday, 17 May 2023

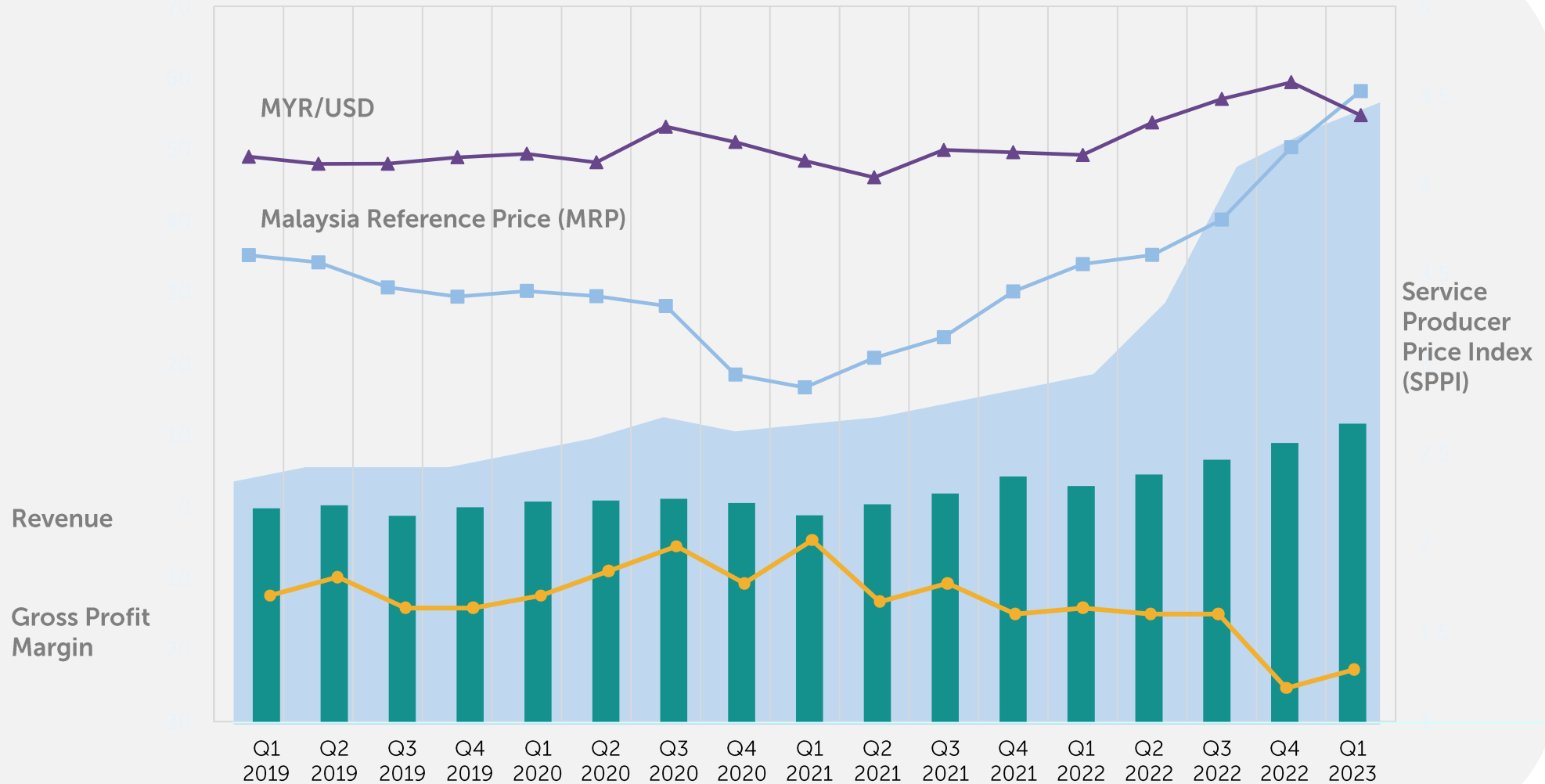


BMI said Malaysia's Q1 GDP performance was well above consensus and its own expectations of 4.8%. — Reuters

PETALING JAYA: BMI, a Fitch Solutions company, has raised the forecast for Malaysia's real gross domestic product (GDP) growth to 4.2% this year from 4% previously, following the better-than-expected 5.6% expansion in the first quarter (1Q).

The research company said Malaysia's 1Q performance was well above consensus and its own expectations of 4.8%.

High-cost environment persisted and expected to remain



Source: Department of Statistics Malaysia, PEGT Website: <https://www.petronas.com/pegt>

Key Highlights

- **Sustained world class operational performance** leveraging on digitalisation and people
- **Higher revenue** despite **lower RP2 tariffs**, supported by **higher Utilities product price**
- **Utilities cost** affecting **Group gross profit margin**
- **Healthy cash balance** to support growth projects
- Interim **dividend** of **16 sen** per share



Financial Snapshot

Performance (RM Mil)	Q1 2023		Q1 2022
Revenue	1,675	▲ 15%	1,458
Gross Profit	547	▼ 11%	612
Profit After Tax	448	▲ 2%	438
EBITDA	787	▼ 4%	823
Earnings per share (sen)	21.44	▲ 3%	20.75
Dividend per share (sen)	16.00		16.00

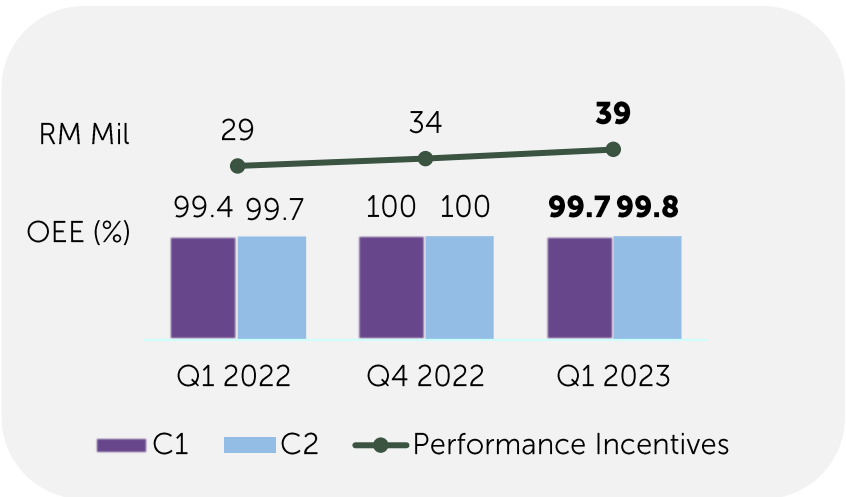




BUSINESS UPDATES

Gas Processing

Sustained strong OEE, demonstrating commitment in ensuring security of product supply to customer



OEE : Overall Equipment Effectiveness
 TCOT: Terengganu Crude Oil Terminal

Operational Excellence

≈100% OEE

Stable for both C1 (Salesgas) and C2 (Ethane)

≈ 100% Reliability

Ensure steady delivery to customers

Performance incentives at RM39 million

Predictive analytics contributed to high level efficiency, resulting in higher incentives

Segment Updates



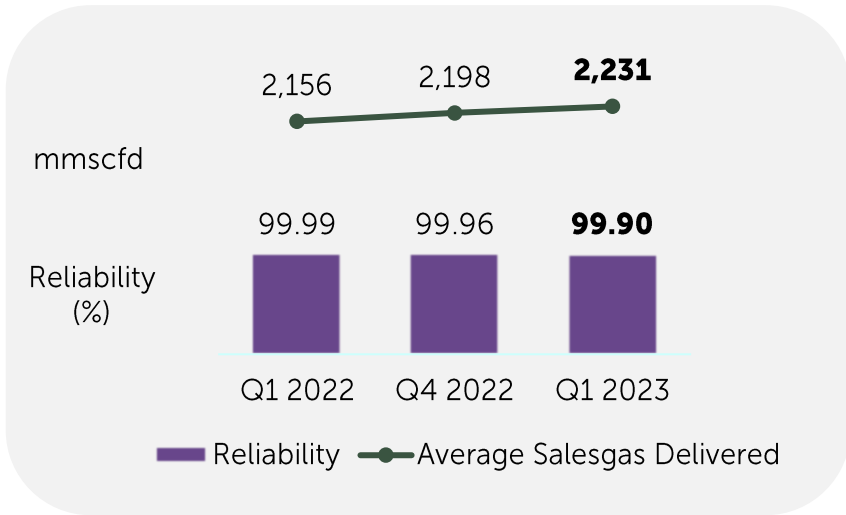
TCOT Off-Gas Rerouting Project

Progressing slightly behind schedule, with minimal impact to business



Third Term GPA negotiation with PETRONAS

Negotiate favourable key terms to ensure fair return on our assets amidst the challenging environment



Operational Excellence

≈ 100% Reliability
Sustained reliability

2,231 mmscfd

Average salesgas delivered in Q1 2023

New RP2 tariffs effective 1 Jan 2023

PGU at RM1.061/GJ

PGU II Sector 3 at RM1.614/GJ

Segment Updates



42km pipeline extension to Pulau Indah, Selangor

Progressing within schedule, target gas-in by June 2023



New gas compressor station in Kluang, Johor

Progressing slightly behind schedule, with minimal impact to business

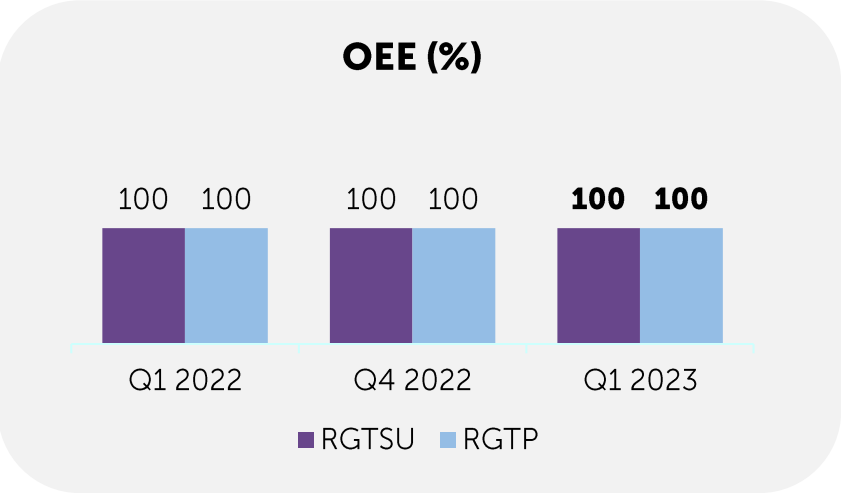


10 km pipeline extension to Banting, Selangor

Progressing within schedule, target to gas-in by August 2023

Regasification

Sustained full capacity payment supported by strong operational performance at both regasification terminals



OEE : Overall Equipment Effectiveness
RGTSU : LNG Regasification Terminal Sungai Udang
RGTP : LNG Regasification Terminal Pengerang

Operational Excellence

100% OEE
Sustained at both RGTSU and RGTP

15 Cargoes received in Q1 2023
3 cargoes at RGTSU and 12 cargoes at RGTP

New RP2 tariffs effective 1 Jan 2023
RGTSU at RM3.455/GJ RGTP at RM3.165/GJ

Segment Updates

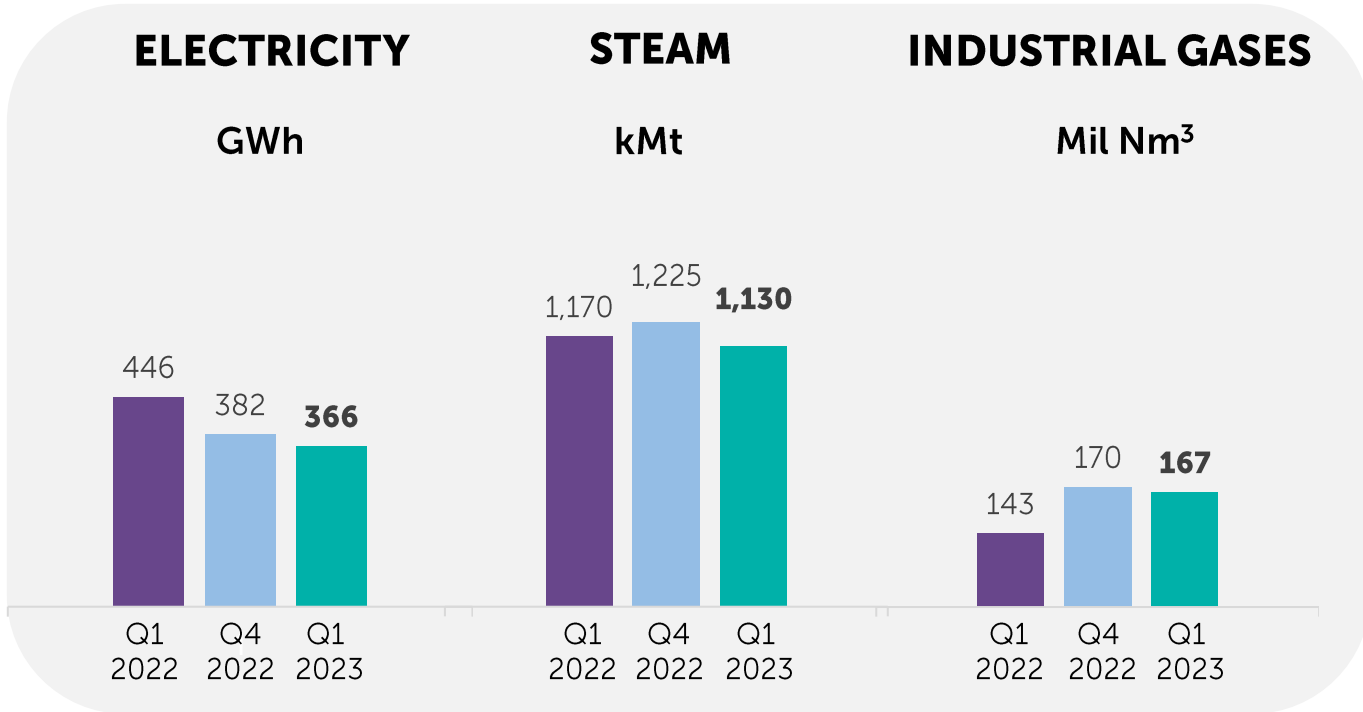


Regasification Terminal Remote Operation Centre
Remote monitoring from Unified Operation Centre in Segamat to enhance safety, flexibility and agility in monitoring plant conditions



LNG storage expansion at Pengerang
Target Final Investment Decision by H2 2023

100% Product Delivery Reliability on the back of lower demand for Electricity and Steam



Operational Excellence

100% Product Delivery Reliability for Electricity and Steam

Lower electricity and steam volumes year-on-year

Lower offtake from customers

Segment Updates



Electricity and Utilities Contract Renewals

All contract renewals executed



Imbalance Cost Pass Through (ICPT)

Engage government to ensure the ICPT surcharge is extended beyond June 2023

Projects

Continuously investing in growth projects to enhance revenue and expand asset base

PLANNED TIMELINE

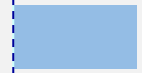
Gas Processing

TCOT Off-Gas Rerouting (S)



Gas Transportation

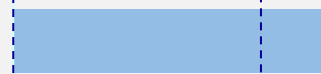
Lateral Gas Pipeline to Pulau Indah (G)



Lateral Gas Pipeline to Banting (G)



New Kluang Compressor Station (G)



Utilities

Sipitang Power Plant (G)



2023

2024

2025

2026

Projects in Pipeline



LNG storage expansion at Pengerang



Power generation opportunities



Integrated utilities solution in industrial parks



Role/investment in carbon capture and storage value chain



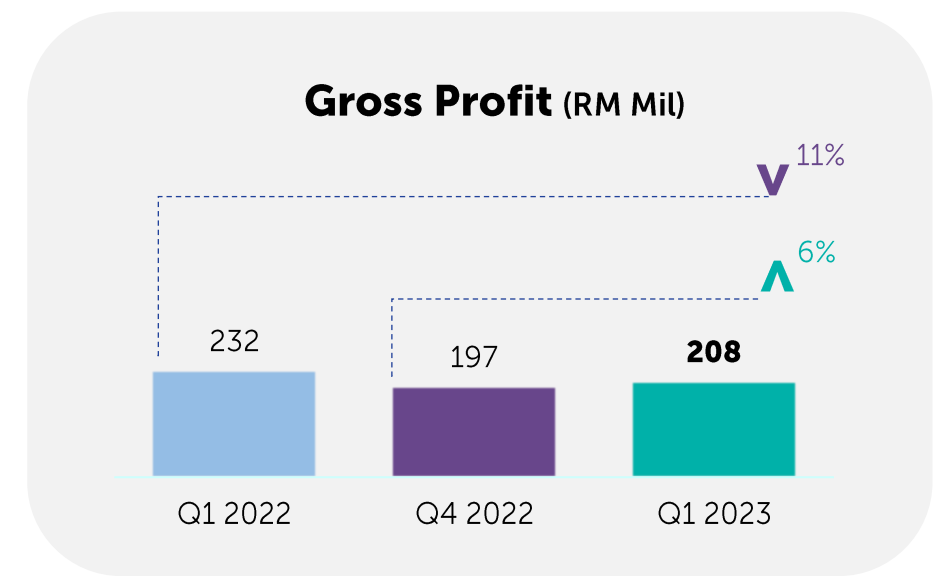
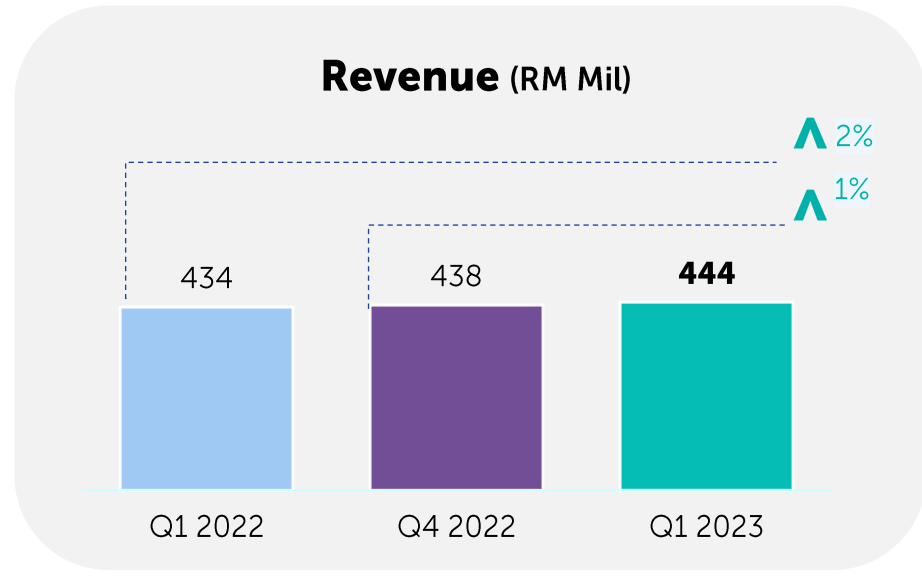
(G) Growth project
(S) Sustenance project

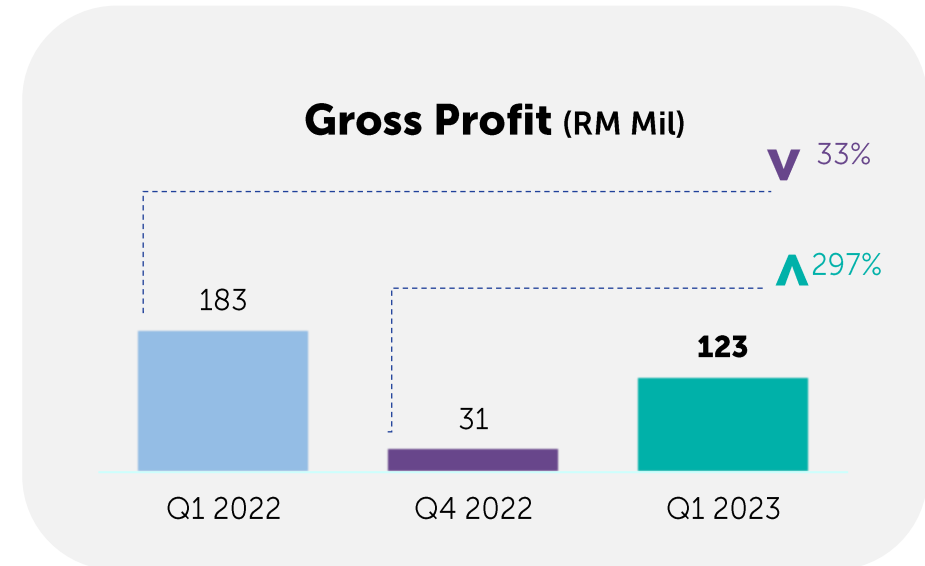
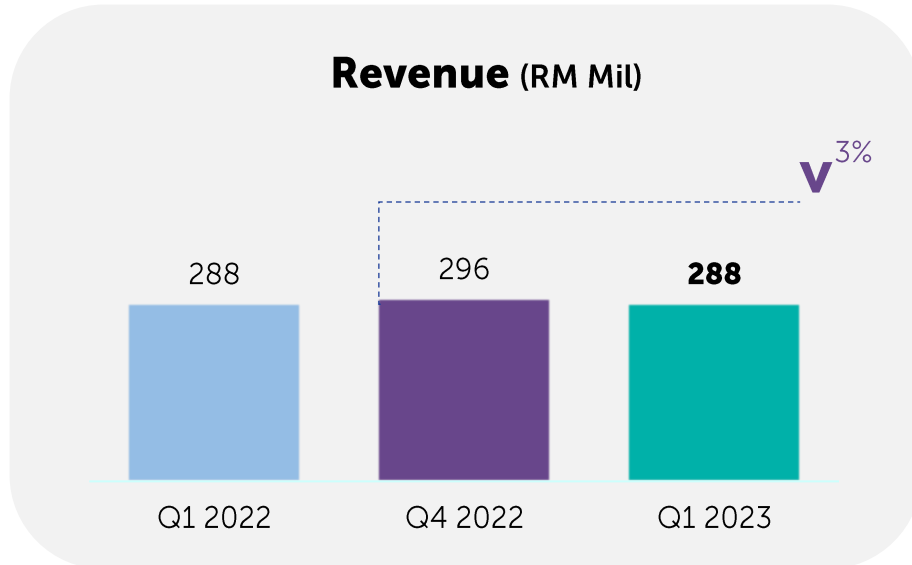
TCOT : Terengganu Crude Oil Terminal
PGU : Peninsular Gas Utilisation
PCC OM : PCC Oxylalkylates Malaysia



FINANCIAL PERFORMANCE

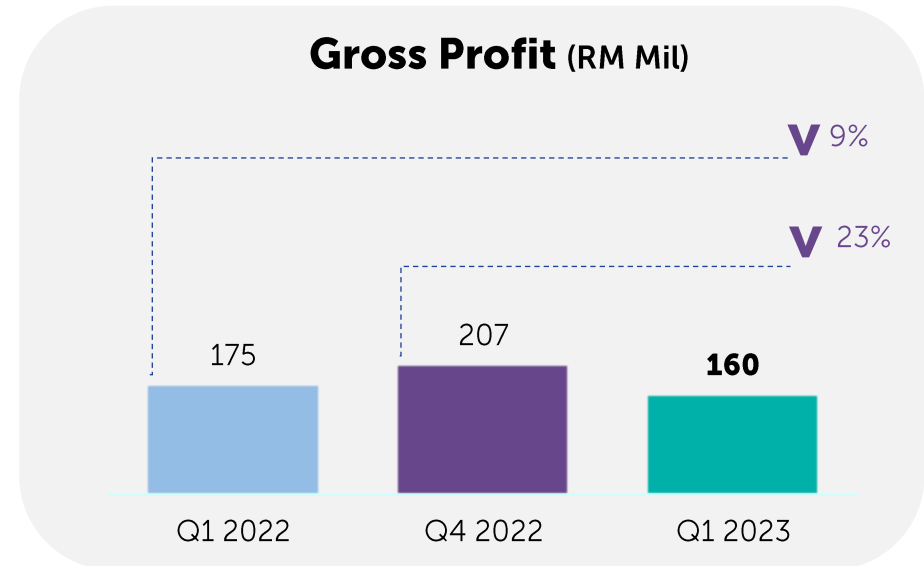
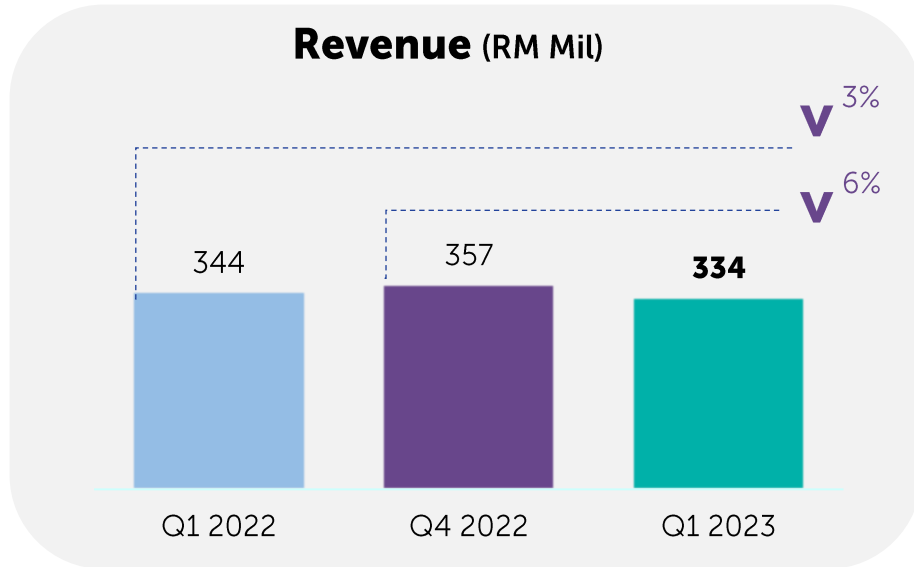
Higher internal gas consumption incentive achieved year-on-year, amid higher operating expenses

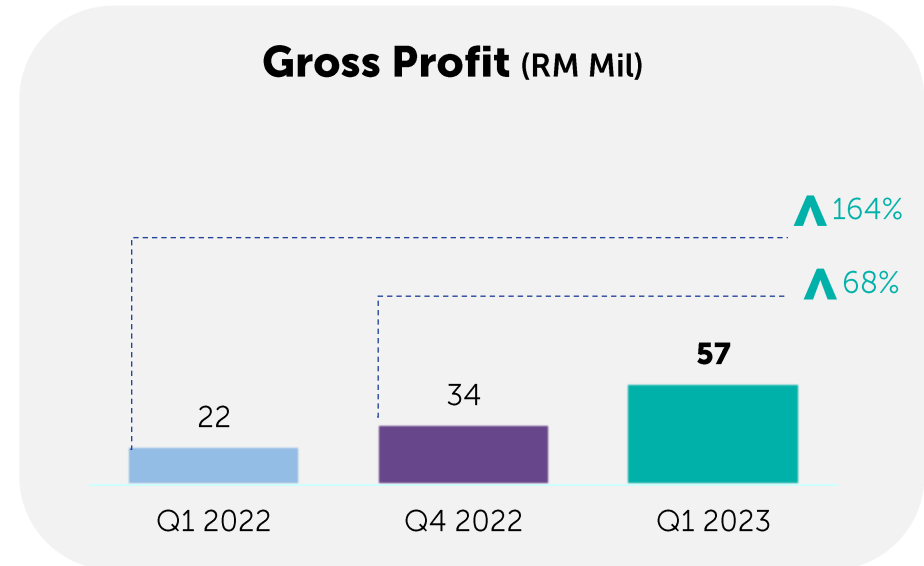
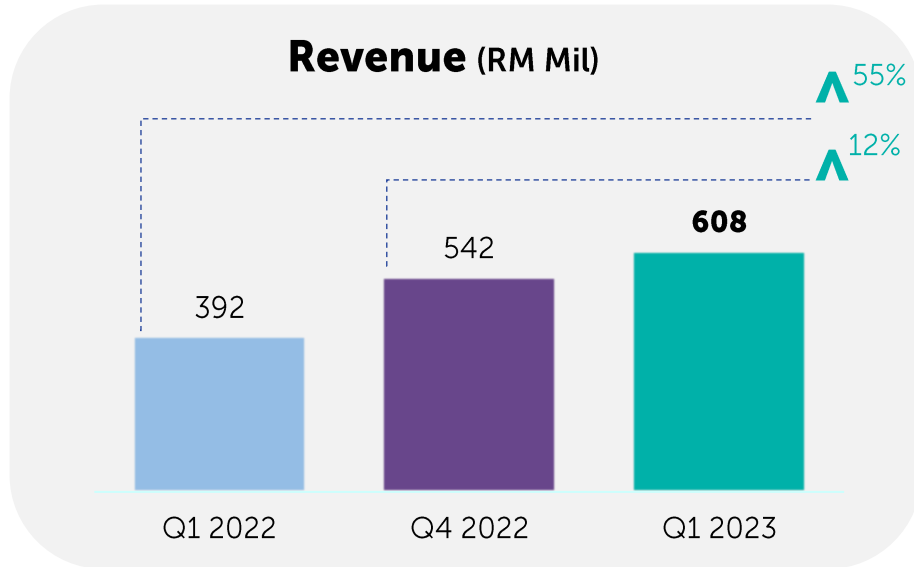




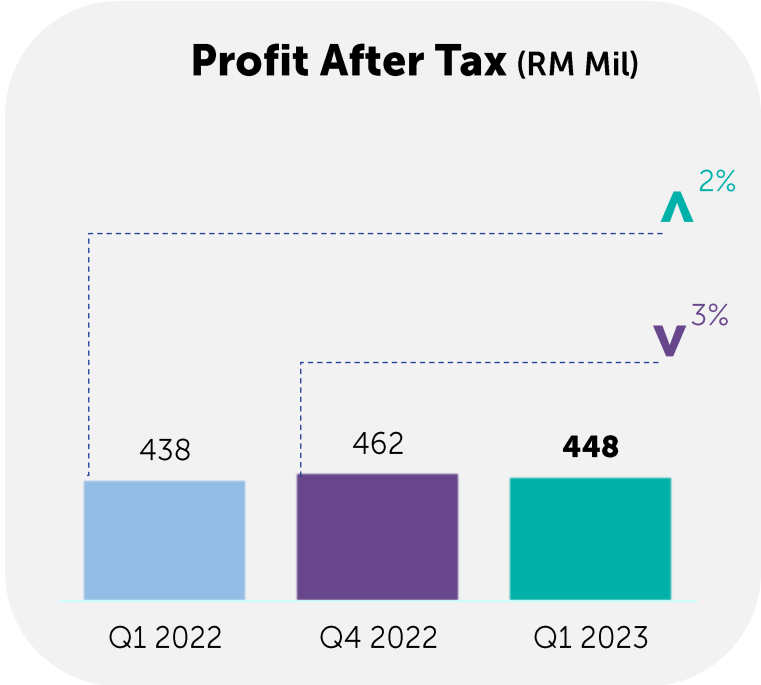
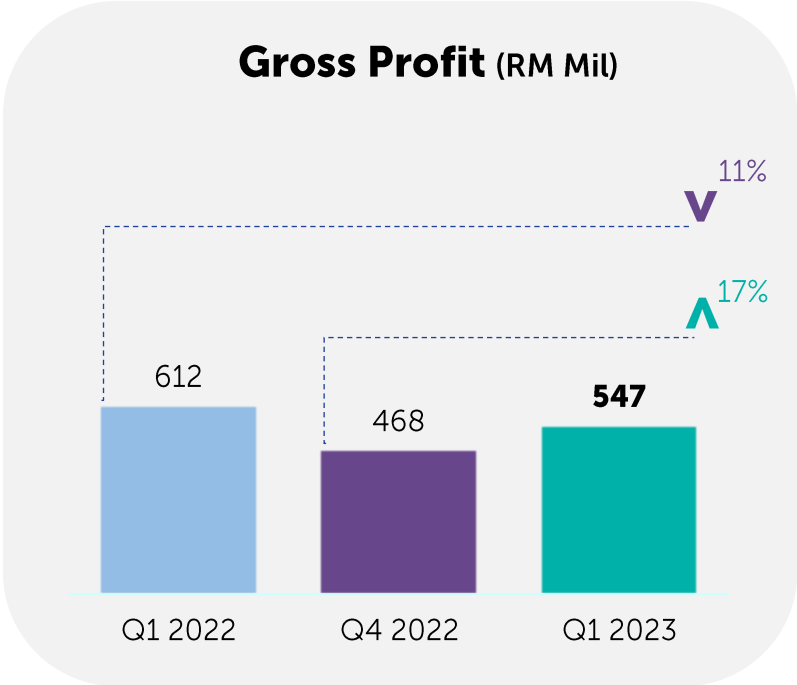
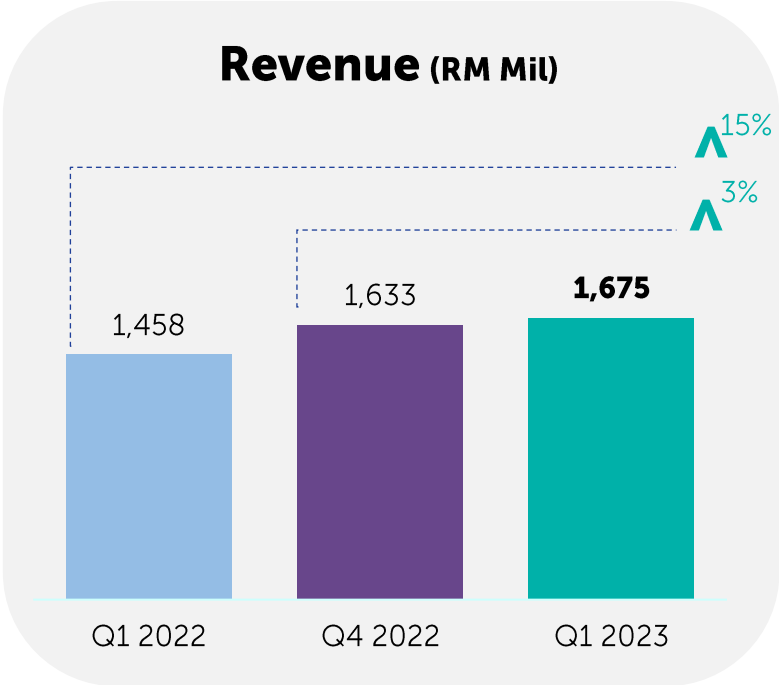
Regasification

Lower year-on-year gross profit on the back of lower tariff and higher IGC cost



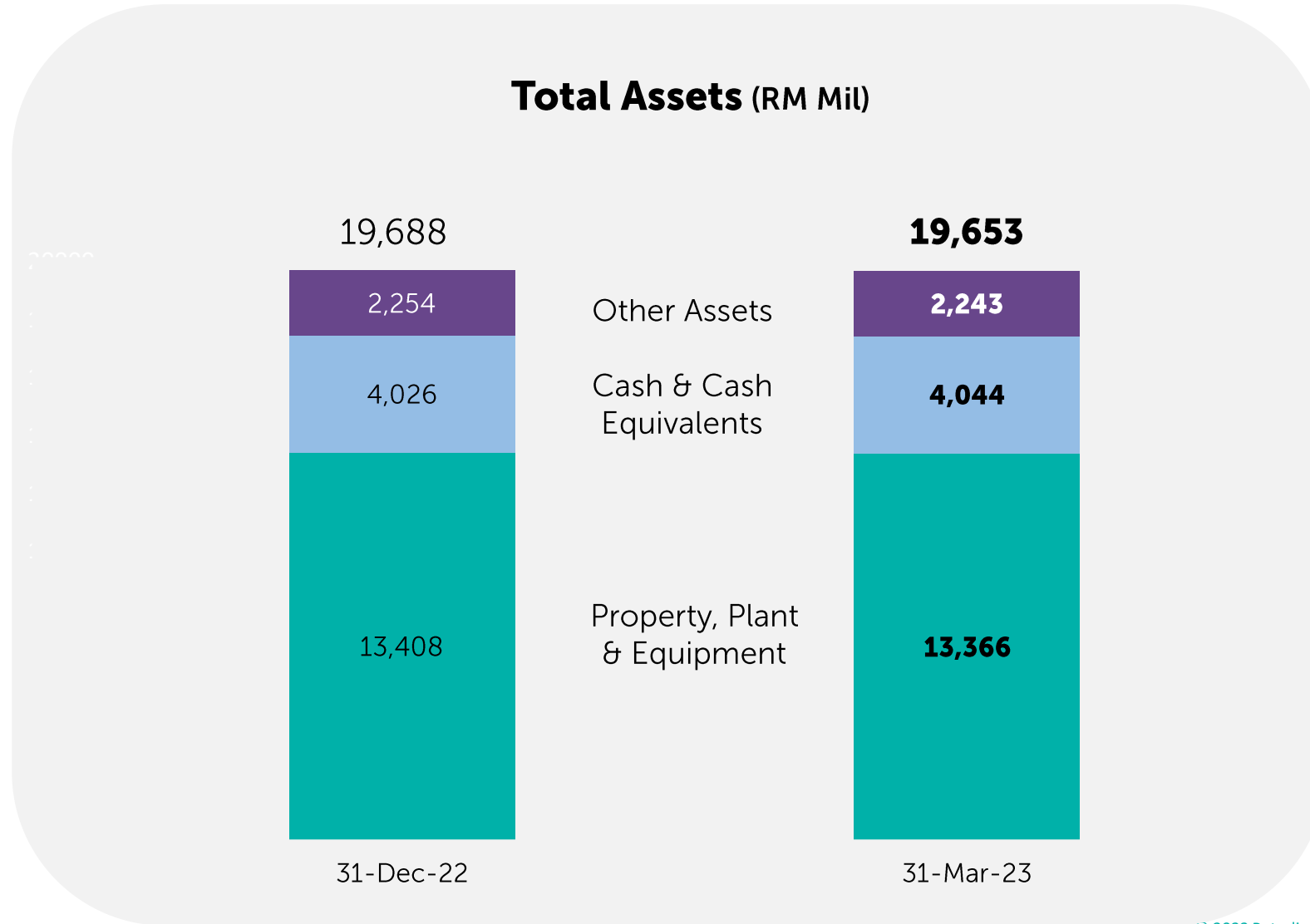


Healthy profit despite lower RP2 tariffs and high fuel gas price



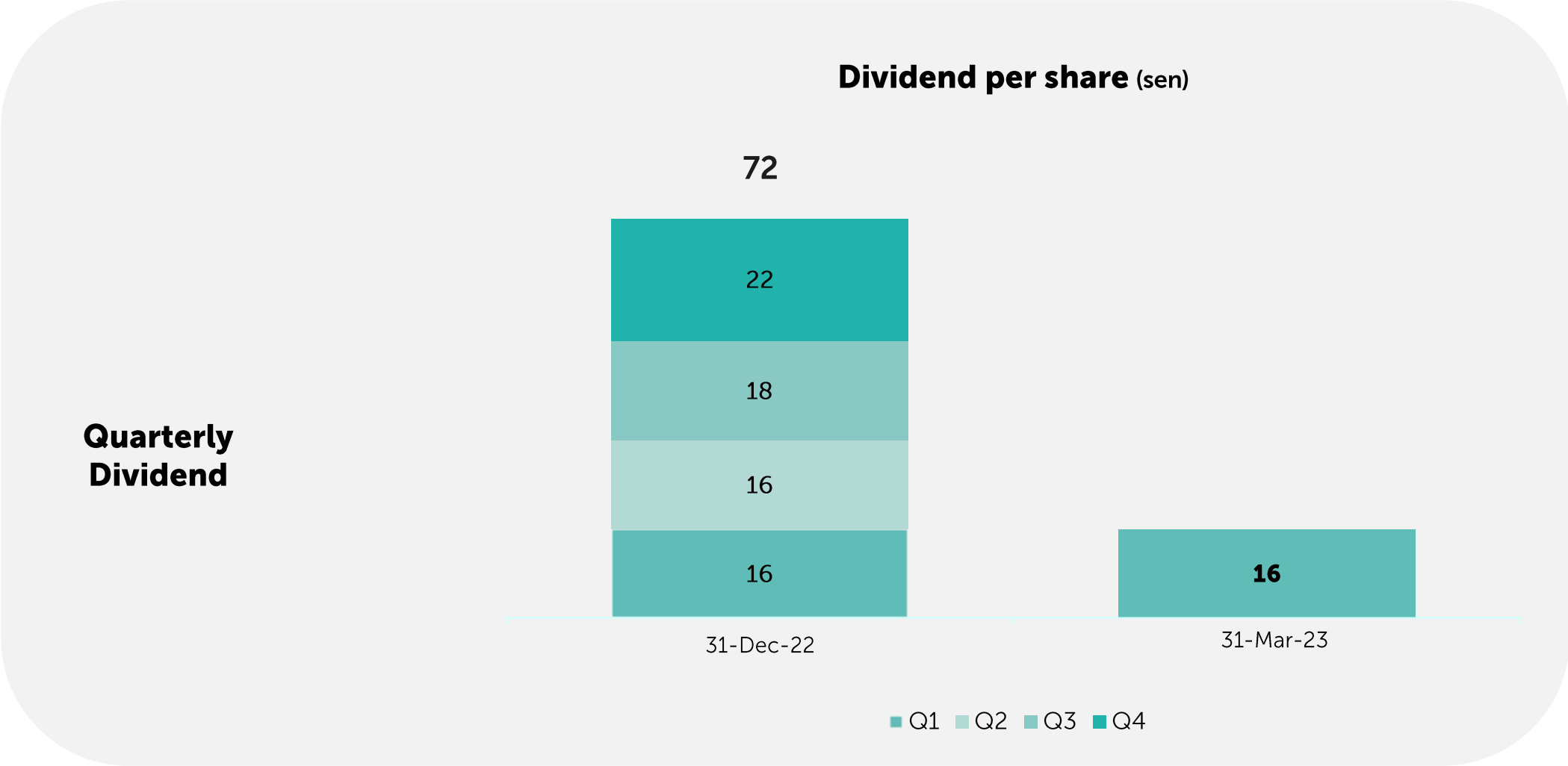
Total Assets

Robust asset base supported by healthy cash balance



Dividend

Maximising shareholders return through healthy level of dividend



Business environment will continue to be challenging



Continued high fuel gas price



Continued volatility of forex rate



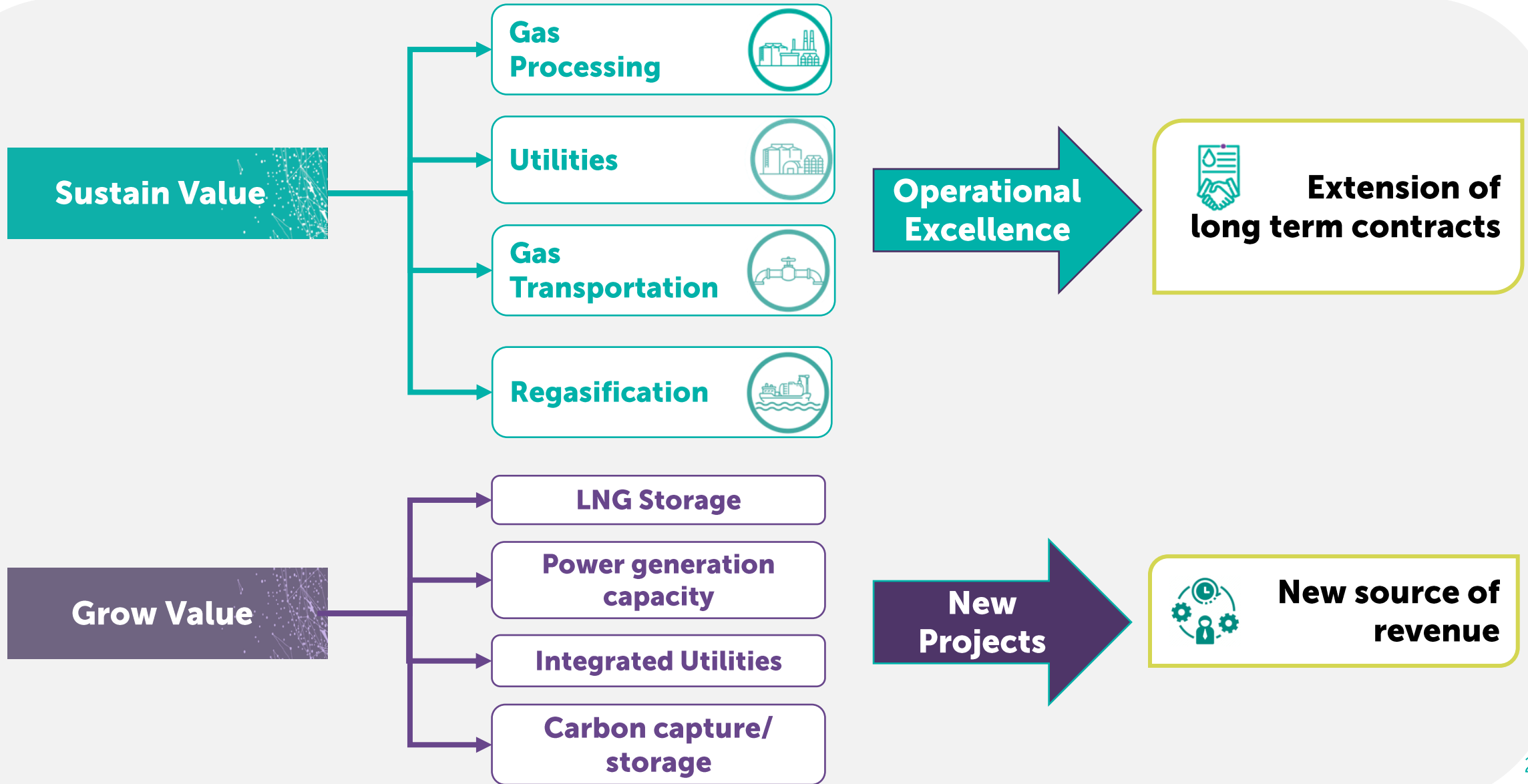
Lower RP2 tariffs



Higher OPEX in line with normalised activities after pandemic & higher cost environment

Focus

Continued value creation through operational excellence of assets and pursuing sustainable growth opportunities





Q&A

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