

PETRONAS GAS BERHAD



GOING
BEYOND

Open



PETRONAS

PETRONAS GAS BERHAD
QUARTERLY RESULTS BRIEFING
Quarter Ended 30 June 2017
16 August 2017

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AGENDA

- **Welcoming Remarks**
- **Opening Remarks**
- **Presentation**
- **Q & A**

PGB Management



Aida Aziza Mohd Jamaludin
Chief Financial Officer



Kamal Bahrin Ahmad
Managing Director/
Chief Executive Officer



Faeiz Hasan Abrar
Head Investor Relations



FY2017 KEY HIGHLIGHTS

Key Highlights



Progressing well and on track



Excellent operational performance

C1 Reliability
100%
2016: 100%

C2 OEE
97%
2016: 97%
6 mts PBS

PDR
100%
(excl. Ind Gases)
2016: 100%



Higher Profit
on the back of prudent OPEX spending

RM889 Mil
2016: RM850 Mil

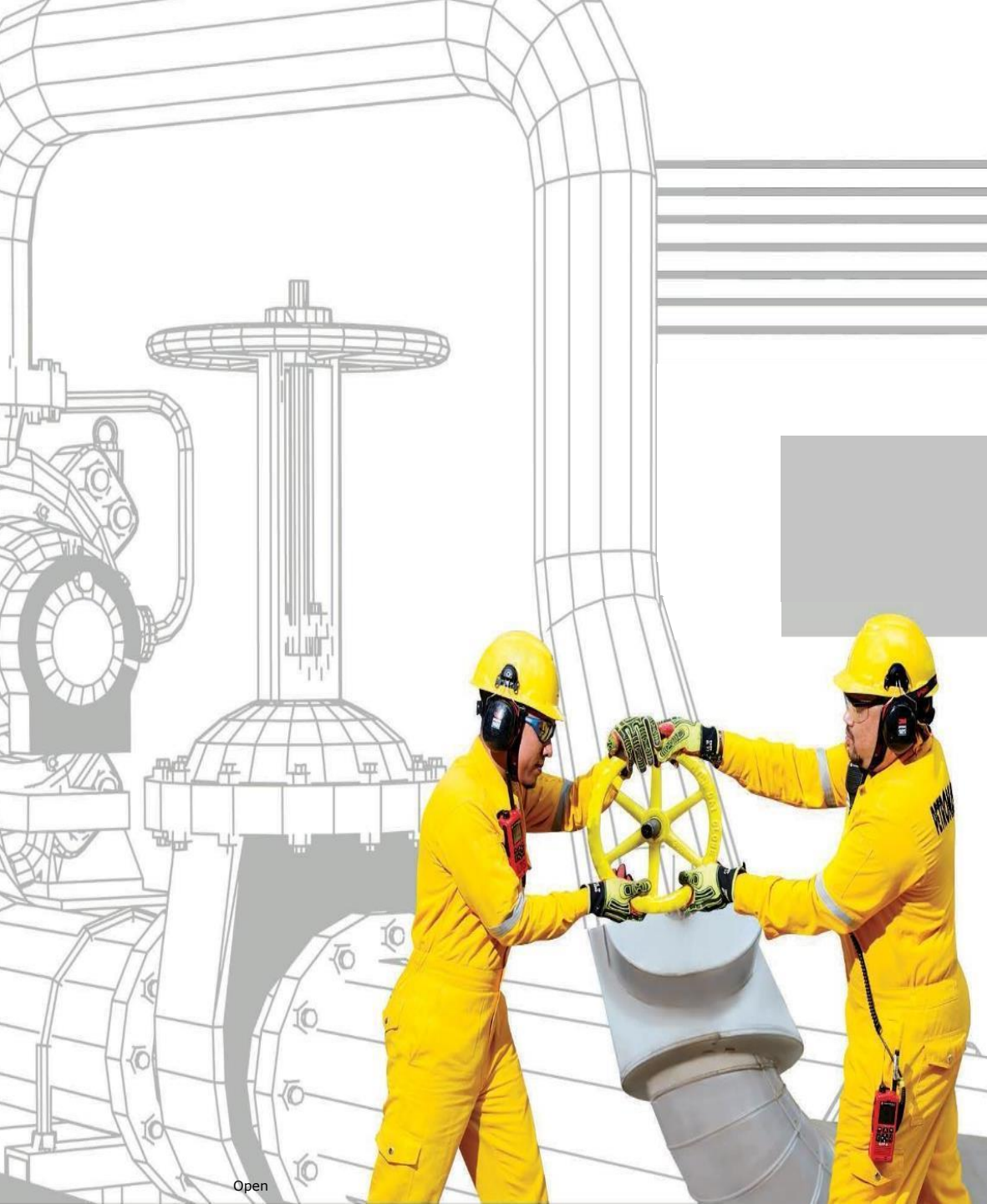


Growth Projects supporting PIC on schedule and within budget. PGPP achieved Gas-In on 23 June 17



Value Preservation
Third Party Access Implementation
via ongoing engagement with





OPERATIONAL PERFORMANCE

Open

GAS PROCESSING

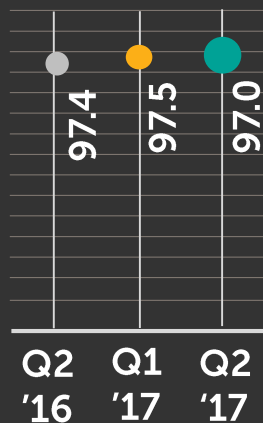
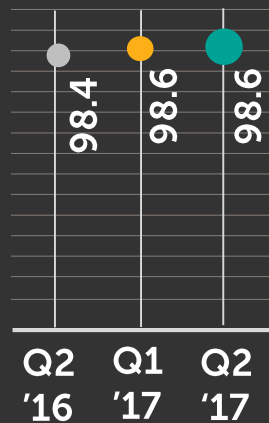


Recorded strong OEE, demonstrating our commitment in ensuring security of gas supply to the nation and sustenance of PBS

C1

OEE (%)

C2

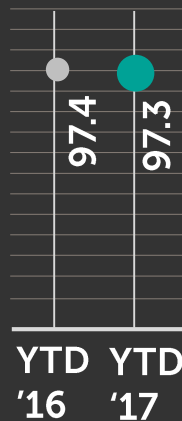
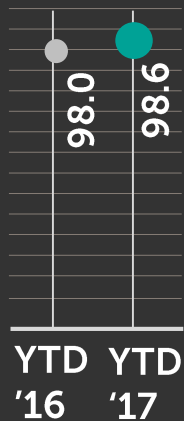


World Class



SALESGAS
RELIABILITY

100%



Product
Delivery
Reliability

100%

PBS

6 months

RM33 Mil

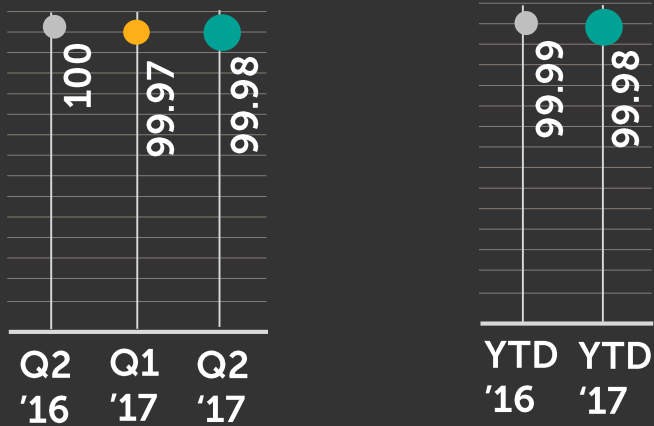
GAS TRANSPORTATION & REGASIFICATION



Continued to sustain its world class performance in system reliability while Regasification maintained its strong performance

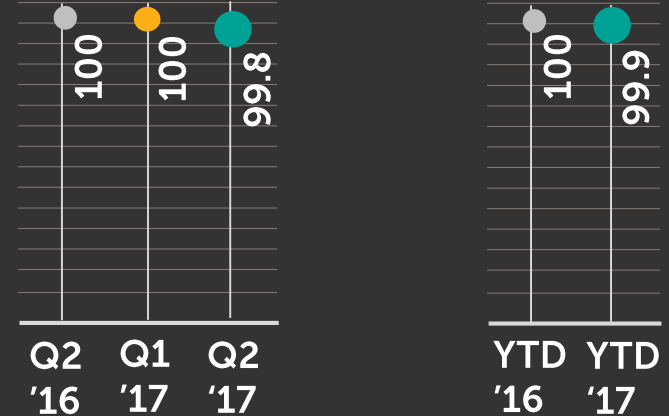
TRANSPORTATION

Reliability (%)



REGASIFICATION

OEE (%)



SUSTAINED
World Class
Performance

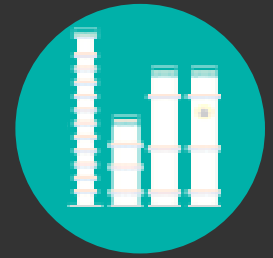
PRODUCT DELIVERY
RELIABILITY
100%

15 LNG cargoes
YTD **FY2017**



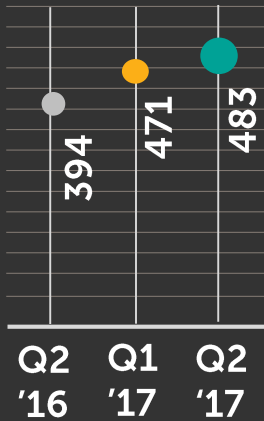
UTILITIES

Higher electricity and steam volume driven by higher offtake by customers and better pricing, supported by strong plant performance

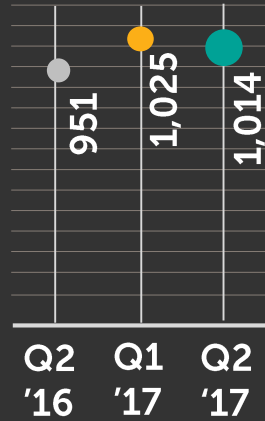


Delivery

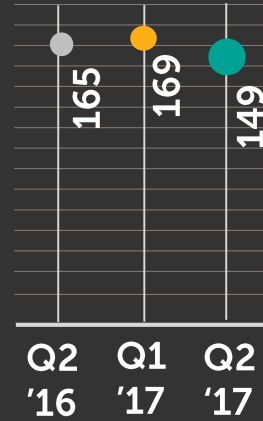
Electricity (GWh)



Steam (kMT)

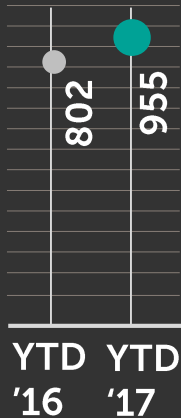


Ind. Gases (Mil Nm3)



**PRODUCT
DELIVERY
RELIABILITY**
100%

(excl. industrial gases)





FINANCIAL PERFORMANCE



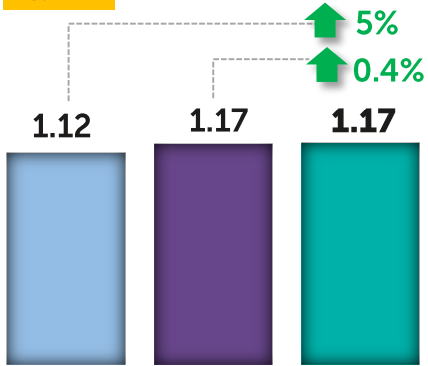
Financial Performance

Strong revenue on the back of excellent operational performance and higher volume and price of utilities. Further supported by higher other income and share of profit from JV, the Group generated higher PAT compared to SPLY

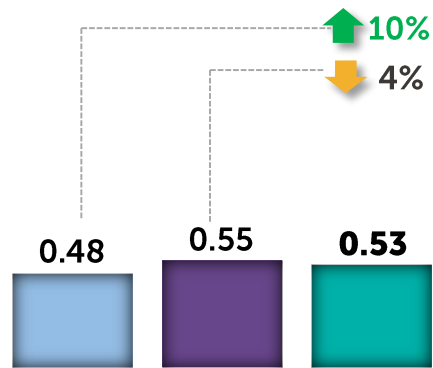


Revenue

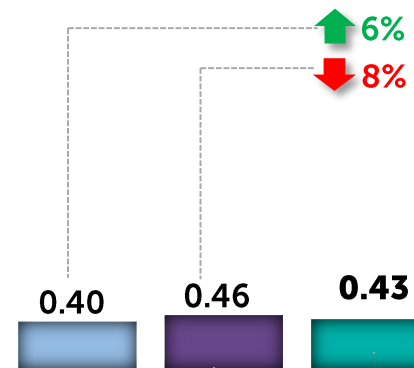
QTR



Gross Profit

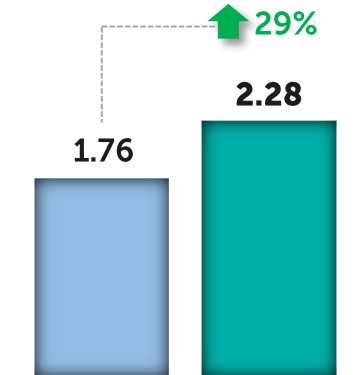


Profit After Tax

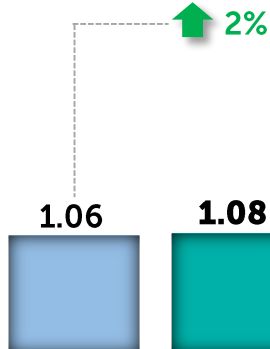
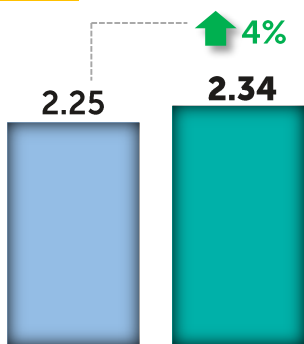


Cash

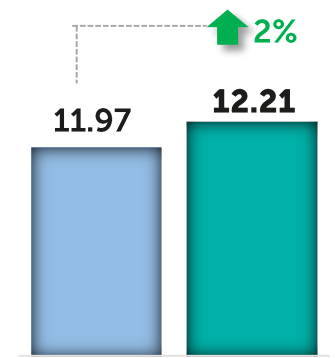
RM Bil



YTD



Shareholders' Fund



■ YTD '16 ■ YTD '17

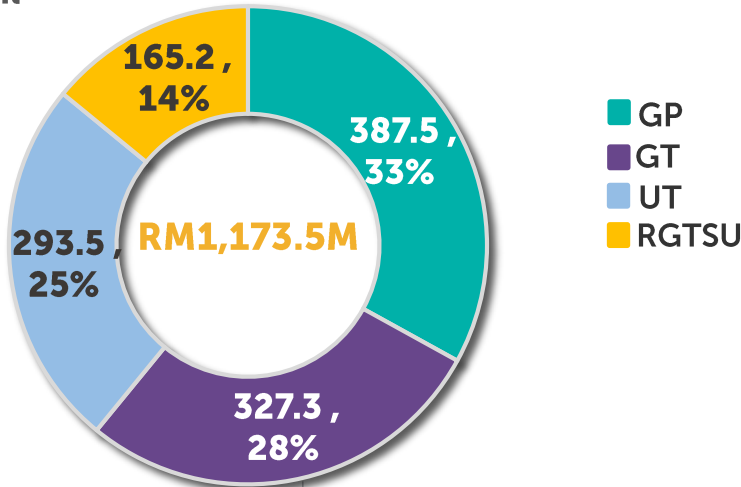
Segmental Revenue

Sustained revenue strength from all segments. Higher contribution from Utilities segment driven by higher volume and price of electricity and steam.



Segmental Revenue Q-o-Q

RM Mil



Qtr Corresponding ▲ 5%

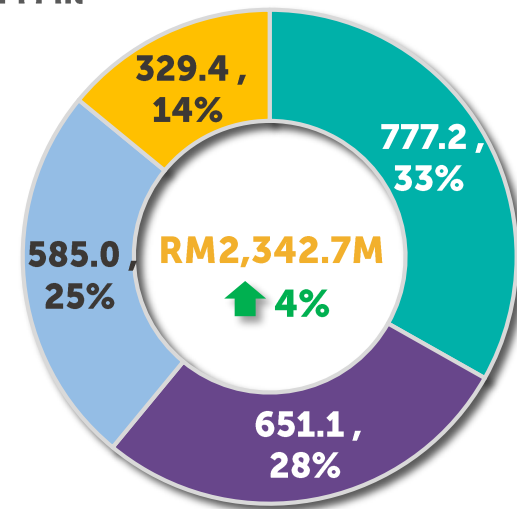
Qtr Preceding ▲ 0.4%

GP	▼ RM1.4M	-0.4%
GT	▲ RM11.4M	+4%
UT	▲ RM38.2M	+15%
RGT	▲ RM6.4M	+4%

GP	▼ RM2.2M	-1%
GT	▲ RM3.6M	+1%
UT	▲ RM2.0M	+1%
RGT	▲ RM0.9M	+0.5%

Segmental Revenue Y-o-Y

RM Mil



GP	▼ RM1.5M	-0.2%
GT	▲ RM8.1M	+1%
UT	▲ RM76.8M	+15%
RGT	▲ RM9.8M	+3%

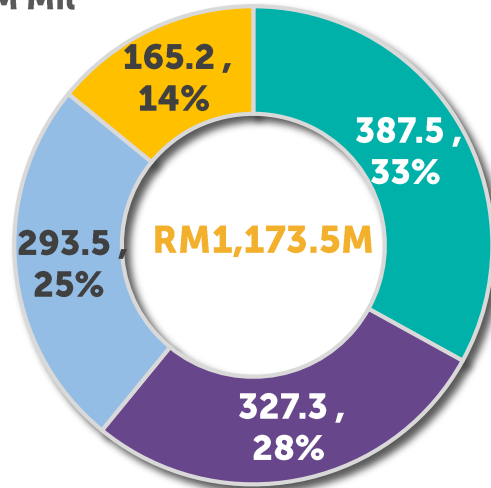
Segmental Revenue

Sustained revenue strength from all segments. Higher contribution from Utilities segment driven by higher volume and price of electricity and steam.



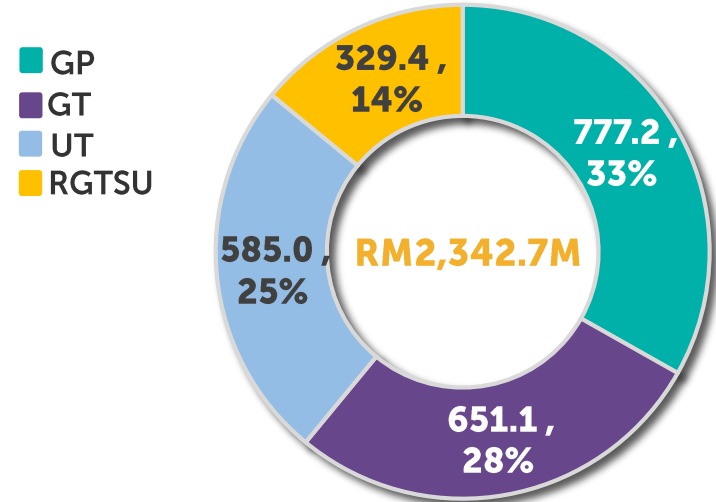
Segmental Revenue Q-o-Q

RM Mil



Segmental Revenue Y-o-Y

RM Mil



- Higher utility volume and price
- Downward revision of Gas Transportation Sabah tariff in corresponding Quarter
- Higher RGT storage fees as an impact of FX

Qtr Corresponding ▲ 5%

GP	▼	RM1.4M	-0.4%
GT	▲ 2	RM11.4M	+4%
UT	▲ 1	RM38.2M	+15%
RGT	▲ 3	RM6.4M	+4%

YTD corresponding ▲ 4%

GP	▼	RM1.5M	-0.2%
GT	▲	RM8.1M	+1%
UT	▲ 1	RM76.8M	+15%
RGT	▲ 3	RM9.8M	+3%

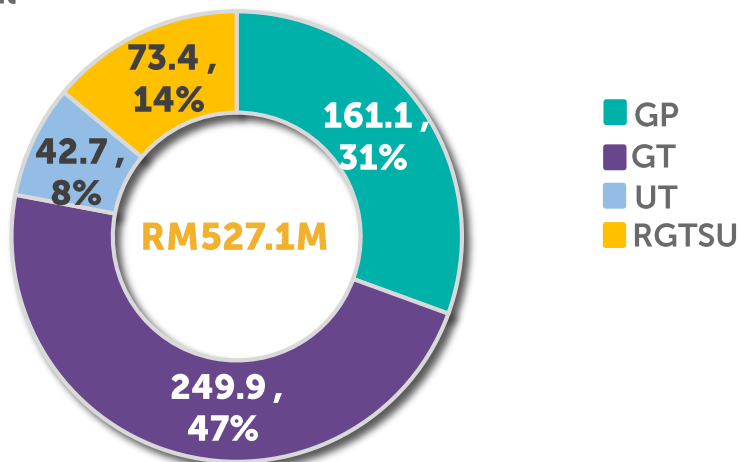
Segmental Gross Profit

Commendable gross profit contributed by Gas Transportation, Regasification and Utilities segments attributable to higher revenue and lower repair and maintenance, partially offset by higher UT costs



Segmental Gross Profit Q-o-Q

RM Mil



Qtr Corresponding ▲ 10%

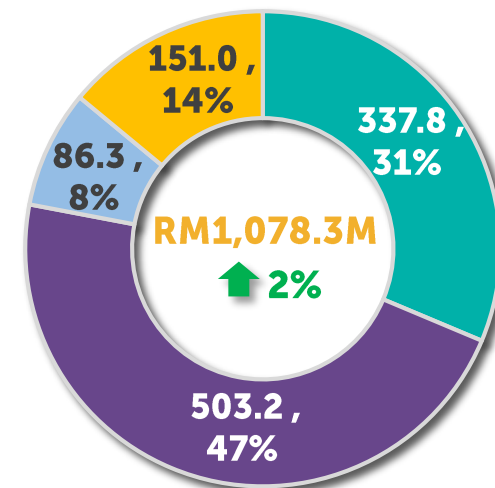
Qtr Preceding ▼ 4%

GP	▲ RM3.6M +2%
GT	▲ RM22.9M +10%
UT	▲ RM9.4M +28%
RGT	▲ RM10.0M +16%

	▼ RM15.6M -9%
	▼ RM3.4M -1%
	▼ RM0.9M -2%
	▼ RM4.2M -5%

Segmental Gross Profit Y-o-Y

RM Mil



GP	▼ RM20.7M -6%
GT	▲ RM16.9M +4%
UT	▲ RM4.5M +6%
RGT	▲ RM16.9M +13%

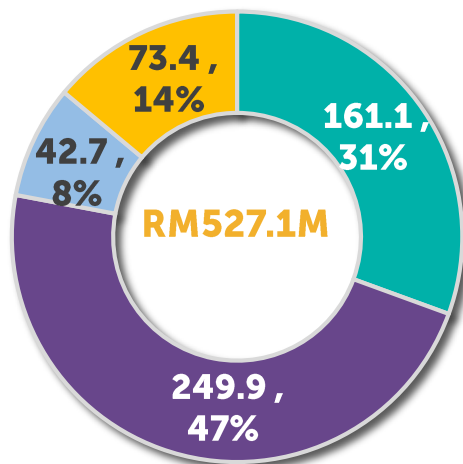
Segmental Gross Profit

Commendable gross profit contributed by Gas Transportation, Regasification and Utilities segments attributable to higher revenue and lower repair and maintenance, partially offset by higher UT costs



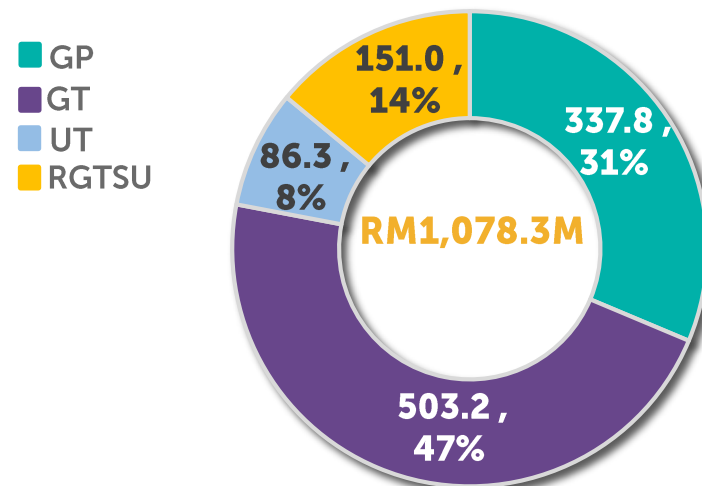
Segmental Gross Profit Q-o-Q

RM Mil



Segmental Gross Profit Y-o-Y

RM Mil



- Higher revenue across all segments except GP offset by higher UT operating cost
- Lower repair and maintenance cost
- One-off staff cost adjustment and higher depreciation

Qtr Corresponding ↑ 10%

GP	▲	RM3.6M	+2%
GT	▲²	RM22.9M	+10%
UT	▲	RM9.4M	+28%
RGT	▲	RM10.0M	+16%

YTD corresponding ↑ 2%

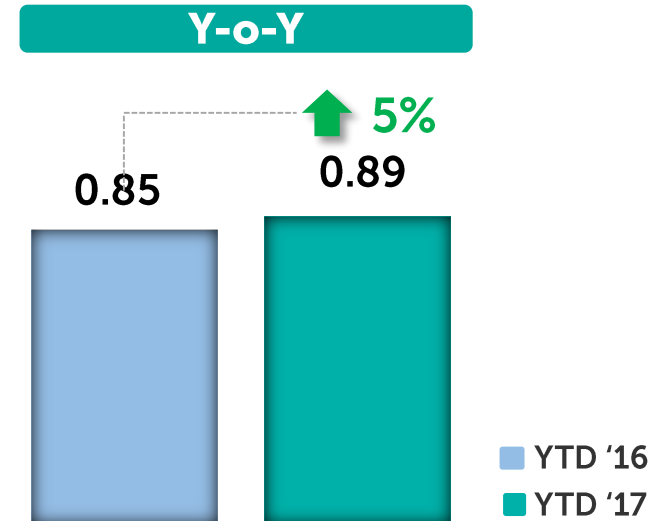
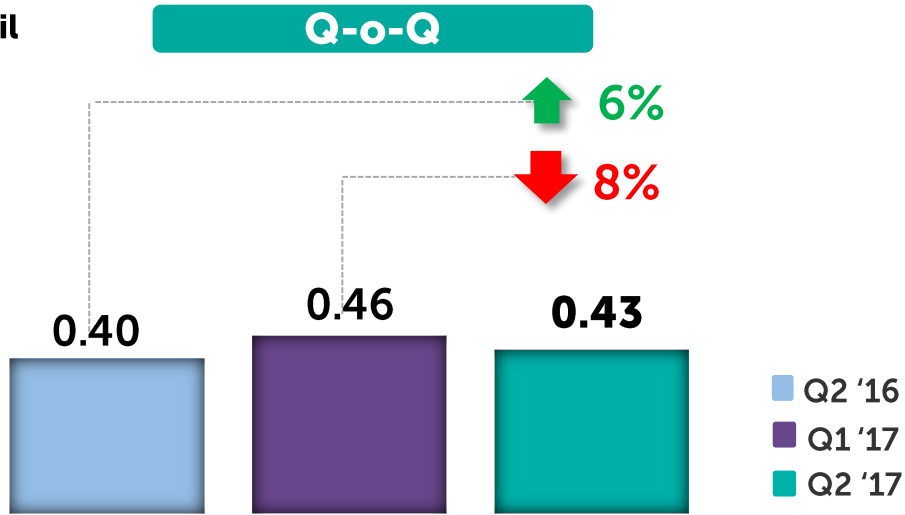
GP	▼³	RM20.7M	-6%
GT	▲²	RM16.9M	+4%
UT	▲	RM4.5M	+6%
RGT	▲²	RM16.9M	+13%

Profit After Tax

Deliver stable profits on the back of strong business fundamentals



RM Bil



Qtr Corresponding

- Higher Gross Profit mainly from GT segment
- Lower share of profit from joint ventures (JV)

Qtr Preceding

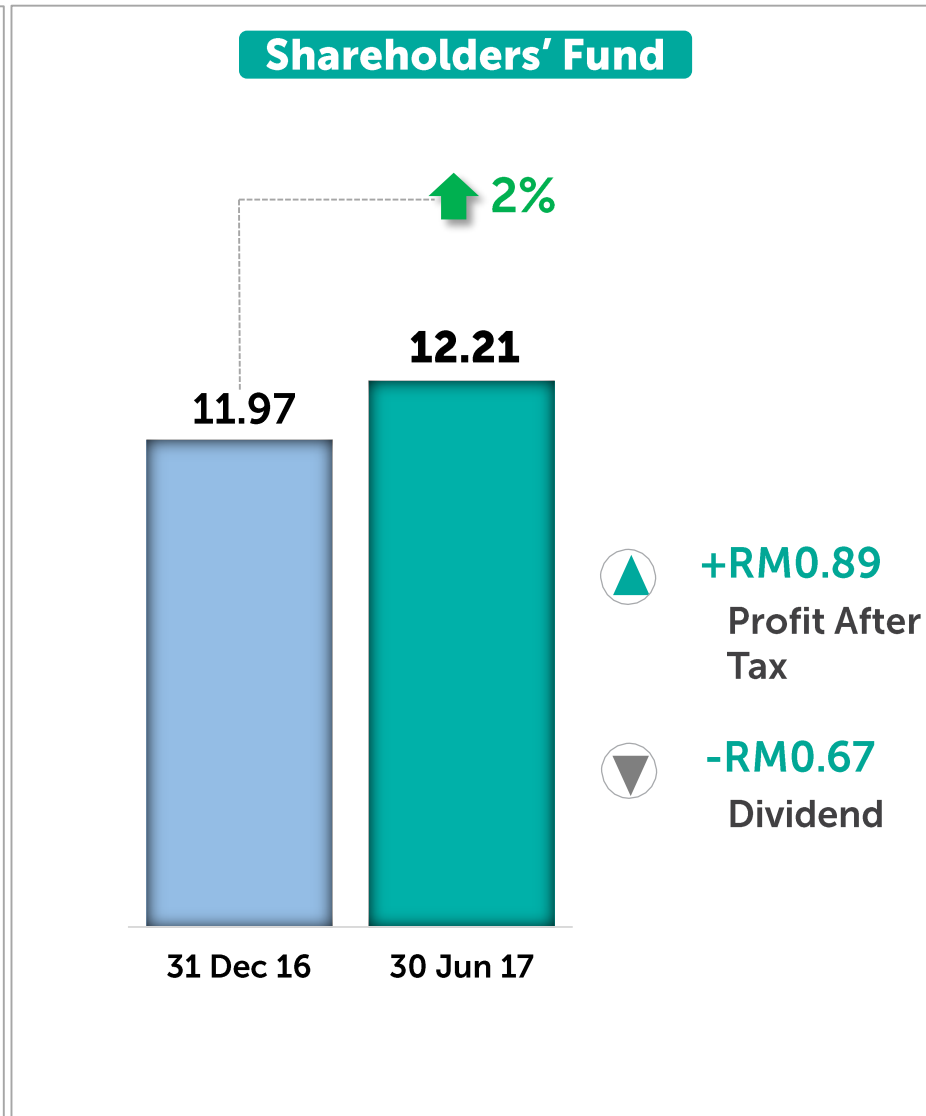
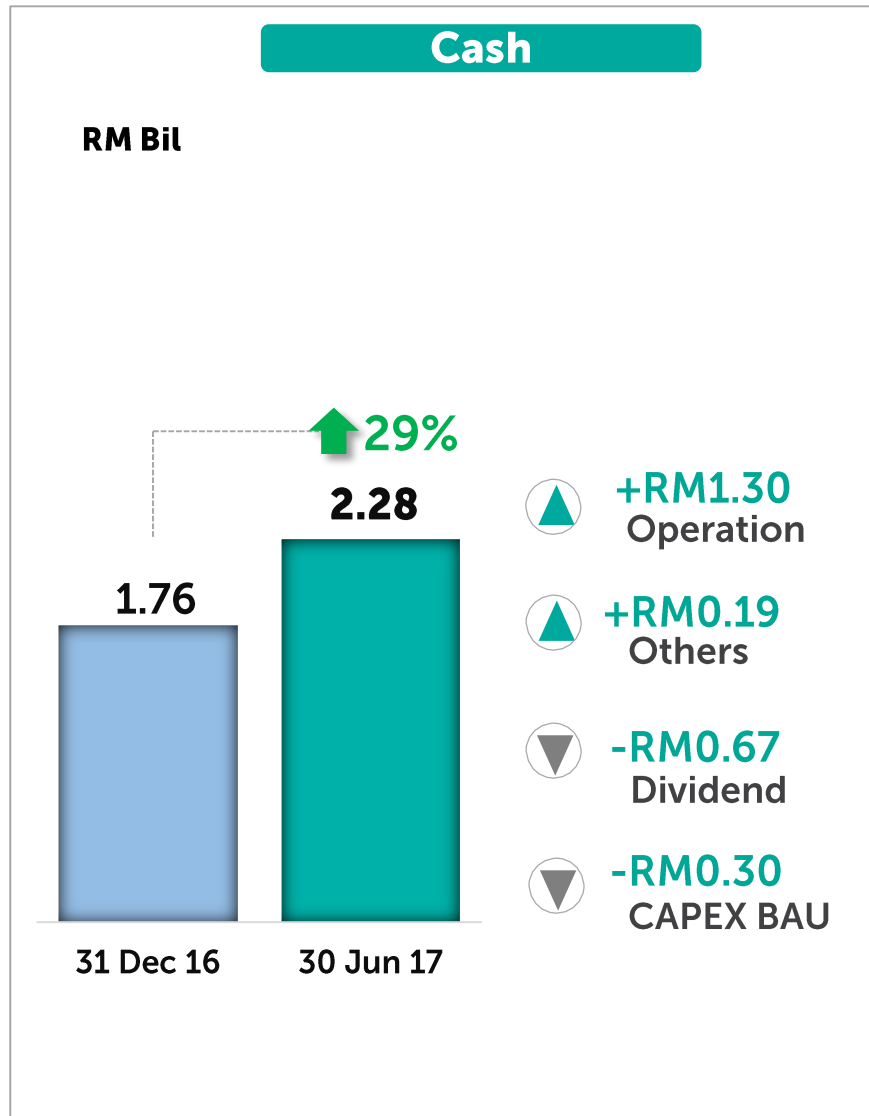
- Lower Gross Profit contributed by all segments
- Lower share of profit from JV

YTD Corresponding

- Higher Gross Profit mainly from GT and RGT
- Higher other income and share of profit from JV

Cash and Shareholders' Fund

Stronger shareholders' fund on the back of stable profit for the quarter.
Sufficient cash from operations for dividends payment and financing BAU CAPEX



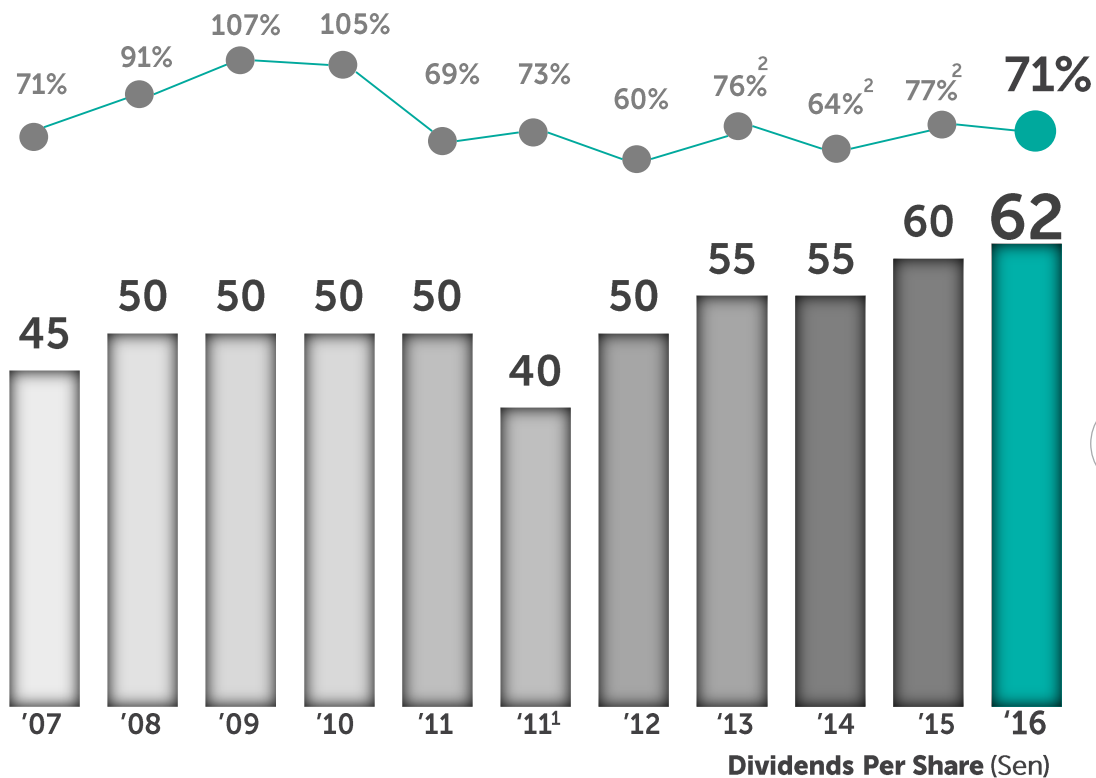
Dividends

Aspire to maximise shareholders return and dividend payment as per industry dividend payout ratio



Dividend Payout Ratio

Quarterly Dividend Payment



- Q1 ● **15 sen**
14 June 2017
- Q2 ● **16 sen**
14 Sep 2017
- Q3 ● **TBD**
- Q4 ● **TBD**

Note:

¹ For the nine-month period ended 31 December 2011.

² Based on normalised PAT (excluding tax incentives)



PROJECT PROGRESS UPDATE



KEY PROJECTS

PGB's flagship growth project, RGTP is on-schedule for commercial operation in November 2017 within target cost and excellent HSE record

LNG Regasification Terminal Pengerang



- Progress **92%**
- Target Commercial Operation Date **Q4 2017**

Pengerang Gas Pipeline



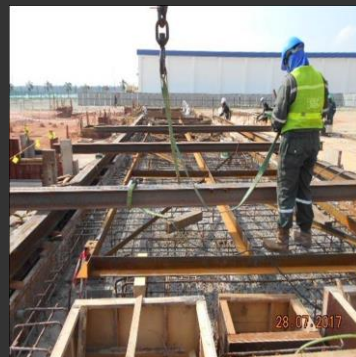
- Progress **97%**
- Gas-In Date **23 June 2017**

Air Separation Unit Pengerang



- Progress **42%**
- Target Commercial Operation Date **Q4 2018**

UG COGEN Expansion



- Progress **63%**
- Target Commercial Operation Date **Q4 2018**



FY2017 OUTLOOK

OUTLOOK 2017

PGB strong business fundamentals are sustainable and will safeguard stable income stream



Stable
revenue base
from **GPA & GTA**



Regasification
backed by **capacity**
reservation by
PETRONAS



Utilities
driven by
demand from
customers

OUTLOOK 2017

Strive to ensure sustainable implementation of TPA and minimising impact to the Group's business operations

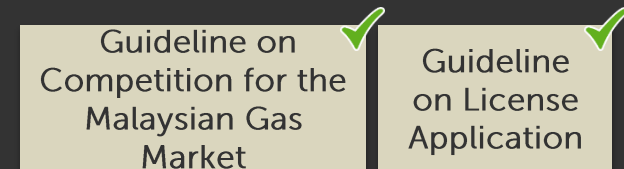
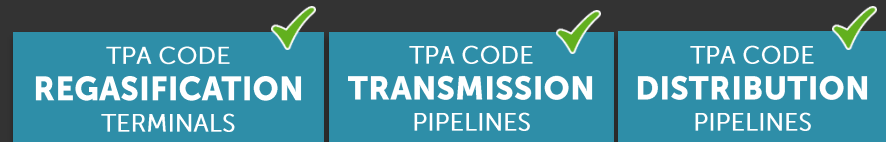
Gas Supply (Amendment) Act 2016

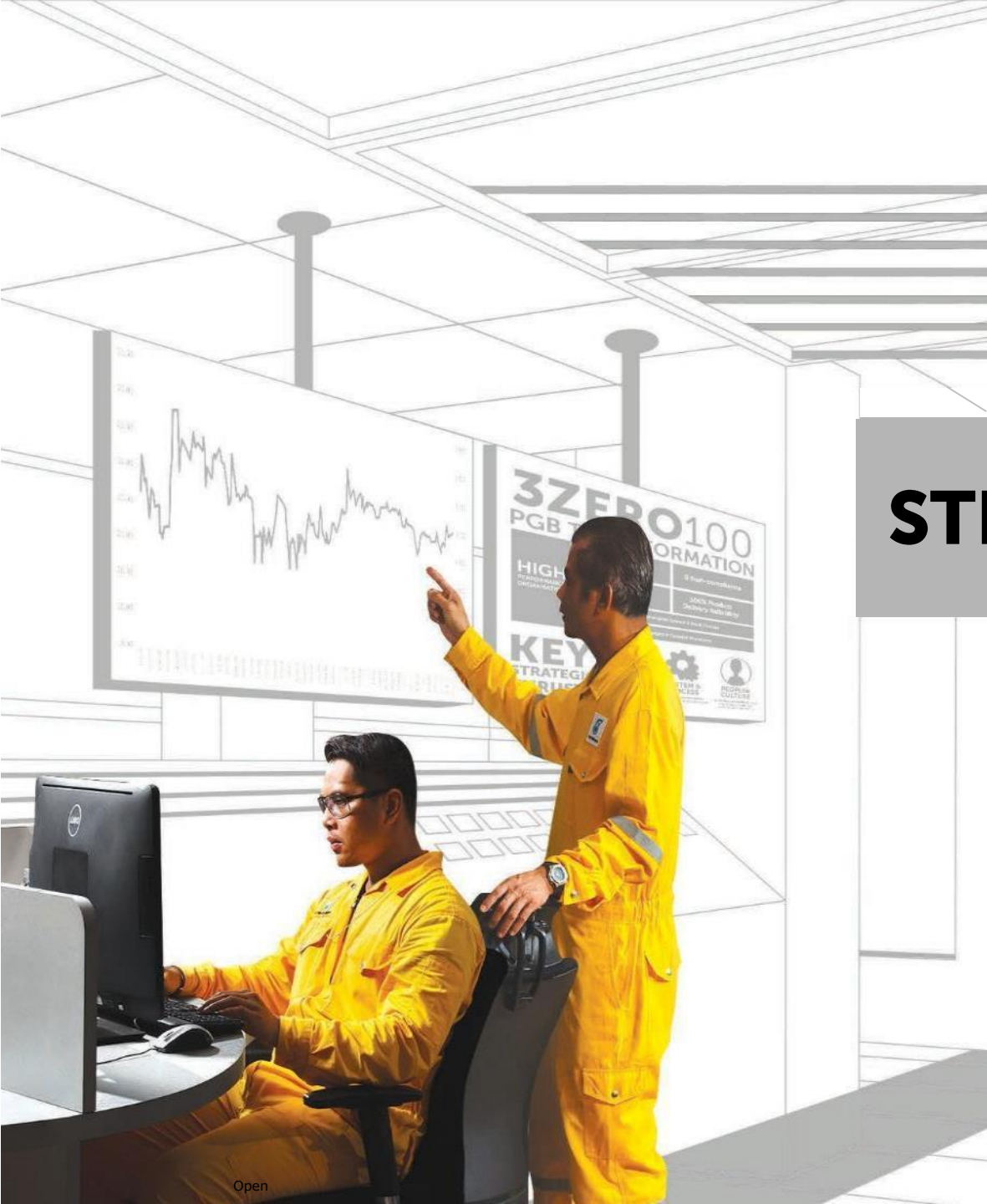
Implementation

- **Effective date 16 Jan 2018**
- **EC will regulate Gas Transmission & Regasification activities**
- **Working towards operationalisation of Third Party Access**
- **Target submission of license August 2017**
- **Minimising impact to business operations**



TPA Code and Guidelines (issued to date)





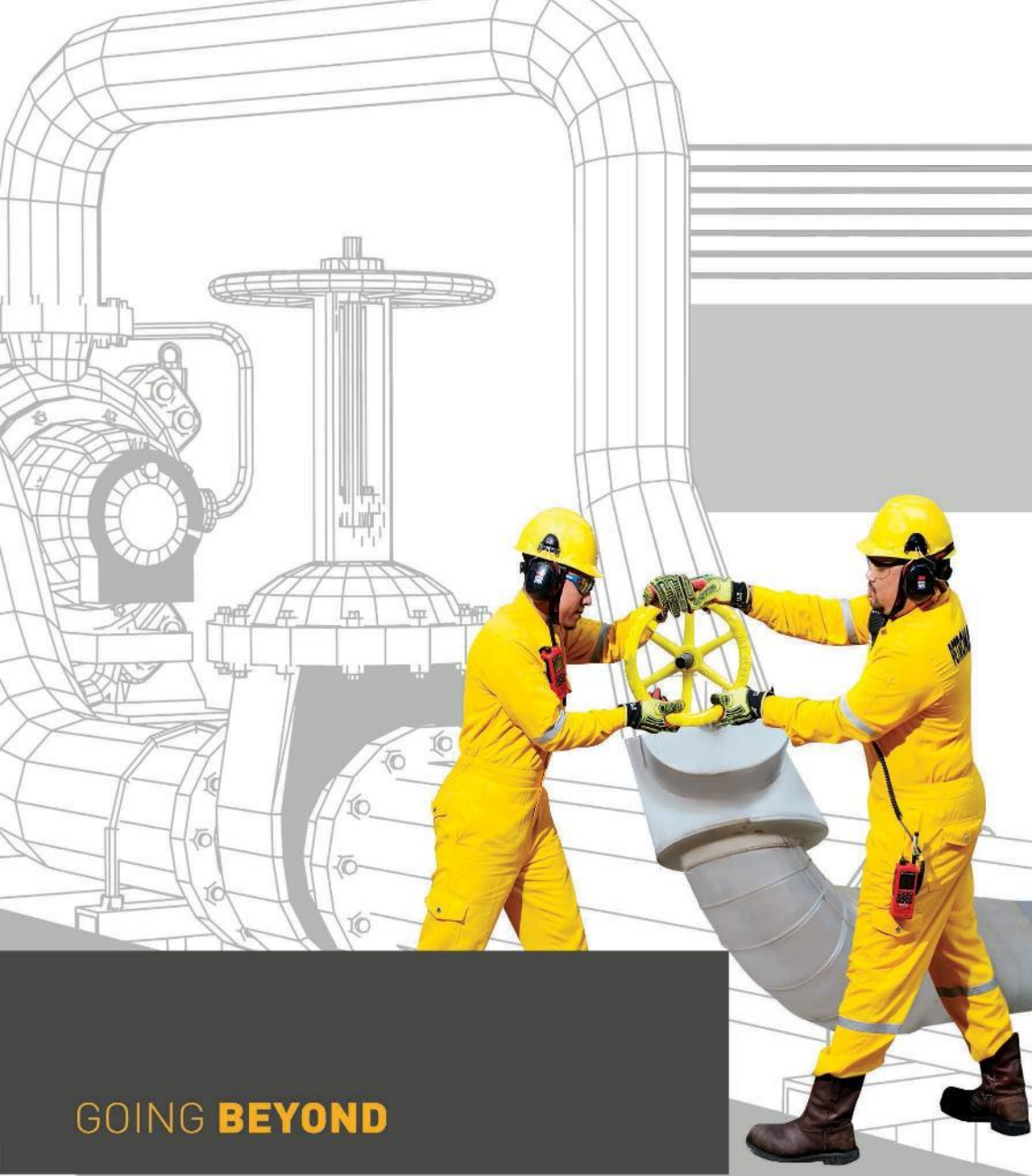
STRATEGIC FOCUS

STRATEGIC FOCUS

To strive for competitiveness, productivity and efficiency as well as growth in our pursuit of becoming world class organisation by 2020

**A Leading
Gas Infrastructure and Utilities Company**





GOING **BEYOND**

For further enquiries please contact us at

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Faeiz Hasan Abrar

Head, Investor Relations

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PETRONAS

Thank you

www.petronasgas.com

A decorative graphic on the left side of the slide, consisting of several overlapping, semi-transparent teal triangles of varying shades, creating a layered, geometric effect.

Questions & Answer