PETRONAS Group
Financial Results Announcement
Q4 and Year Ended FY2018
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FY2018 Key Features

**Performance**
- Solid financial performance coupled with higher CFFO
- Committed to uphold growth agenda and corporate strategies

22% in net profit of RM55.3 billion

27% in EBITDA of RM116.5 billion

**Progress of projects & CAPEX Spending**
- PIC\(^1\) 97% completion as at 31 December 2018
- Full year CAPEX spending of RM46.8 billion

**Outlook**
- The oil and gas industry will continue to operate in a challenging environment
- The Group will continue to focus on its operational excellence and growth strategies
- Financial performance for 2019 will continue to be affected by the movements in prices

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\(^1\) Pengerang Integrated Complex (PIC)
## FY2018 Financial Highlights

<table>
<thead>
<tr>
<th>Key Financial Indicators (RM bil)</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>223.6</td>
<td>251.0</td>
</tr>
<tr>
<td>Profit After Tax (PAT)</td>
<td>45.5</td>
<td>55.3</td>
</tr>
<tr>
<td>PAT excluding net impairment/(write-back) on assets</td>
<td>46.6</td>
<td>50.6</td>
</tr>
<tr>
<td>EBITDA</td>
<td>92.0</td>
<td>116.5</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>41%</td>
<td>46%</td>
</tr>
<tr>
<td>CFFO</td>
<td>75.7</td>
<td>86.3</td>
</tr>
<tr>
<td>Capital investments</td>
<td>44.5</td>
<td>46.8</td>
</tr>
</tbody>
</table>

### Key Financial Indicators

- **Revenue**: 223.6 RM bil in FY2017 increased to 251.0 RM bil in FY2018.
- **Profit After Tax (PAT)**: 45.5 RM bil in FY2017 increased to 55.3 RM bil in FY2018.
- **PAT excluding net impairment/(write-back) on assets**: 46.6 RM bil in FY2017 increased to 50.6 RM bil in FY2018.
- **EBITDA**: 92.0 RM bil in FY2017 increased to 116.5 RM bil in FY2018.
- **EBITDA Margin**: 41% in FY2017 increased to 46% in FY2018.
- **CFFO**: 75.7 RM bil in FY2017 increased to 86.3 RM bil in FY2018.
- **Capital investments**: 44.5 RM bil in FY2017 increased to 46.8 RM bil in FY2018.

### Key Performance Indicators

- **Dated Brent (USD/bbl)**: $71.04 in FY2018 compared to $54.27 in FY2017.
- **JCC single-month (USD/bbl)**: $68.15 in FY2018 compared to $51.39 in FY2017.
- **MYR/USD1**: 1 RM = 4.03 MYR in FY2018 compared to 4.30 MYR in FY2017.
- **Production2**: 2,361 kboe/d in FY2018 compared to 2,320 kboe/d in FY2017.
- **Entitlement3**: 1,686 kboe/d in FY2018 compared to 1,760 kboe/d in FY2017.

### Notes

1. **Average exchange rate**
2. **Represents Malaysia's production (PETRONAS Group and other Operators) and PETRONAS Group's international equity production volume**
3. **Represents PETRONAS Group's sales entitlement to Malaysia's production and PETRONAS Group's international sales entitlement volume**

- **FY2018** improved on the back of higher average realised prices and cost optimisation efforts across the Group.
- **FY2019** performance will likely be affected by the movements in prices.
## Group Financial Results

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>Q4 2018 Y-o-Y</th>
<th>Q4 2018 Q-o-Q</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA (RM bil)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY '18</td>
<td>116.5</td>
<td>37.3</td>
<td>37.3</td>
</tr>
<tr>
<td>FY '17</td>
<td>92.0</td>
<td>25.3</td>
<td>26.9</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY '18</td>
<td>55.3</td>
<td>14.3</td>
<td>14.3</td>
</tr>
<tr>
<td>FY '17</td>
<td>45.5</td>
<td>18.2</td>
<td>14.3</td>
</tr>
</tbody>
</table>

- **EBITDA Growth**
  - **Year-over-Year (Y-o-Y)**
    - Q4 '18: 47%
    - Q4 '17: 21%
  - **Quarter-over-Quarter (Q-o-Q)**
    - Q4 '18: 39%
    - Q3 '18: 21%
Segment Results

PAT by Business Segments

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Group PAT</th>
<th>Upstream</th>
<th>Downstream</th>
<th>C&amp;O</th>
<th>Inter-segment elimination</th>
<th>FY2018 Group PAT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>RM bil</td>
<td>RM bil</td>
<td>RM bil</td>
<td>RM bil</td>
<td>RM bil</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.0</td>
<td>12.2</td>
<td>4.0</td>
<td>(2.8)</td>
<td>55.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.9</td>
<td>(2.8)</td>
<td>4.0</td>
<td>(3.6)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>29.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Upstream  Downstream  C&O  Inter-segment elimination

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**FY2018 Upstream Performance**

**Focus Areas**

- 27 projects achieved **1st hydrocarbon**
- 10 Exploration discoveries
- 16 new PSCs signed
- 10 LNG deals secured, contributing **5.84 mtpa**

- In **2018 CORAL 2.0** continue to deliver industry-wide **cost optimisation** and cash generation

- Acquired **10% stake in Block 61 Oman**
- Approved **FID for LNG Canada** project in Kitimat, **British Columbia** and La Amarga Chica, **Argentina**
- 20 years **LNG SPA** with Cheniere for **1.1 mtpa** of LNG supply

**Operational Performance**

- **Production and Entitlement (kboe/d)**
  - FY’17: 2,320 kboe/d
  - FY’18: 2,361 kboe/d
  - Natural Gas: 1,445 kboe/d in FY’17, 1,411 kboe/d in FY’18
  - Entitlement Natural Gas: 875 kboe/d in FY’17, 950 kboe/d in FY’18
  - Production Crude and Cond.: 1,167 kboe/d in FY’17, 1,092 kboe/d in FY’18
  - Entitlement Crude and Cond.: 593 kboe/d in FY’17, 594 kboe/d in FY’18

<table>
<thead>
<tr>
<th>Products</th>
<th>FY’17</th>
<th>FY’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNG sales volume (million tonnes)</td>
<td>30.72</td>
<td>28.94</td>
</tr>
<tr>
<td>Malaysia average sales gas volume (mmscfd)</td>
<td>2,691</td>
<td>2,777</td>
</tr>
</tbody>
</table>

Note: kboe x 6 = mmscfd
### Operational & Commercial Excellence

- **94.4%**  
  Downstream OEE **Achieved**

- **91.9%**  
  Petrochemical Plant Utilisation **Sustained**

- The Pengerang Integrated Complex (PIC) reached **Ready for Start Up** for its refinery on 21 January 2019, followed by **Mechanical Completion & Steam Cracker Fire Up** on 12 February 2019

### Sales Volume

<table>
<thead>
<tr>
<th>Petroleum products (Million Metric Tonnes)</th>
<th>253.3</th>
<th>252.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrochemical products (Million Barrels)</td>
<td>8.1</td>
<td>8.4</td>
</tr>
<tr>
<td>Crude oil (Million Barrels)</td>
<td>144.7</td>
<td>142.0</td>
</tr>
</tbody>
</table>

- FY'17
- FY'18
Capital Investments and Group Costs

Capital Investments

FY2018 Capital investments

- 46% RM46.8bil
- 54%

<table>
<thead>
<tr>
<th></th>
<th>FY '17</th>
<th>FY '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM Bil</td>
<td>44.5</td>
<td>46.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>International</td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Group Costs

- Higher product costs observed in tandem with higher prices
- UPC\(^2\) index remains lower than the industry average
- Continuing Groupwide cost management efforts in place

1 Relate to costs charged to Income Statement only

2 Unit Production Costs
Other Financial Highlights

**Cash & fund investments**

- RM44.5 bil

**PETRONAS Group Cash Balance**

- 31 Dec 2017: RM136.5 bil
- 31 Dec 2018: RM181.0 bil

**PETRONAS Holding Company Cash Balance**

- 31 Dec 2017: RM67.0 bil
- 31 Dec 2018: RM94.6 bil

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**Funds of non-wholly owned subsidiaries and trust funds within the Group**

**Funds of wholly owned subsidiaries and PETRONAS’ portion of non-wholly owned subsidiaries**

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**Group Cash Balance**

RM181.0B

33% Increase Y-o-Y in 2018

**Holding Company Cash Balance**

RM94.6B
Upstream Business
2018 Operational Highlights

**Approved FID for LNG Canada project in Kitimat, British Columbia and La Amarga Chica, Argentina**

**Acquired 10% stake in Block 61, Oman**

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10 **Exploration discoveries**
   (9 Malaysia, 1 International)

27 **projects achieved**
   (8 Greenfield, 19 Brownfield)

16 **new PSCs signed**
   (5 Malaysia, 11 International)

10 **LNG deals secured**, contributing **5.84 mtpa LNG sales**

20 **years LNG SPA with Cheniere for 1.1 mtpa of LNG supply**
Higher production for 2018 mainly attributable to higher production from Iraq and Turkmenistan

Lower LNG sales volume for 2018 mainly attributable to lower volume from PETRONAS LNG Complex ("PLC") in Bintulu, Sarawak

Higher Malaysia average sales gas volume compared to prior year mainly due to higher demand
Downstream Business
Downstream Sales Volume

Higher petrochemical sales boosted by higher production

<table>
<thead>
<tr>
<th>Petrochemical Products</th>
<th>Petroleum Products</th>
<th>Crude Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mil Metric Tonnes</strong></td>
<td><strong>Mil barrels</strong></td>
<td><strong>Mil barrels</strong></td>
</tr>
<tr>
<td>FY '17</td>
<td>FY '18</td>
<td>FY '18</td>
</tr>
<tr>
<td>8.1</td>
<td>253.3</td>
<td>144.7</td>
</tr>
<tr>
<td>8.4 (4% increase)</td>
<td>252.7</td>
<td>142.0</td>
</tr>
<tr>
<td></td>
<td>0.2% decrease</td>
<td>2% decrease</td>
</tr>
</tbody>
</table>
Plant Utilisation

Improved utilisation for petrochemical plants following healthy feedstock supply whilst refineries underwent statutory turnaround in the first half of the year.

<table>
<thead>
<tr>
<th>Plant Type</th>
<th>FY '17</th>
<th>FY '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrochemical Plants</td>
<td>91.4</td>
<td>91.9</td>
</tr>
<tr>
<td>Domestic Refineries</td>
<td>91.0</td>
<td>89.4</td>
</tr>
<tr>
<td>International Refinery</td>
<td>96.2</td>
<td>77.0</td>
</tr>
</tbody>
</table>

1 Plant Utilisation based on Nexant
2 Lower plant utilisation due to turnaround at Engen refinery
THANK YOU