PETRONAS Group
Financial Results Announcement
Quarter 4 and Year Ended FY2019
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**Lower earnings reported amidst challenging market conditions**

- 4% decrease in revenue to RM240.3 billion
- 27% decrease in net profit to RM40.5 billion
- 6% decrease in net profit to RM47.8 billion excluding identified items

**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

**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**

**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**

**Performance Progress of projects & CAPEX spending**

**PIC**

Is now ready to fulfil the market demand

**RM47.8 billion**

CAPEX spending for FY2019

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1. Pangkorang Integrated Complex (PIC)
Cash flow from operations improved amidst challenging market conditions, enabling the Group to sustain its momentum for growth

<table>
<thead>
<tr>
<th>Key Financial Indicators</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>251.0</td>
<td>240.3</td>
</tr>
<tr>
<td>PAT</td>
<td>55.3</td>
<td>40.5</td>
</tr>
<tr>
<td>PAT excluding identified items</td>
<td>50.6</td>
<td>47.8</td>
</tr>
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<td>96.3</td>
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<td>EBITDA Margin</td>
<td>46%</td>
<td>40%</td>
</tr>
<tr>
<td>CFFO</td>
<td>86.3</td>
<td>90.8</td>
</tr>
<tr>
<td>FCF</td>
<td>39.4</td>
<td>43.0</td>
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**Key Financial Indicators (RM bil)**

- **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%)
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### Group Financial Results

**CFFO**

- **RM90.8 bil**

**FCF**

- **RM43.0 bil**

Positive working capital changes

**Capital Investment**

- **RM47.8 bil**

### Healthy CFFO and FCF driven by effective working capital management

#### FY2019

**EBITDA**

- **RM bil**
  - FY '19: 96.3
  - FY '18: 116.5

**PAT**

- **RM bil**
  - FY '19: 47.8
  - FY '18: 50.6

**PAT** *

- **Excluding identified items**
  - FY '19: 40.5
  - FY '18: 55.3

#### Q4 2019 Y-o-Y

**EBITDA**

- **RM bil**
  - Q4 '19: 22.7
  - Q4 '18: 37.3

**PAT** *

- **Excluding identified items**
  - Q4 '19: 9.2
  - Q4 '18: 10.7

#### Notes:

- **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**

*Excluding identified items*
Upstream continues to be the biggest contributor to the Group’s Profit After Tax.

**Profit After Tax by Business Segments**

**FY2018**
- Upstream: 47%
- Gas & New Energy: 13%
- Downstream: 12%
- C&O: 13%
- Inter-segment elimination: 3%

**FY2019**
- Upstream: 55%
- Gas & New Energy: 13%
- Downstream: 24%
- C&O: 12%
- Inter-segment elimination: 4%

- Upstream: RM55.3 bil
- Gas & New Energy: RM40.5 bil

**Segment Results**

- **Upstream**
  - Production: 2,406 kboe/d
  - 2% of Total

- **Gas & New Energy**
  - LNG sales volume: 30.6 MMT
  - 6% of Total

- **Downstream**
  - Petroleum products sales volume: 258.8 MMbbl
  - 2% of Total
FY2019 Upstream Performance

Focus Areas

Maximising Cash Generator

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

- Exploration discoveries with 2 *significant gas discoveries* in Sarawak’s SK410B Lang Lebah & Indonesia’s Sakakemang Kaliberau Dalam fields

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

Operational Excellence

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

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

Portfolio Growth

- *New Production Sharing Contracts (PSCs)* awarded in Malaysia

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

<table>
<thead>
<tr>
<th>Operational Performance</th>
<th>Production (kboe/d)</th>
<th>Entitlement (kboe/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019</td>
<td>2,406</td>
<td>1,751</td>
</tr>
<tr>
<td>FY2018</td>
<td>2,361</td>
<td>1,686</td>
</tr>
</tbody>
</table>

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FY2019 Gas and New Energy Performance

Focus Areas

Maximising Cash Generator

10

LNG cargoes loaded following PFLNG Satu successful relocation to Kebabangan

Expanding Core Business

22

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

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

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

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FY2019 Downstream Performance

Focus Areas

Operational Excellence
- 90.6% Overall Equipment Effectiveness (OEE)
- 91.7%* Sustained Petrochemical Plant Utilisation

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

<table>
<thead>
<tr>
<th>Petroleum products (Million Barrels)</th>
<th>Crude oil (Million Barrels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY '18</td>
<td>FY '19</td>
</tr>
<tr>
<td>252.7</td>
<td>258.8</td>
</tr>
<tr>
<td></td>
<td>142.7</td>
</tr>
</tbody>
</table>

Petroleum products (Million Metric Tonnes)
- 8.4 FY '18
- 8.4 FY '19

1 Plant Utilisation based on Nexant
* Compared to SPLY 2018
Sustaining the growth momentum whilst continuing our focus on cost containment

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

Higher Group costs mainly due to identified items.

Group costs decreased on a cash basis, excluding non-cash adjustments.

Group Costs

<table>
<thead>
<tr>
<th></th>
<th>FY '18</th>
<th>FY '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Costs</td>
<td>196.0</td>
<td>205.6</td>
</tr>
<tr>
<td>Group Costs Excluding Identified Items</td>
<td>200.7</td>
<td>198.3</td>
</tr>
</tbody>
</table>

1 Relate to costs charged to Income Statement only.

FY2019 Capital Investments

- Upstream: 48% RM47.8 bil
- Downstream: 51%
- G&NE: 17%
- Malaysia: 10%
- International: 22%

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

PETRONAS Group
Cash & Fund Investments Balance

<table>
<thead>
<tr>
<th></th>
<th>RM Bil</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Dec 2018</td>
<td>181.0</td>
</tr>
<tr>
<td>31 Dec 2019</td>
<td>152.2</td>
</tr>
</tbody>
</table>

Funds mainly comprise remaining 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.

PETRONAS Holding Company
Cash & Fund Investments Balance

<table>
<thead>
<tr>
<th></th>
<th>RM Bil</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Dec 2018</td>
<td>94.6</td>
</tr>
<tr>
<td>31 Dec 2019</td>
<td>61.0</td>
</tr>
</tbody>
</table>

Robust net cash position as at 31 Dec 2019

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.

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
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
**Operational Highlights**

**LNG Production** (MMT)

- FY' 18: 26.7
- FY' 19: 28.1

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

**LNG Sales Volume** (MMT)

- FY' 18: 28.9
- FY' 19: 30.6

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

**Malaysia Average Sales Gas** (mmscfd)

- FY' 18: 2,777
- FY' 19: 2,887

Malaysia average sales gas volume for the year was higher mainly due to higher demand.
Higher petroleum products sales volume contributed by better trading and domestic marketing performance
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!