

# PETRONAS Group Financial Results Announcement

## First Quarter 2023

**Resolute in Purpose, Advancing Solutions  
for a Sustainable Future**



## Cautionary Statement

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## Key Messages

- Quarter 1 saw continuation of central banks' interest rate hikes across the world to tame inflation and concern over recession, leading to a **decrease in energy prices**.
- Leveraging on its integrated business and driven by continuous improvements in commercial and operational excellence, PETRONAS recorded **PAT of RM23.8 billion, EBITDA of RM38.6 billion** and **CFFO of RM25.5 billion**.
- Notwithstanding, oil and gas **prices are expected to moderate** further due to **prolong economic uncertainties**.
- PETRONAS remains committed to **strengthen its portfolio** in Malaysia and internationally, while **pursuing its sustainability agenda**.





# PETRONAS recorded Commendable Quarter 1 2023 Performance, arising from Higher Sales Volumes despite Lower Market Price

(RM Bil)

## Performance

### Revenue

**90.4**

YTD 2023



**78.2**

YTD 2022

### PAT

**23.8**

YTD 2023



**23.4**

YTD 2022



### CFFO

**25.5**

YTD 2023



**27.9**

YTD 2022

### EBITDA

**38.6**

YTD 2023



**40.3**

YTD 2022

## Financial Position

### Total Borrowings

**105.2**

31 Mar 2023



**104.2**

31 Dec 2022

### Total Assets

**713.6**

31 Mar 2023



**710.6**

31 Dec 2022

### Shareholders' Equity

**388.7**

31 Mar 2023



**401.6**

31 Dec 2022



Average Brent  
(USD/bbl)

**\$81.17**

YTD 2022 \$102.23



Average JCC  
Single-month<sup>1</sup>  
(USD/bbl)

**\$87.08**

YTD 2022 \$98.63

USD  
Strengthens

USD/MYR<sup>2</sup>

**RM4.39**

YTD 2022 RM4.19

<sup>1</sup> Represents published price, not actualised price  
<sup>2</sup> Average exchange rate

# As the Momentum for the Energy Transition Accelerates, PETRONAS has crystallised the Three-Pronged Growth Strategy into the PETRONAS Energy Transition Strategy

## Three-Pronged Growth Strategy

- Maximising Cash Generators
- Expanding Core Business
- Stepping Out

The Three-Pronged Growth Strategy (3PGS) has guided PETRONAS in strengthening the foundation of its oil and gas and new business, putting it on a stronger footing to pursue its next phase of growth



## PETRONAS Energy Transition Strategy



**Core Business**  
More energy,  
less emissions



**New Business**  
Capturing New  
Growth  
Opportunities



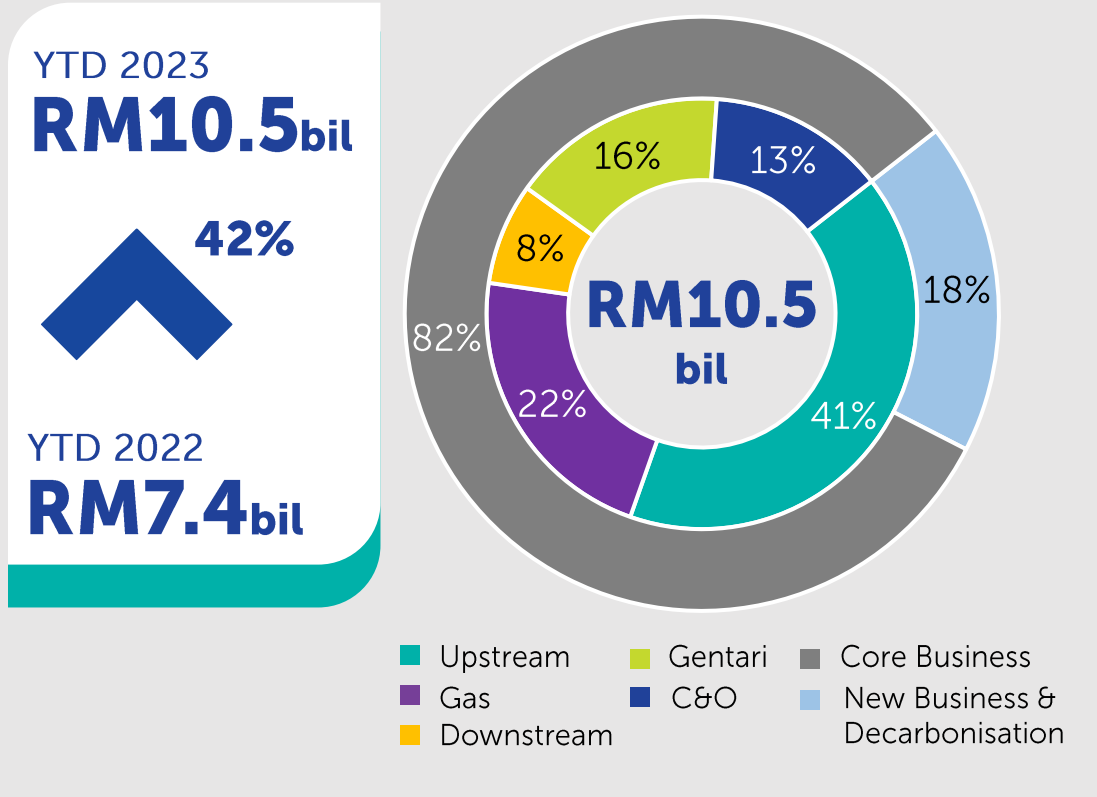
**Net Zero Carbon  
Emissions**  
Pathway to Zero



With this Strategy in place, PETRONAS is determined to thrive in the energy transition and continue **delivering energy to its customers in a just and responsible manner**

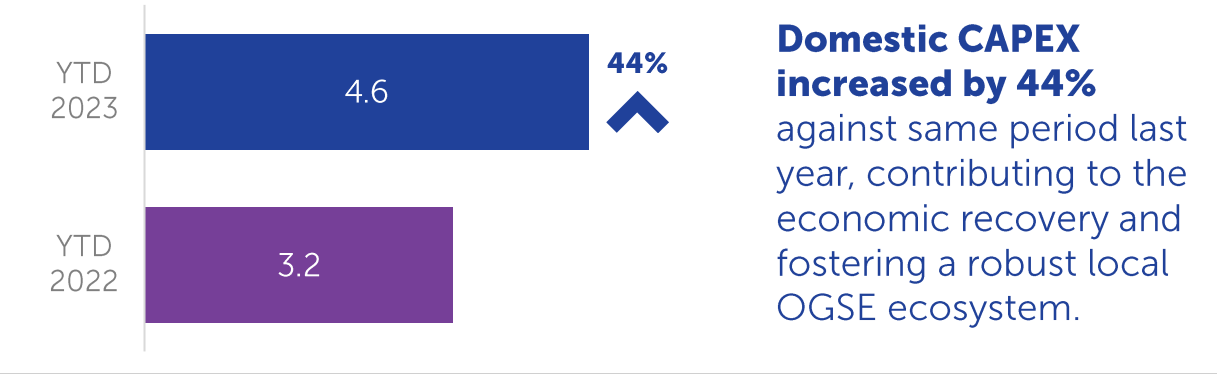
# Quarter 1 2023 saw the Rise in Overall CAPEX and notable increase in Domestic Spending against same period last year

## Group Capital Investments (CAPEX)

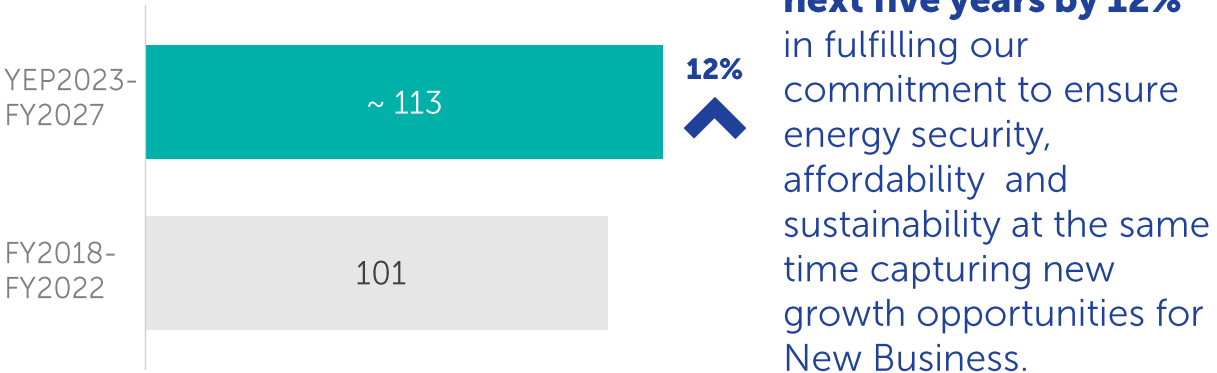


- Higher CAPEX by RM3.1 billion primarily due to the acquisition of WIRSOL Energy, a prominent renewable energy solutions provider in Australia.

### Domestic CAPEX (RM Bil)

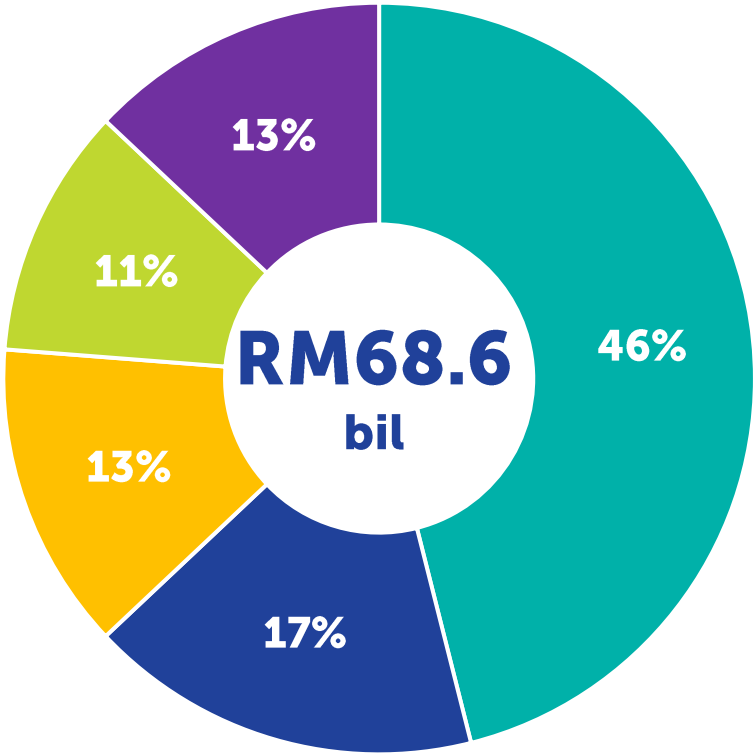


### Domestic CAPEX Trending (RM Bil)



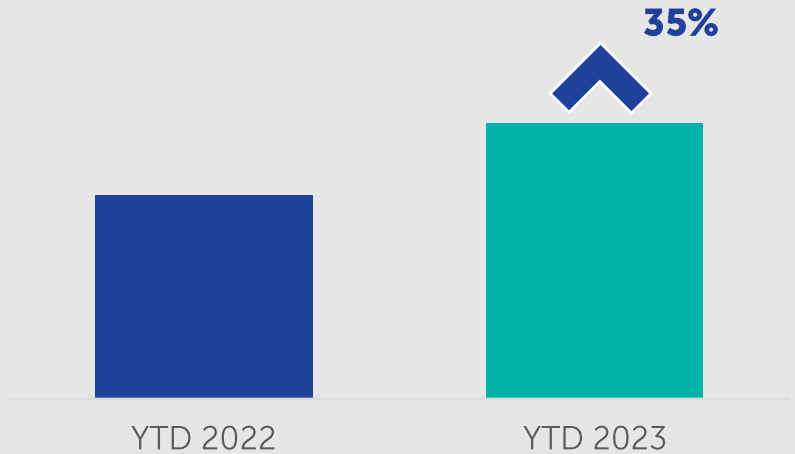
# Group Costs Elevated in tandem with Increased Sales Volume

## Group Costs



- Product costs
- Tax expenses, sales tax & duties and cash payments
- Non-cash items
- Production and transportation expense, purchased services, materials & supplies
- Others (HR cost, rental, utilities, finance cost, etc.)

### Domestic Group Costs (RM bil)

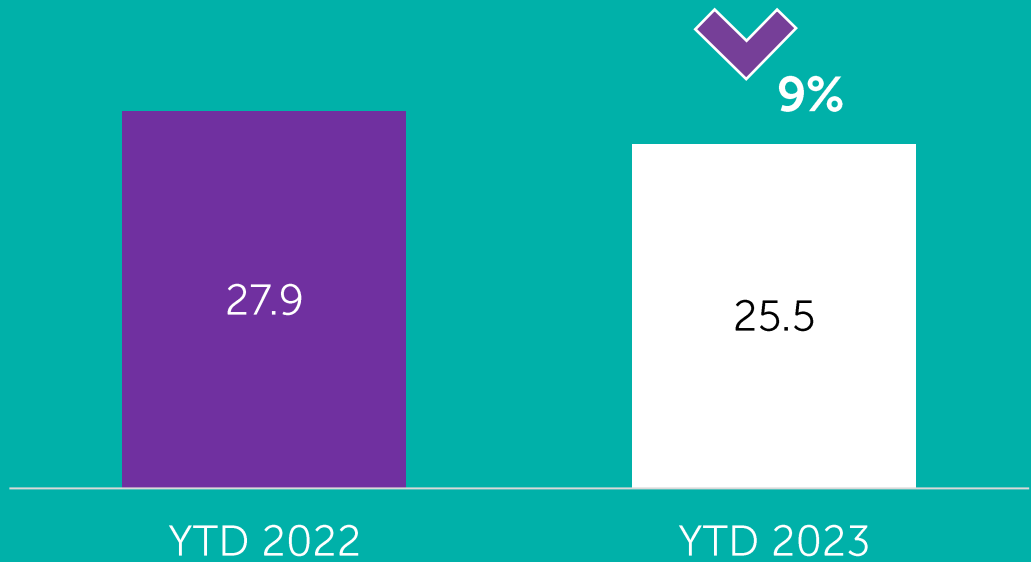


**Domestic group costs surged by 35%** in tandem with **higher product costs** following higher purchased volume to capture the favourable upside in domestic demand.

Additionally, the rise in domestic group costs is due to **higher production expenses, repair and routine maintenance costs** in line with **higher Malaysia operations activities**.

# Uphold Prudent Financial Management to Support Increased Investments for Growth, Larger Dividend Payments, and Debt Servicing Obligations

**CFFO**  
RM bil

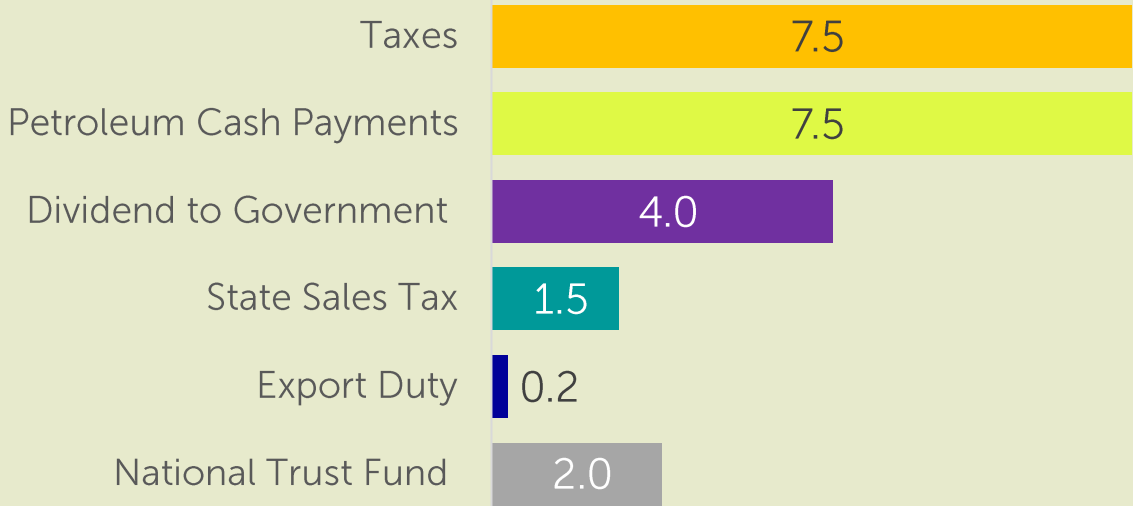


**RM105.2 billion**  
Total Borrowings as at 31 March 2023



**Capital Expenditure (CAPEX)**  
**RM10.5 billion**

**Contributions to Governments and NTF** (RM Bil)



**Nation's Sustainability and Community Wellbeing<sup>1</sup>**  
**> RM 125 Mil**

<sup>1</sup> Includes CSR contributions, Human Resource Development Fund & Sponsorships



# PETRONAS Remains Steadfast in realising its NZCE 2050 Pathway and Making Progress towards its Short-term Targets

Greenhouse Gas Emissions Target (Scope 1 and Scope 2)

2024



49.5  
MtCO<sub>2</sub>e

Capping Emissions at 49.5 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e) from PETRONAS' Malaysia operations by 2024.

## Q1 2023 Efforts towards meeting NZCE Pathway Short-term Targets



- Hosted “**Race2Decarbonise**” hackathon to drive emissions reduction progress, which was concluded in March 2023
- Winners selected were solutions to reduce gas turbines' energy consumption and prevent flare gas leakages to lower methane emissions
- These solutions will be matured, scaled, and deployed at PETRONAS' facilities in the next 2 years

Q1 2023 GHG Emissions\*  
**11.8 MtCO<sub>2</sub>e**

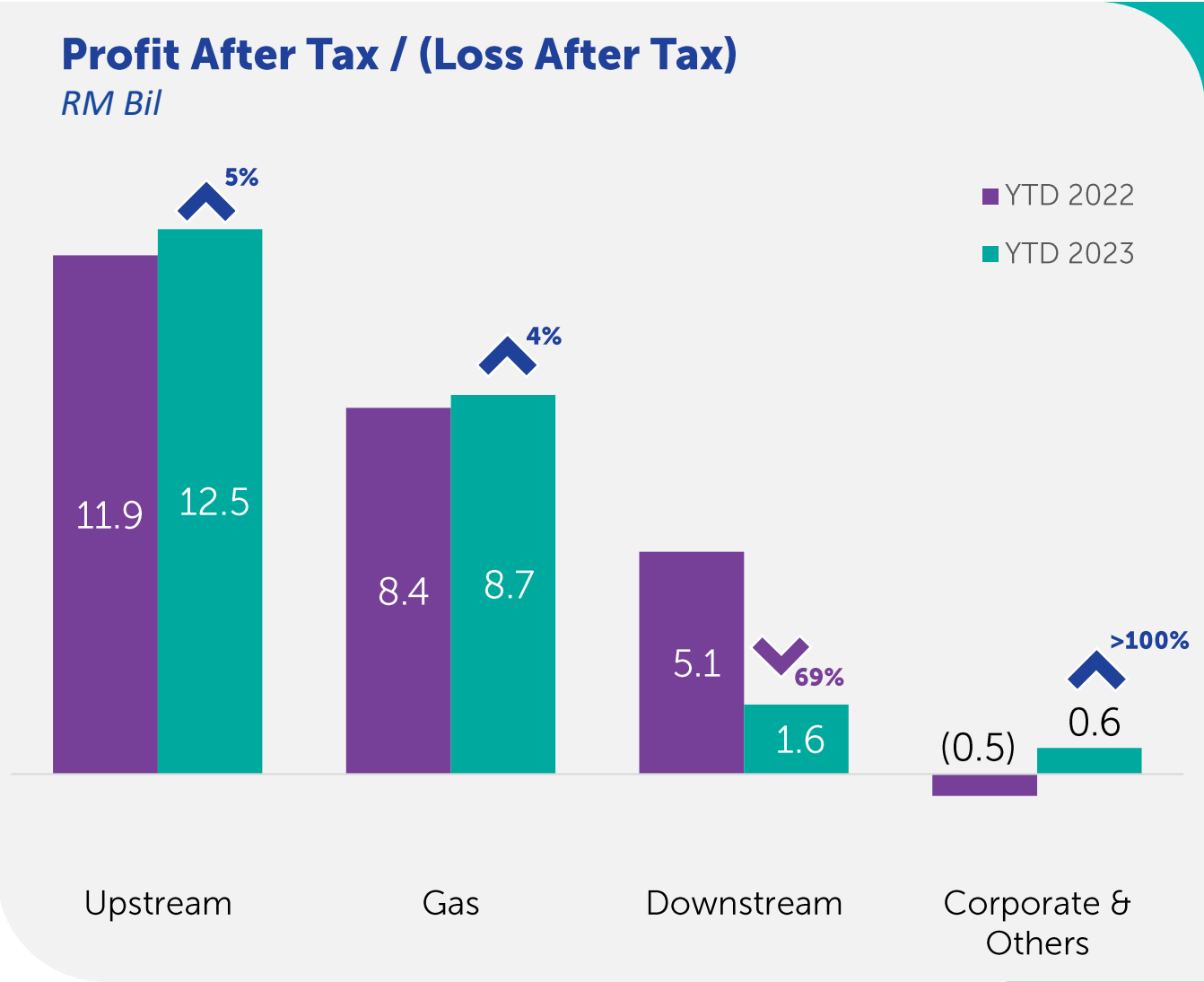
*\*Scope 1 and Scope 2 in Malaysia operations*



Against same period last year, the businesses recorded

- Upstream : **10.5% reduction in greenhouse gas (GHG) emissions** and **18.7% reduction in flaring & venting emissions** from Malaysia-operated assets
- Gas : **reduced an estimated 0.04 MtCO<sub>2</sub>e GHG emissions**, mainly through flaring reduction and fuel gas optimisation efforts from operations under PETRONAS Gas Berhad
- Downstream : **reduced an estimated 0.05 MtCO<sub>2</sub>e of GHG emissions**, mainly through flaring reduction and fuel gas optimisation efforts from operations under Malaysian Refining Company Sdn. Bhd. and PETRONAS Chemicals Group Berhad

# Most Businesses registered Improved Profitability mainly driven by Higher Sales Volume



## Upstream

Higher PAT primarily due to higher revenue, partially offset by higher product cost.

## Gas

Higher PAT primarily driven by higher revenue and partially offset with higher product costs.

## Downstream

Lower PAT primarily due to lower refining and petrochemical margins in line with lower average realised prices.

## Corporate & Others

Higher PAT mainly attributable to higher revenue, coupled with favourable impact from foreign exchange, partially offset by higher operating expenditure.

# Upstream

## Business Highlights

## Promising Start for the Year Supported by Operational and Commercial Excellence in Delivering Sustainable Operations



Achieved  
**1st hydrocarbon**  
for **4 projects**



Achieved **FID** for  
**4 projects**



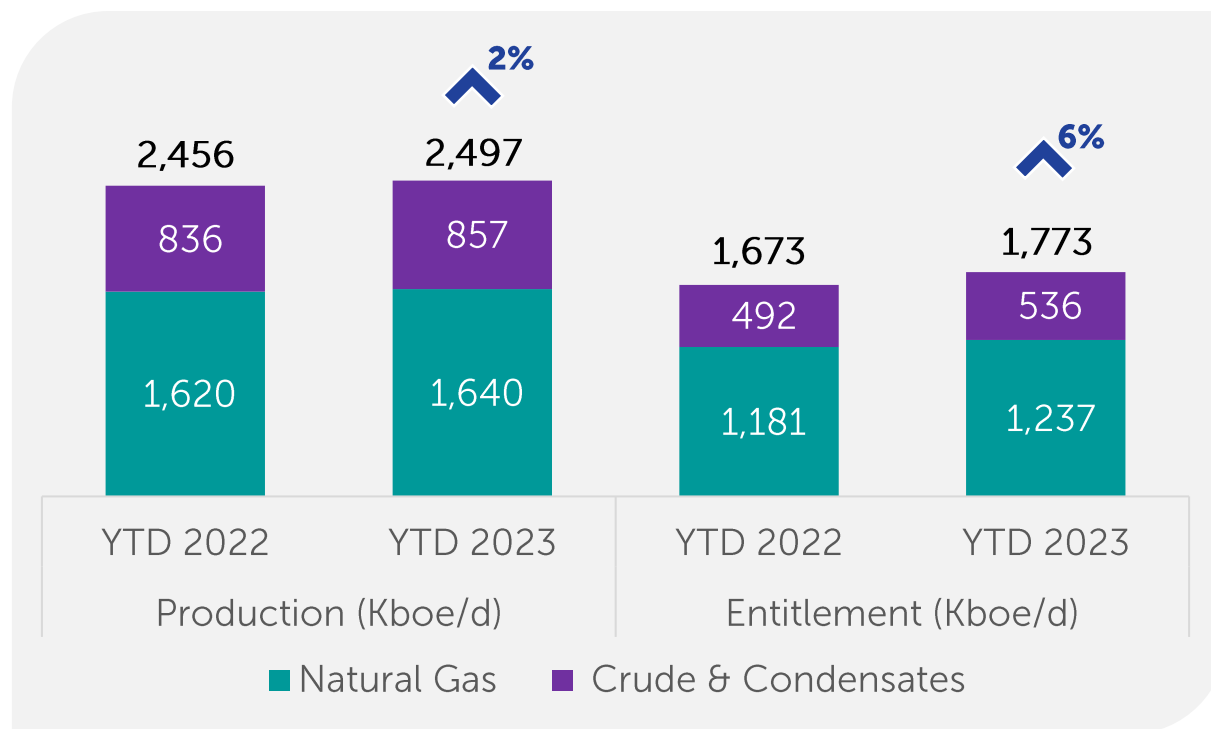
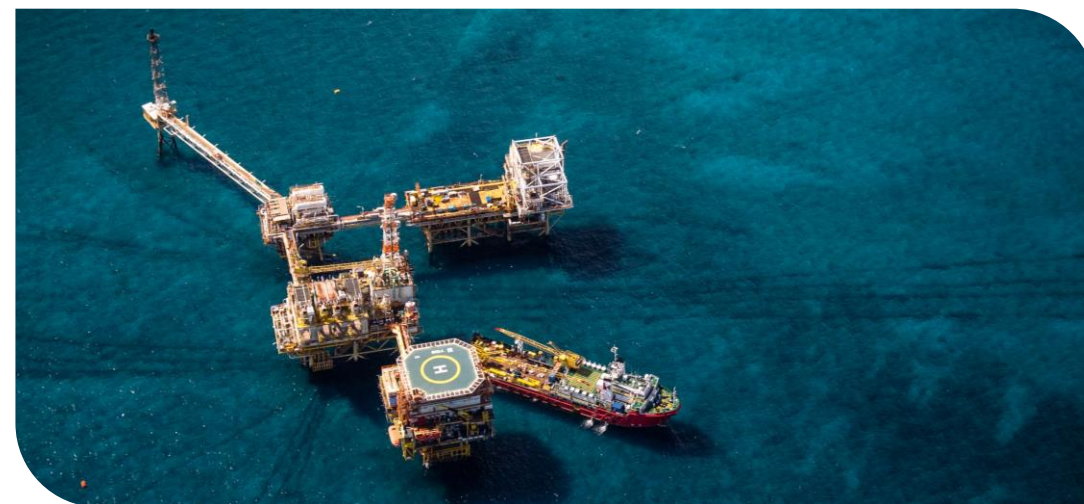
Signed **12 PSCs**  
in Malaysia  
under MBR 2022



Offered **10**  
**exploration blocks**  
and **2 DROs**  
under MBR 2023



Signed an **HOA** with SMJ Sdn Bhd for the **potential**  
**interest** in the **Samarang PSC**





# Gas

## Business Highlights

## Focused on Strengthening Supply Reliability and Customised Solutions to Fulfill the Demand for Lower Carbon Energy



**109**

total LNG cargoes  
delivered from PETRONAS  
LNG Complex



**9**

LNG cargoes delivered  
from PFLNG SATU  
and PFLNG DUA



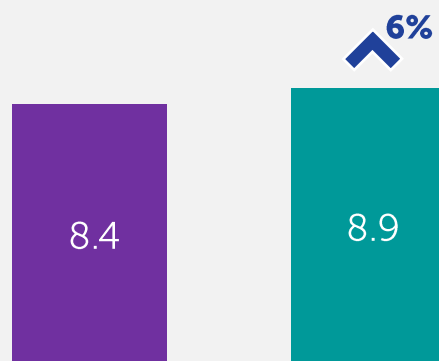
**941**

Virtual Pipeline System (VPS)  
and LNG Bunkering  
deliveries completed

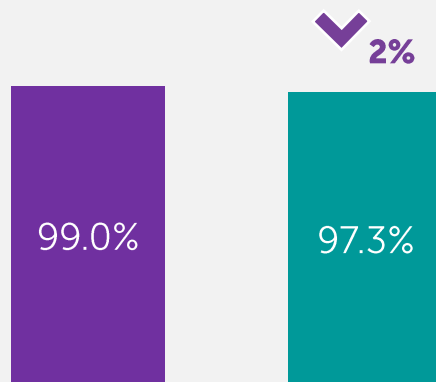


**2,253** MMscfd

of average sales gas  
volume delivered in  
Peninsular Malaysia



YTD 2022      YTD 2023  
Gross LNG Sales (MMT)



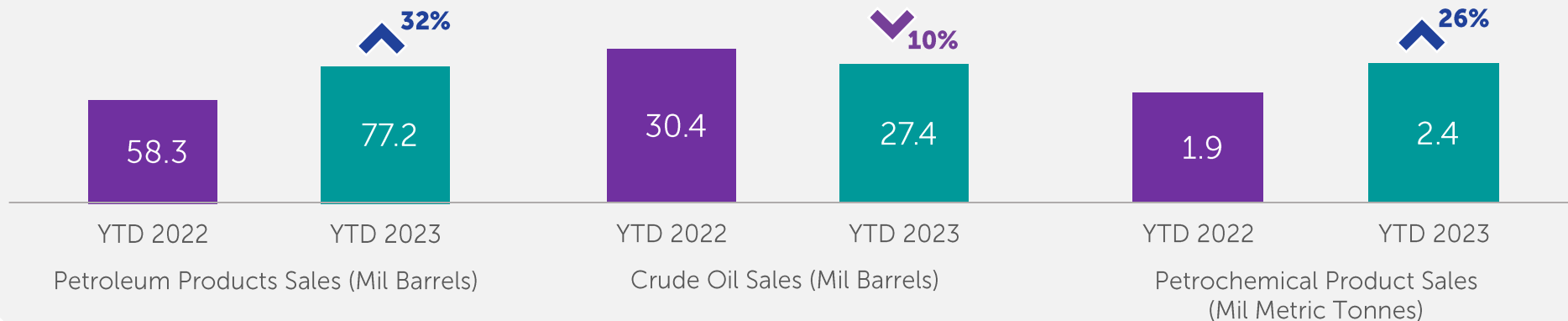
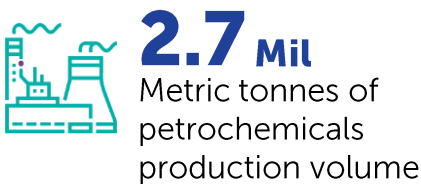
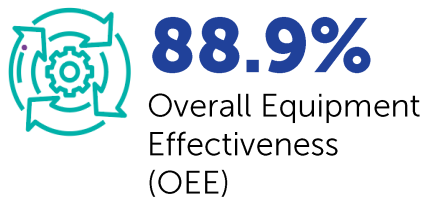
YTD 2022      YTD 2023  
Overall Equipment Effectiveness



# Downstream

## Stable operations amid increased market demand

### Business Highlights



Downstream inaugurated the LNG bunkering business with long-term partner TIGER GAS, through PETRONAS Marine brand. TIGER GAS is also the first Chinese customer of PETRONAS LNG bunkering business.



7 new outlets launched with 5 located beyond PETRONAS stations. This includes standalone dining menu at The Gardens North Tower, Mid Valley and the 1<sup>st</sup> pilot café trailer at PETRONAS Station Paka 2, Terengganu.



Joined DuitNow QR ecosystem, allowing its users to seamlessly make payments at over 1.6 million merchants nationwide while being rewarded with Mesra Points.

### Business Highlights

#### Renewables



**1.8** GW\*

**Renewable  
Energy Capacity**

*\*in operations and  
under construction*

Completed acquisition of **WIRSOL Energy**, adding **422 MW** to Gentari's overall renewables portfolio

#### Hydrogen



Received grant of **CAD2 million** from **Alberta Innovates** to carry out feasibility study for potential project in **Alberta Industrial Heartland**

#### Green Mobility



- Thailand: MoU with Evolt to explore green mobility infrastructure collaborations in Southeast Asia
- India: MoUs with MoEVing and logistics company Gati to support the decarbonisation of India's transportation sector.
- Malaysia: Tripartite roaming agreement with EV Connection and Yinson GreenTech to enable cross-tracking and cross-access charging of electric vehicles on the Setel, JomCharge and chargEV mobile apps



- Installed total of 154 charging points across Malaysia
- Deployed additional 138 EVs under VaaS offering (total 553 EVs) across Malaysia and India



Achieved approx. **1.5 million clean kilometers** (approx. 4 million clean kilometers cumulatively) across India and Malaysia



## Remains on track with Value Creation Journey of Sustainable Growth and Profitability



- Signed respective MoUs with Mitsui & Co., Ltd., Samsung Heavy Industries and Andritz AG to **explore opportunities for CCS solutions in the maritime value chain**



- Secured a contract from Carigali-PTTEPI Operating Company Sdn Bhd to **undertake the provision of EPCI** for 5 wellhead platforms, 5 subsea pipelines and host tie-ins works through its subsidiaries.



- Valverde Power Solutions, Inc., MISC, Clean Energy Systems, Inc. and Aker Solutions announced the execution of an agreement to **specify and fund certain Pre-FEED** to assess and demonstrate 2 North American emission-free power projects utilizing Clean Energy Systems' proven Oxy-Fuel burner technology ("Hestia Demo Project").



- Welcomed its **new-generation LNG carriers, Seri Damai and Seri Daya**
- Both vessels are equipped with sustainable technologies and will be on long-term charters to ExxonMobil's wholly-owned subsidiary, SeaRiver Maritime LLC.

Notes: - CCS : Carbon Capture and Storage  
- EPCI : Engineering, Procurement, Construction & Installation  
- Pre-FEED : Preliminary Front-end Engineering Design



# **PETRONAS**

## **Passionate about Progress**