



PETRONAS

PETRONAS Group

Financial Results Announcement

Q1 FY2018

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Q1 2018 Key Features



Performance

Higher productivity and operational excellence

13%  in underlying¹ net profit of RM11.9 billion

2%  increase in Q1 2018 EBITDA

Progress of projects

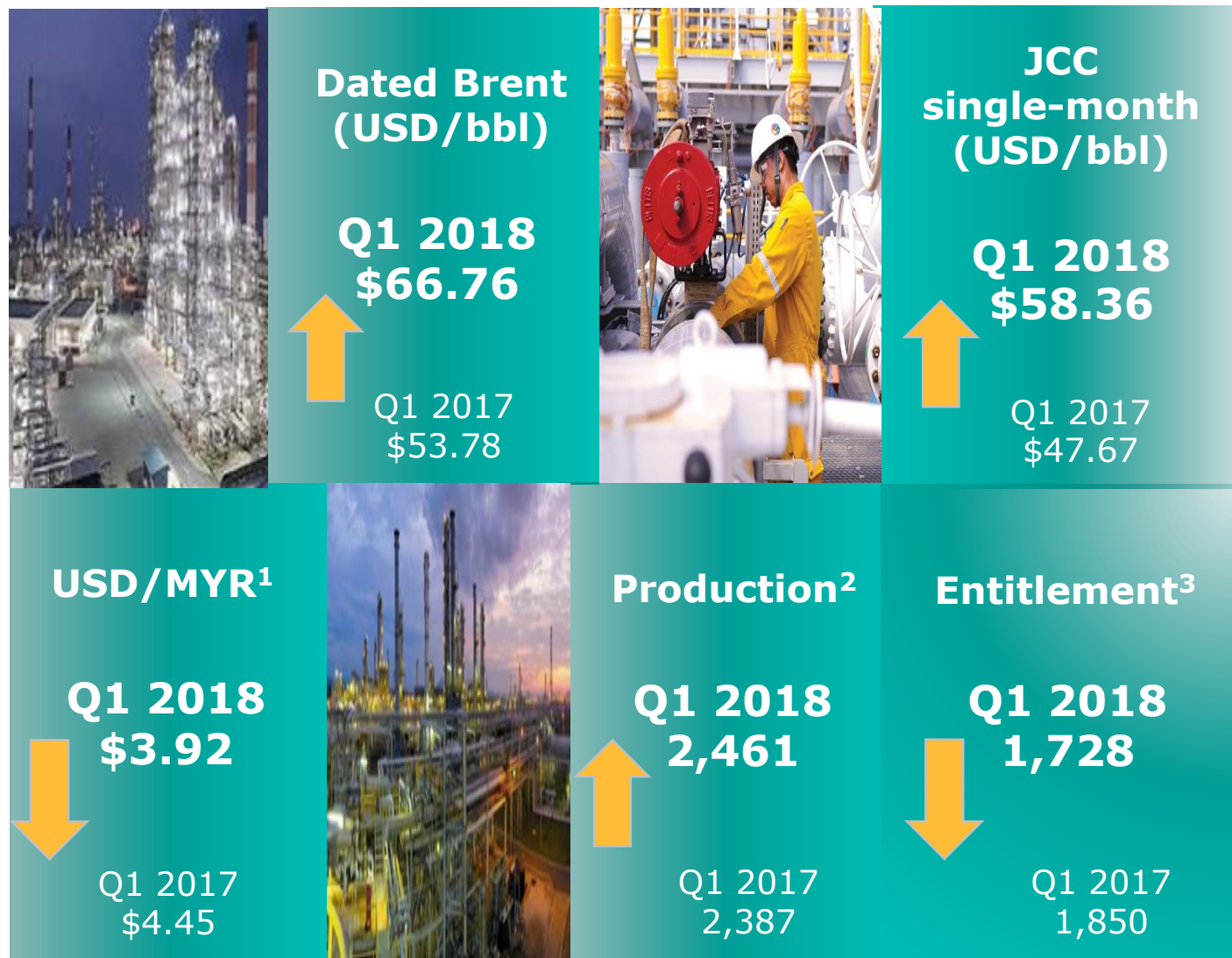
- PIC² **89%** completion as at 31st March 2018
- **6** Blocks Acquired - 2nd largest acreage holder (gross) in Offshore Mexico

Outlook

- Continued drive for productivity and growth
- Subject to volatility of oil price and FOREX, PETRONAS expects to deliver satisfactory year end performance

Financial Highlights

Key Financial Indicators (RM bil)	Q1 2018	Q1 2017
Revenue	57.9	56.5
Profit After Tax (PAT)	13.0	10.3
PAT excluding net impairment on assets	11.9	10.5
EBITDA	25.0	24.6
EBITDA Margin (%)	43.2	43.5
CFFO	21.9	18.0
Capital Investments	12.0	11.9



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 entitlement to Malaysia's production and PETRONAS Group's international entitlement volume

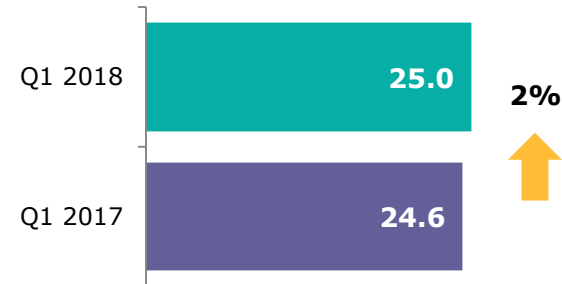
Q1 2018 Group Financial Results



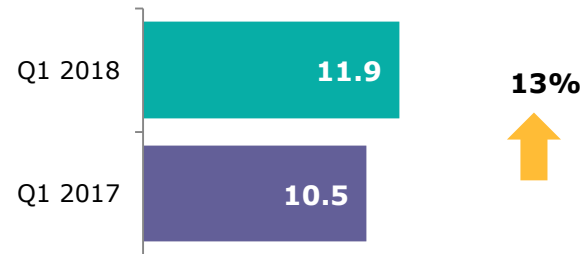
Q1 2018 Y-o-Y

EBITDA

RM bil



PAT*

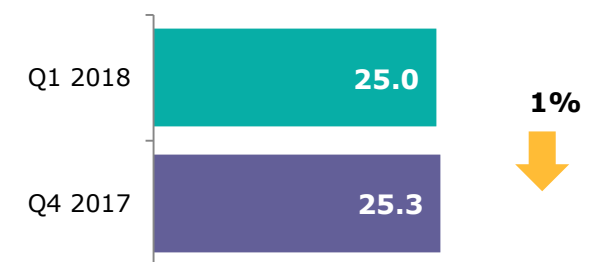


*Excluding net impairment on assets

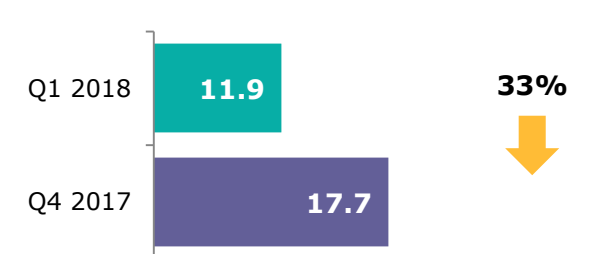
Q1 2018 Q-o-Q

EBITDA

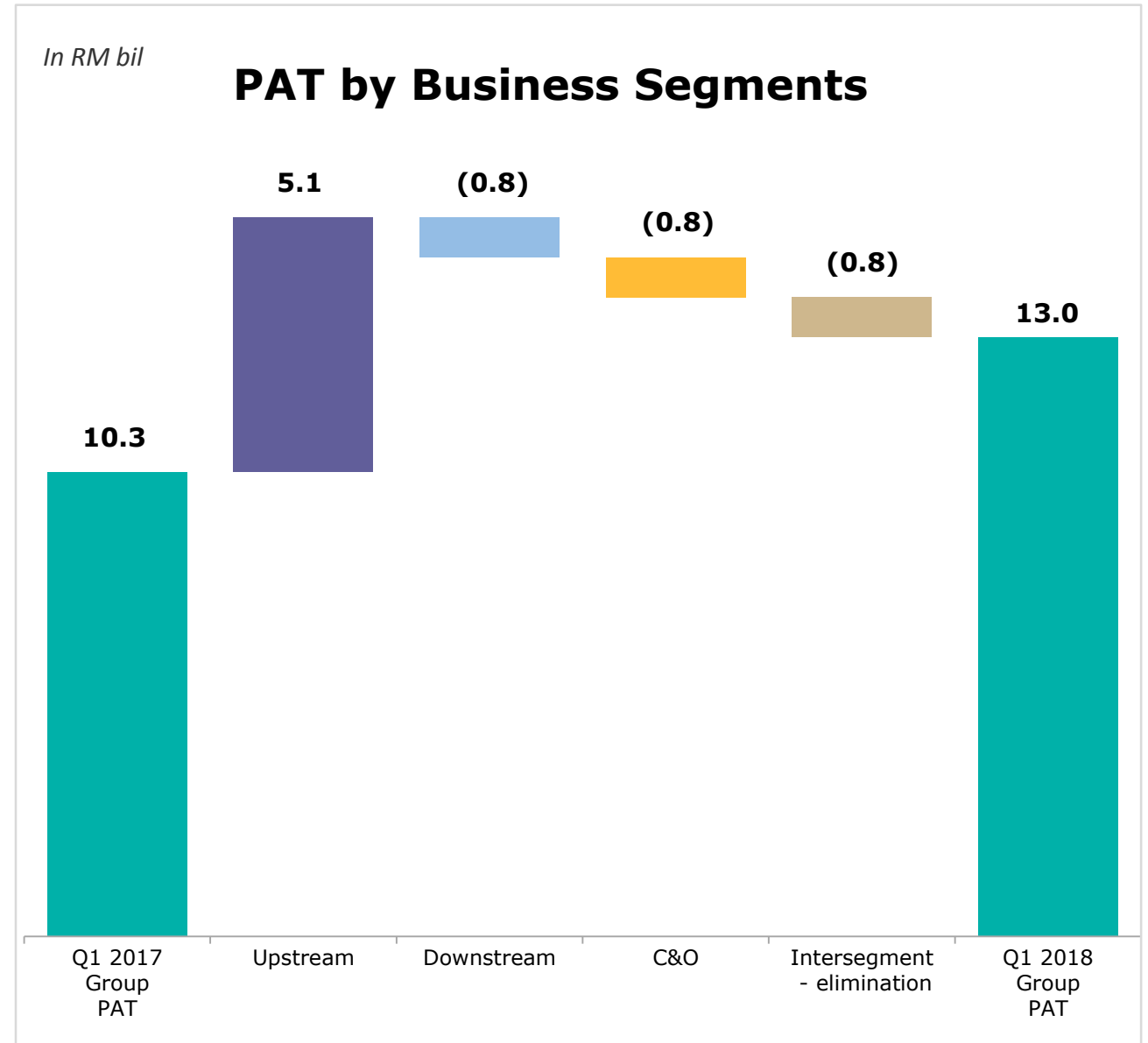
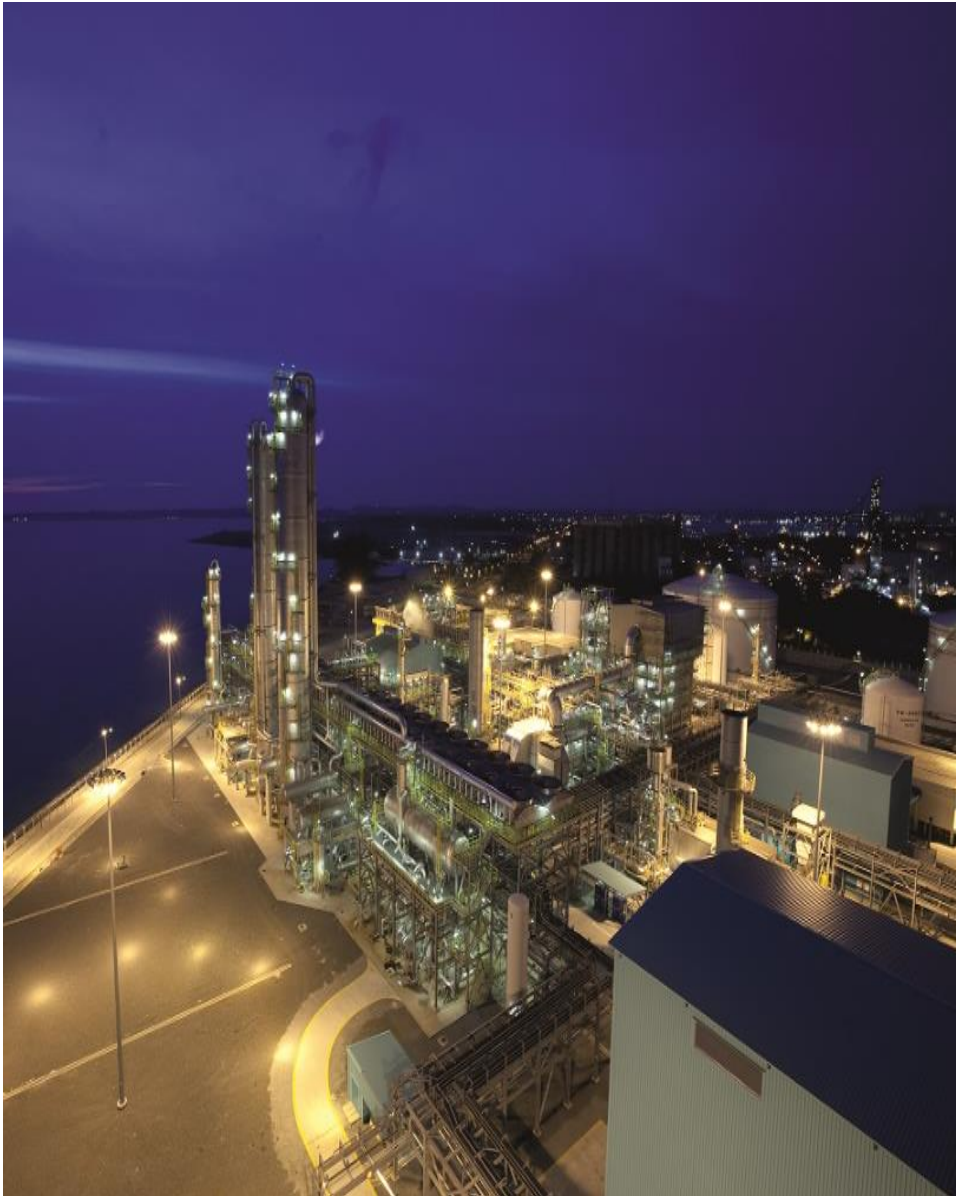
RM bil



PAT*



Segment Results



Q1 2018 Upstream Performance

Focus Areas



Operational Excellence

- **1st Discovery** of pre-salt play & ultra deep water at **Boujdi, Gabon**
- **5 projects** achieved 1st production
- **PM's Hibiscus Award** for Terengganu Crude Oil Terminal, Miri Crude Oil Terminal and Onshore Slug Catcher



Cost Management

- Continuous efforts **in cost optimisation** and **cash management** initiatives

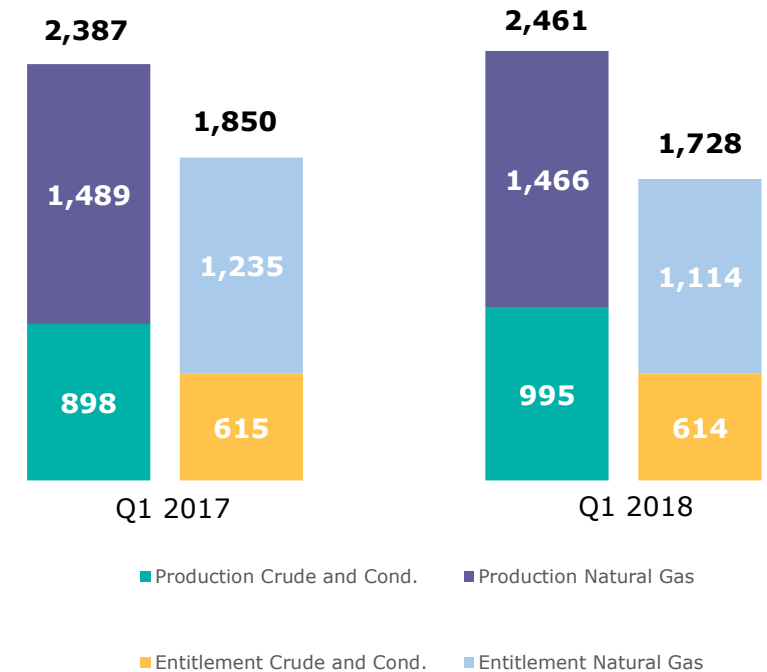


Portfolio High Grading

- Signed **5 PSCs** in Malaysia
- Completion of **Farm Out** agreement in **Algeria**
- Attained **Exploration Production Sharing Agreement Extension** for Block 3 & 7 in South Sudan

Operational Performance

Production and Entitlement (kboe/d)



Products	Q1 2017	Q1 2018
LNG sales volume (million tonnes)	7.50	7.92
Malaysia average sales gas volume (mmscfd)	2,745	2,806

Q1 2018 Downstream Performance

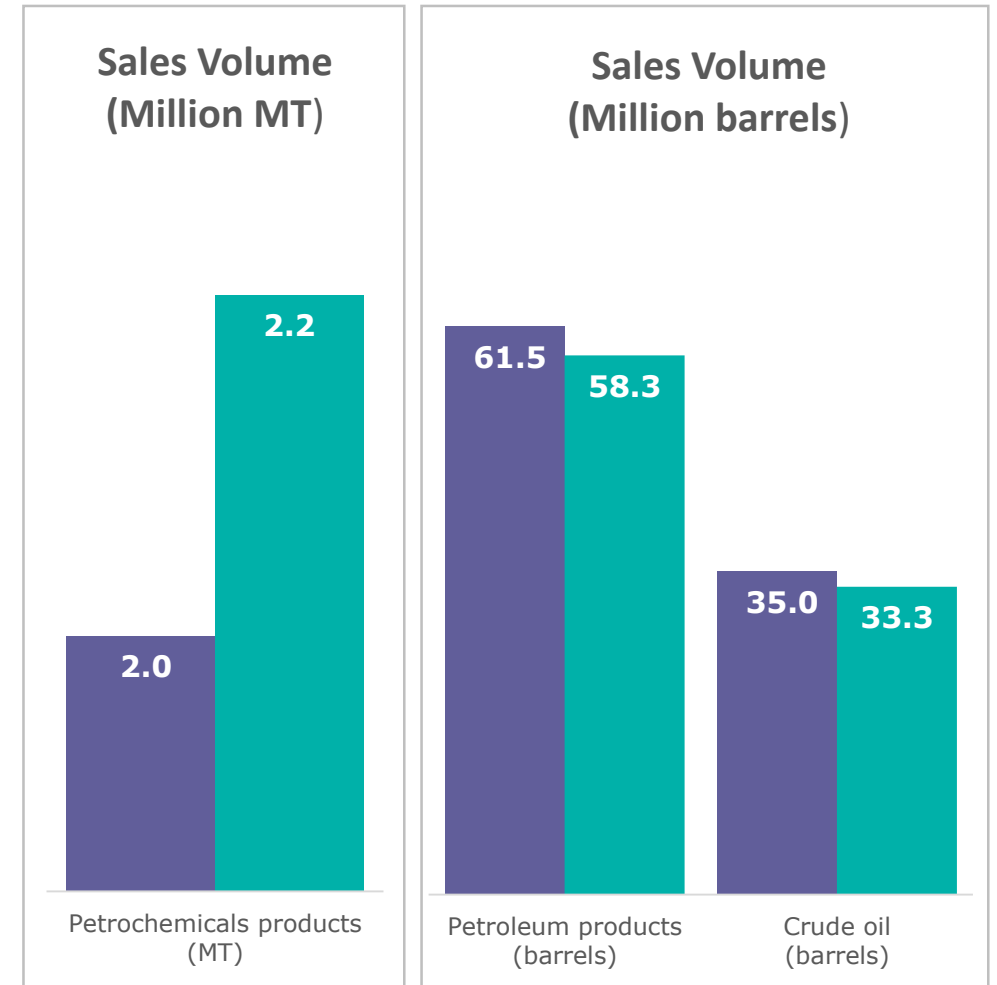
Focus Areas



Operational & Commercial Excellence

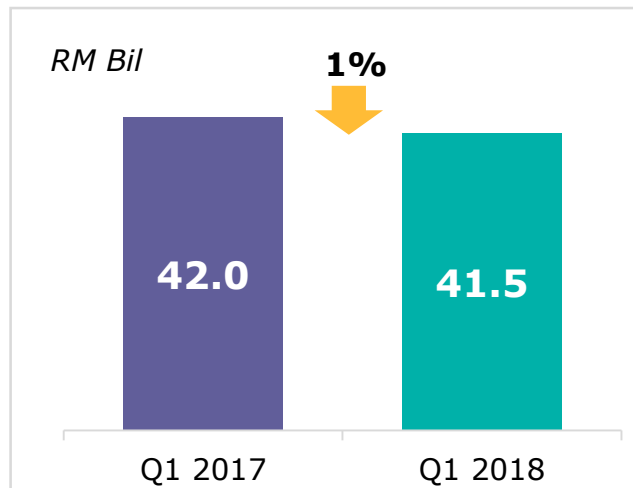
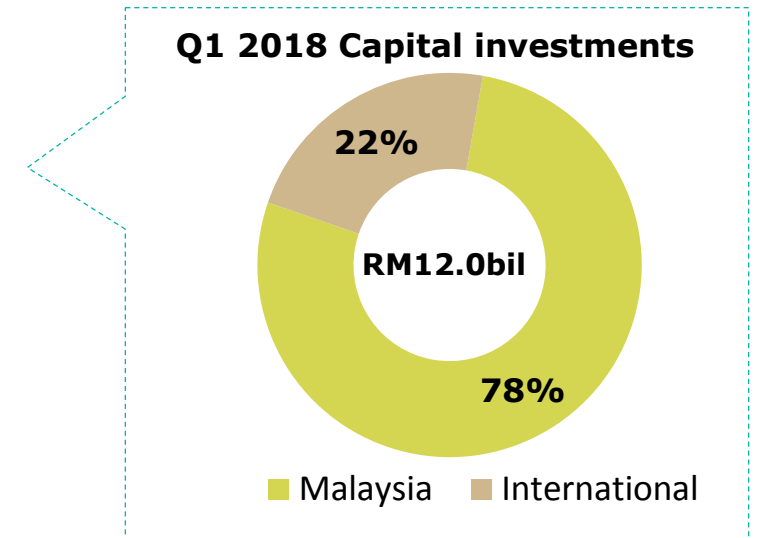
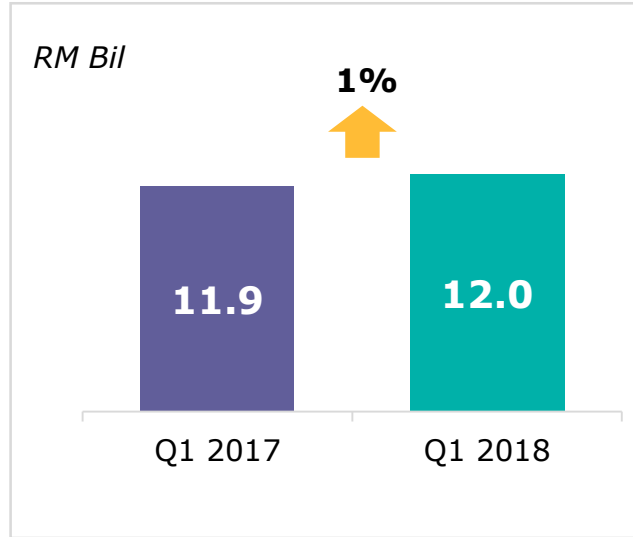
- Downstream OEE at **94.7%**
- **Completion** of 50% **equity divestment** in PRPC RC and PRPC Polymers to Saudi Aramco
- PIC on track to receive **1st crude** in Q4 2018

Operational Performance



■ Q1 2017 ■ Q1 2018

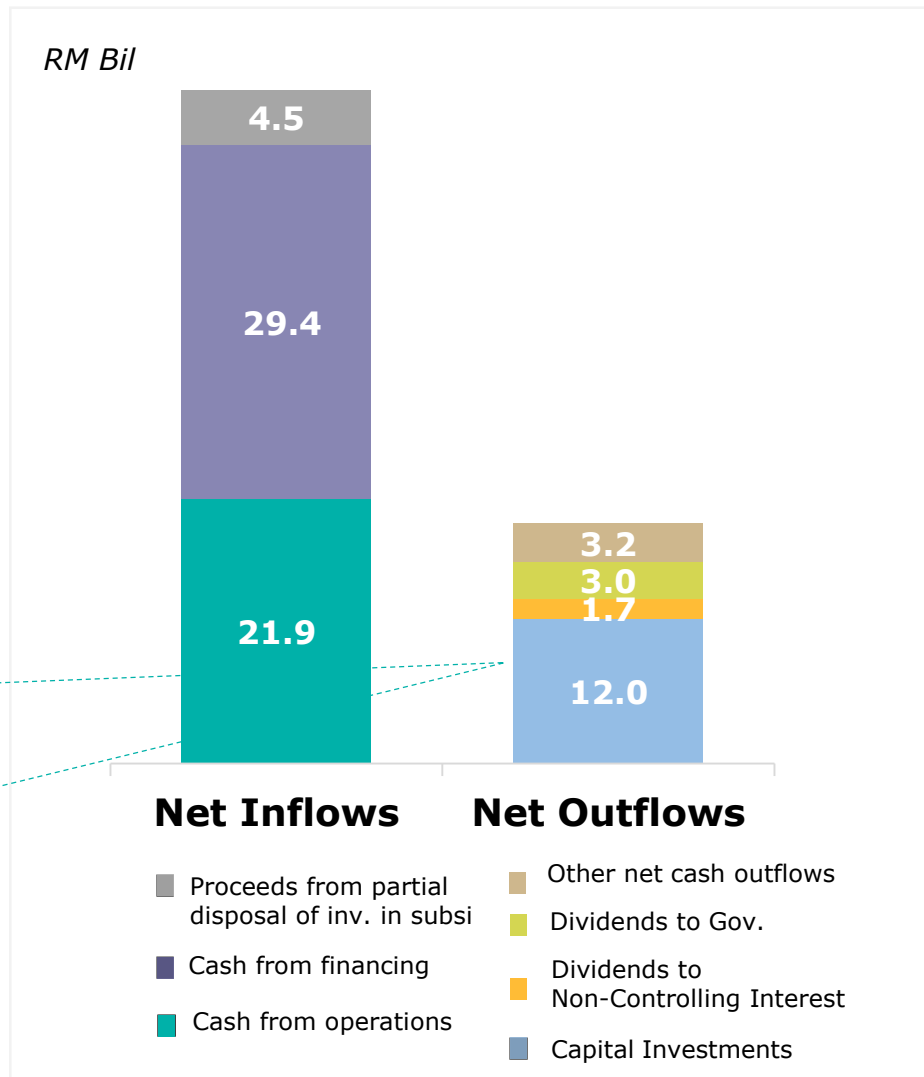
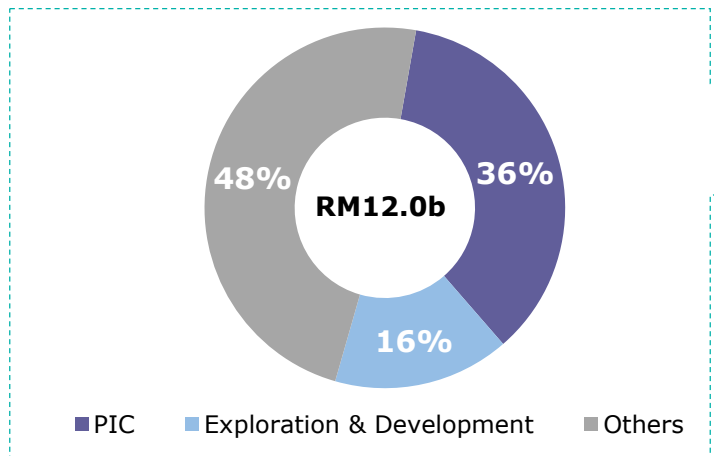
Capital Investments and Group Costs



- Continuous Groupwide cost management efforts

¹ Relate to costs charged to Income Statement only

Other Financial Highlights



- ### Significant Items
- ❑ Total assets at RM592.8 bil (↓ 1%¹)
 - ❑ Shareholders' equity at RM390.7 bil
 - ❑ Cash and fund investments at RM172.4 bil
 - ❑ Borrowings at RM64.6 bil
 - ❑ Leverage at 16.2% (↑ from 16.1%²)
 - ❑ ROACE³ at 10.4% (↑ from 9.8%²)

Notes:

¹Compared to 31 December 2017

²As at 31 December 2017

³ROACE is calculated as trailing 12 months profit before interest expense after tax divided by average total equity and long term debt during the period



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Appendix

Financial Highlights

Appendix 1

% change	Q1 2017	Q1 2018	Key Financial Indicators (RM bil)	Q1 2018	Q4 2017	% change
2.5	56.5	57.9	Revenue	57.9	61.8	6.3
18.1	15.5	18.3	Profit before tax (PBT)	18.3	23.6	22.5
26.2	10.3	13.0	Profit after tax (PAT)	13.0	18.2	28.6
>100	(0.2)	1.1	Net impairment write-back / (losses)	1.1	0.5	>100
13.3	10.5	11.9	PAT excluding net impairment on assets	11.9	17.7	32.8
1.6	24.6	25.0	EBITDA	25.0	25.3	1.2
0.3	43.5	43.2	EBITDA Margin (%)	43.2	40.9	2.3
21.7	18.0	21.9	CFFO	21.9	17.9	22.3
0.8	11.9	12.0	Capital Investments	12.0	10.7	12.1

Key Indicators

Appendix 2

Q1 2017		Q1 2018		Q4 2017		Q1 2018
53.78	↑	66.76	Dated Brent (USD/bbl)	61.39	↑	66.76
47.67	↑	58.36	JCC single-month (USD/bbl)	49.62	↑	58.36
4.45	↓	3.92	USD/MYR ¹	4.16	↓	3.92
Crude oil, condensate and natural gas (kboe/d)						
2,387	↑	2,461	Production ²	2,389	↑	2,461
1,850	↓	1,728	Entitlement ³	1,813	↓	1,728

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 entitlement to Malaysia's production and PETRONAS Group's international entitlement volume



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Upstream Business

Operational Highlights – Q1 2018

Focused delivery across the value chain



Financials

RM0.4 bil industry-wide cost optimisation and cash generation via Cost Reduction Alliance (CORAL 2.0) and PAC's initiatives



Exploration

- **First Discovery** of pre-salt play & ultra deep water at **Boudji, Gabon**
- **2** commercial discoveries



Production

- **▲ 3%** than Q1 2017
- Higher gas demand in JDA and Turkmenistan
- **5 projects** achieved 1st production



LNG

- **▲ 6%** LNG sales volume than Q1 2017



Growth

- Acquired **6 blocks** in **Mexico**
- Signed **5 PSCs** in **Malaysia** and **2 farm-in** agreements



Portfolio High-Grading

- Completion of Farm Out Agreement in **Algeria**
- Attained EPSA Extension for **South Sudan** Block 3&7



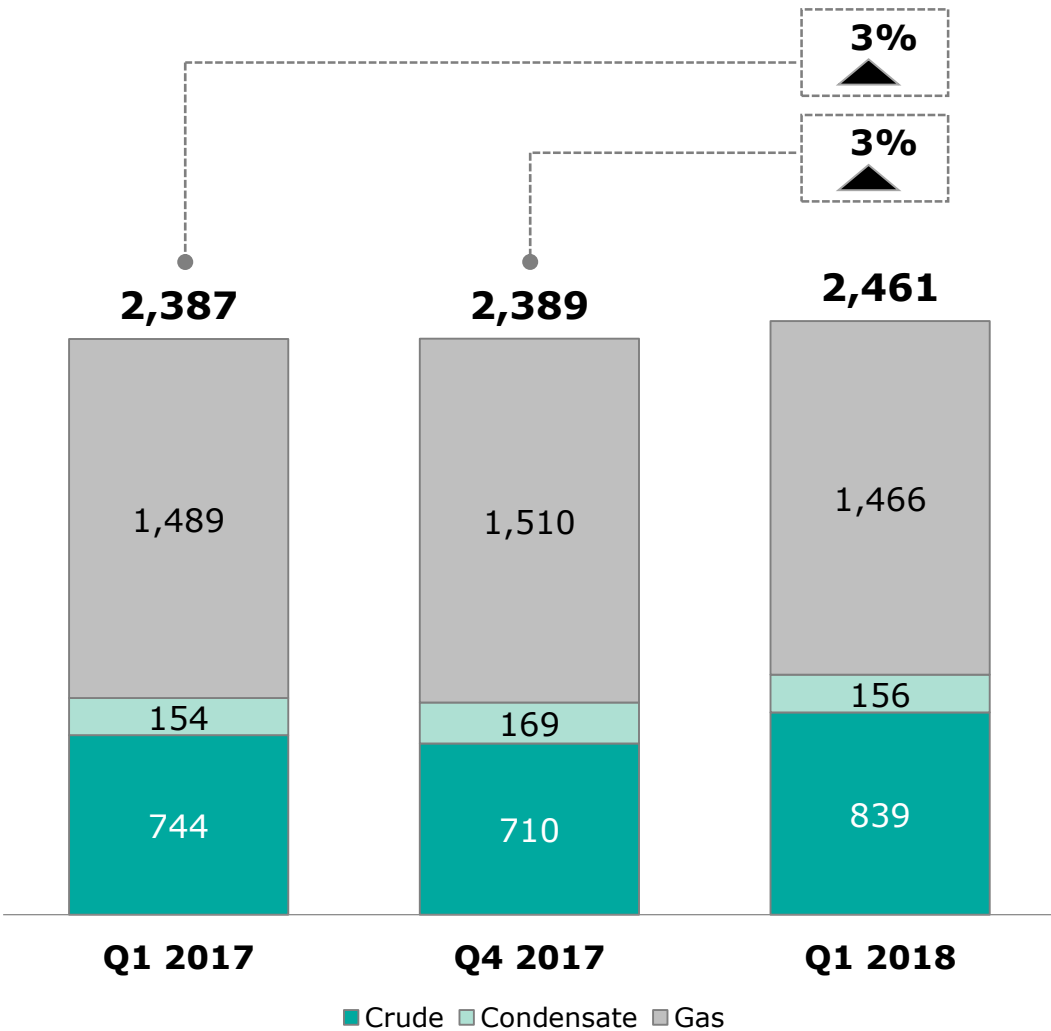
Prime Minister Hibiscus Award

- Premier **environmental award** for private sector (business and industry)
- Received for **excellence environmental** performance and commitment at **Terengganu Crude Oil Terminal, Miri Crude Oil Terminal & Onshore Slug Catcher**

Operational Highlights

Overall higher Q1 2018 results compared to prior periods

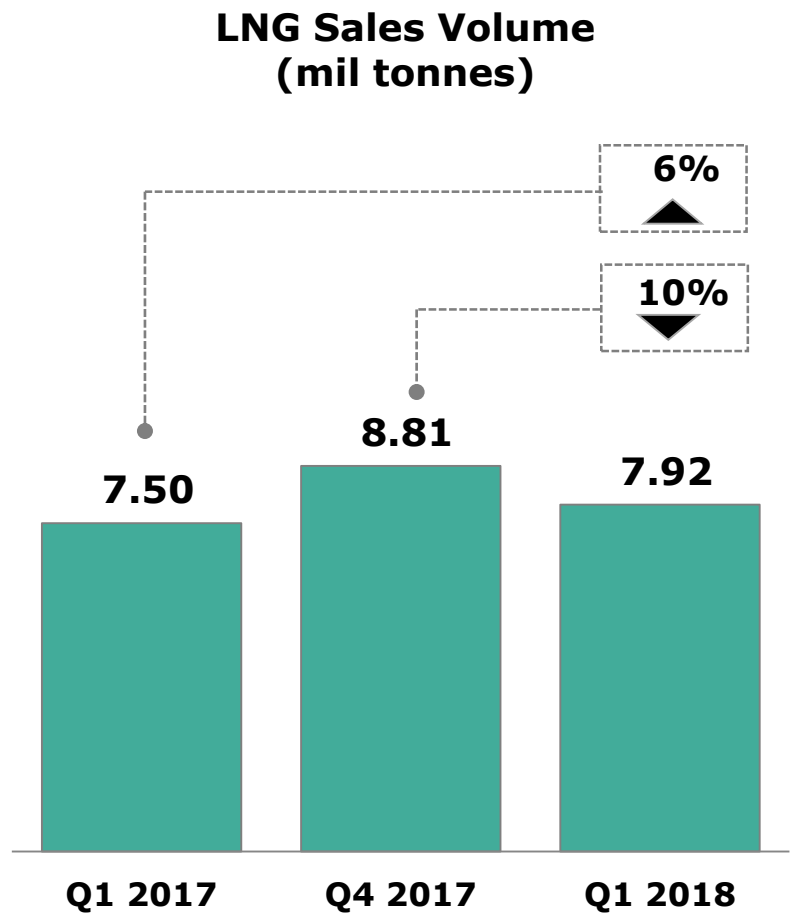
Production (kboe/d)



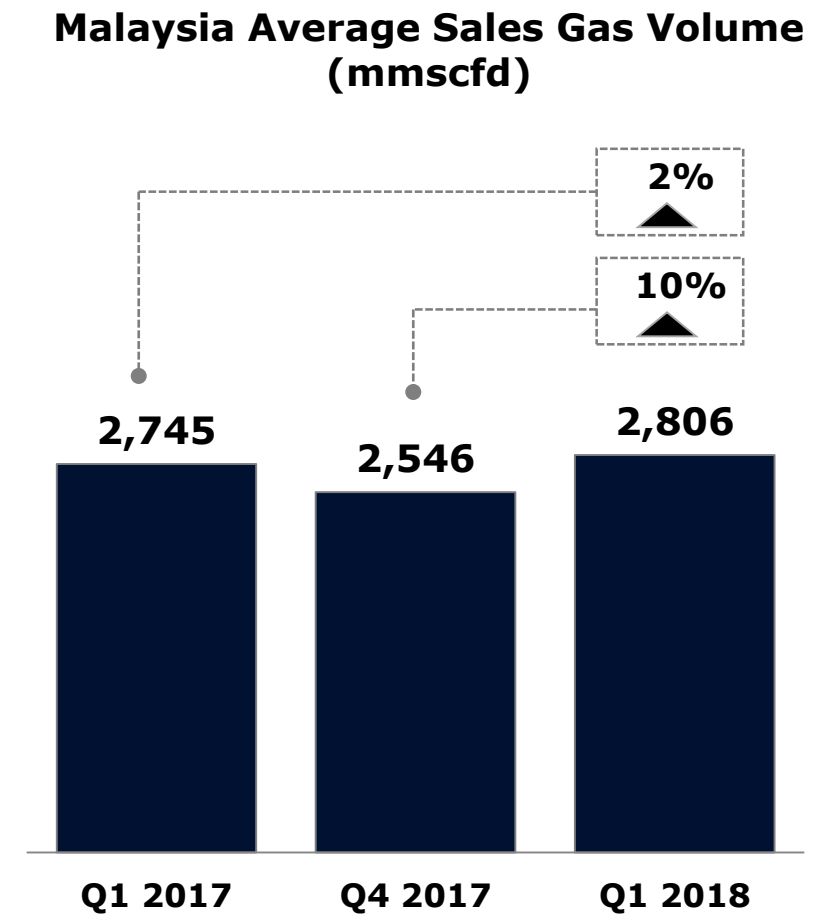
- Higher than prior periods
 - > Q1 2017 (↑ 3%)
 - > Q4 2017 (↑ 3%)
- Higher gas demand in JDA and Turkmenistan

Operational Highlights

Overall higher Q1 2018 results compared to corresponding quarter



Higher mainly attributable to higher volume from PETRONAS LNG Complex ("PLC") coupled with higher volume from trading activities.



Higher Malaysia average sales gas volume compared to prior periods mainly due to higher demand



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Downstream Business

Downstream Growth Projects

Progressing well within expectations



Pengerang Integrated Complex (PIC)

Overall progress achieved 90% completion as of April 2018 with 5% progress during the first quarter of 2018.

The project is on-track for start-up in 2019.



BPC¹ Projects

Aroma Plant

Start-up of the new integrated aroma ingredients complex was initiated in 2017 and is currently conducted in a step-wise approach.

HR-PIB²

The plant in Gebeng, Pahang, has come on-stream in January 2018.

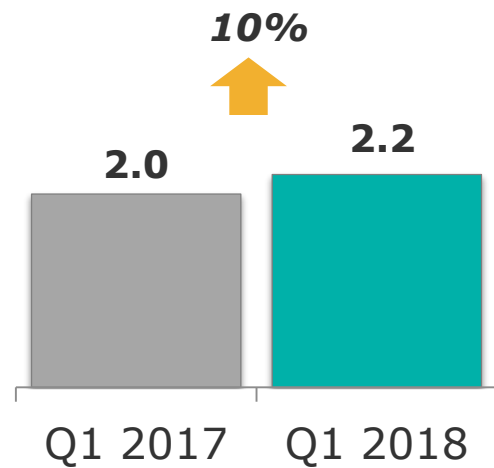
¹BASF PETRONAS Chemicals Sdn Bhd

²Highly reactive polyisobutene

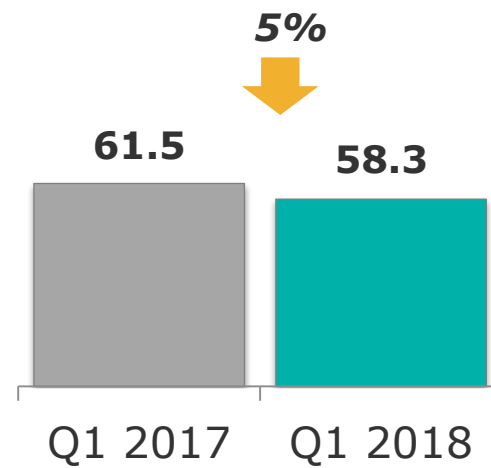
Downstream Sales Volume

Higher petrochemical sales boosted by higher production as a result of additional capacity from PCFSSB¹

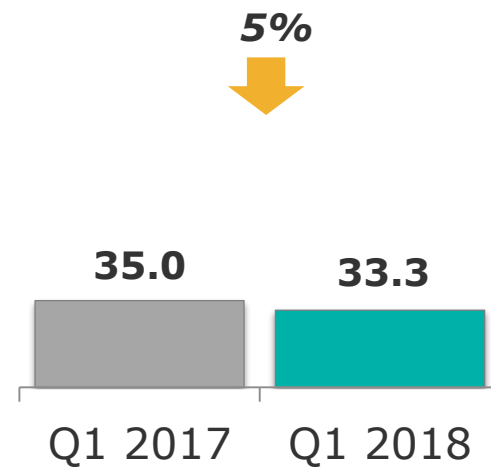
Petrochemical Products
Mil Metric Tonnes



Petroleum Products
Mil barrels



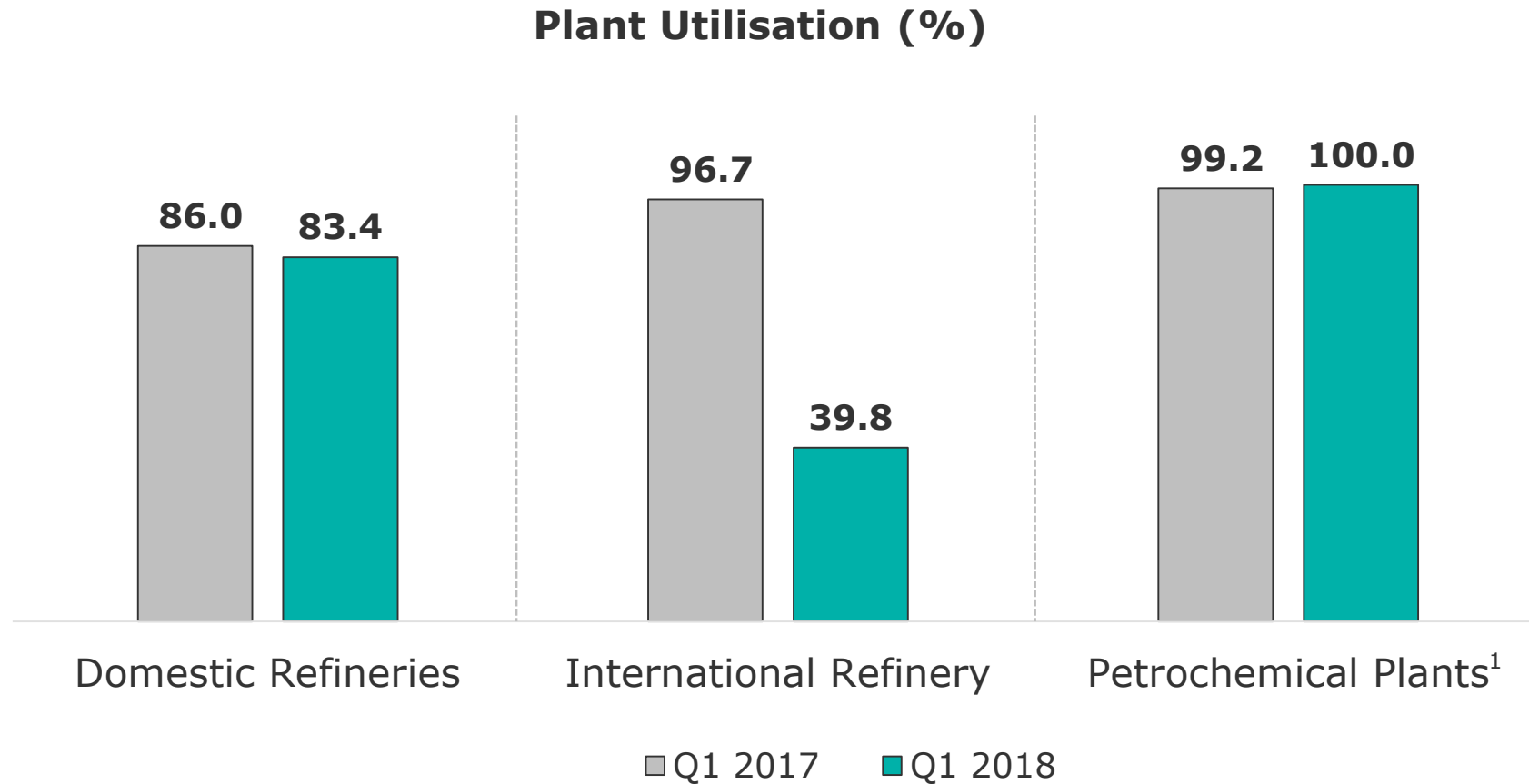
Crude Oil
Mil barrels



¹PETRONAS Chemical Fertiliser Sabah Sdn Bhd, formerly known as SAMUR, was commissioned in May 2017

Plant Utilisation

Improved utilisation for petrochemical plants following healthy feedstock supply whilst refineries underwent statutory turnaround



¹Based on PU Nexant



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Thank You