

PETRONAS Group Financial Results Announcement

First Quarter 2023

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



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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



21%



Average Brent
(USD/bbl)

\$81.17

YTD 2022 \$102.23

12%



Average JCC
Single-month¹
(USD/bbl)

\$87.08

YTD 2022 \$98.63

USD
Strengthens

USD/MYR²

RM4.39

YTD 2022 RM4.19

¹ Represents published price, not actualised price

² 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**

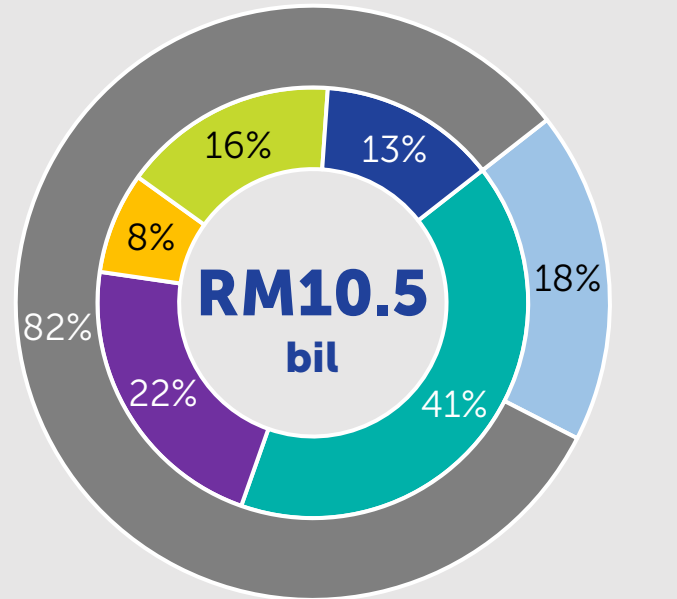
Quarter 1 2023 saw the Rise in Overall CAPEX and notable increase in Domestic Spending against same period last year

Group Capital Investments (CAPEX)

YTD 2023
RM10.5bil



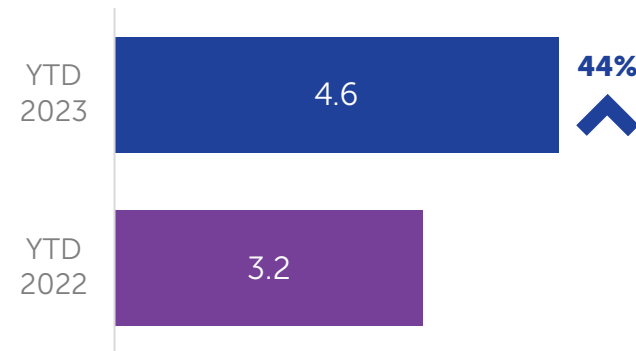
YTD 2022
RM7.4bil



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

Domestic CAPEX

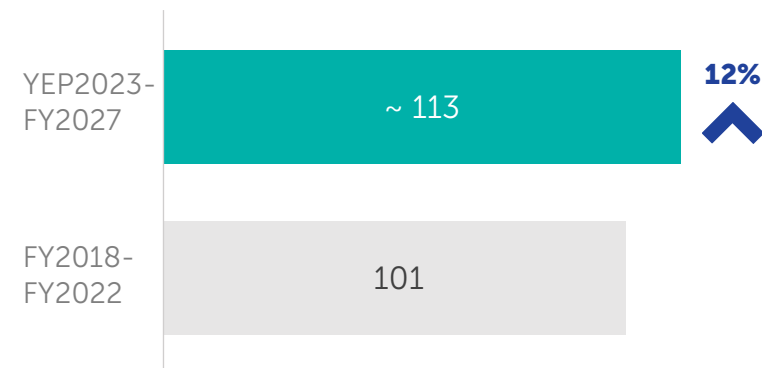
(RM Bil)



Domestic CAPEX increased by 44% against same period last year, contributing to the economic recovery and fostering a robust local OGSE ecosystem.

Domestic CAPEX Trending

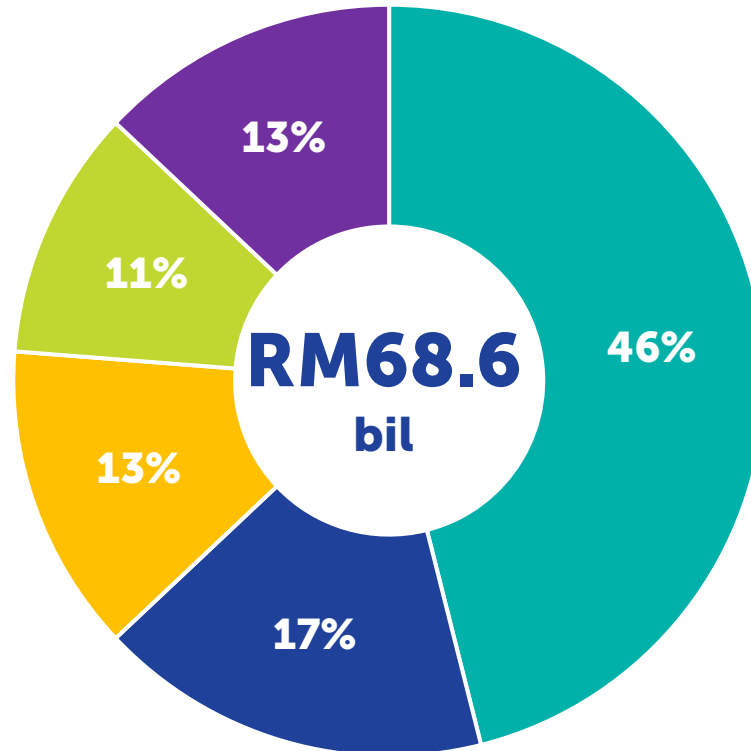
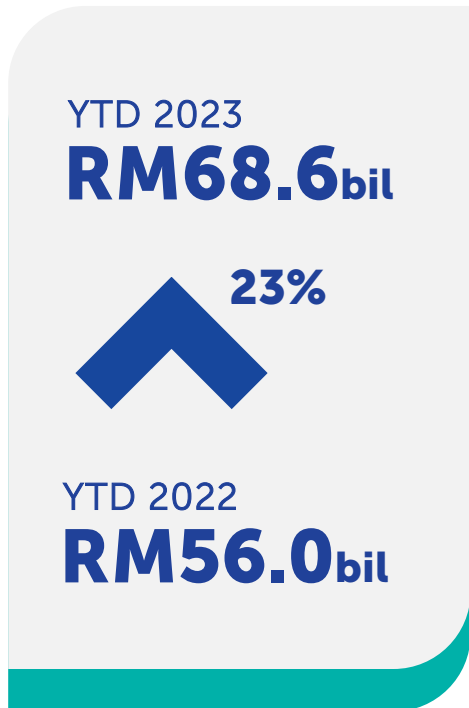
(RM Bil)



Scaling-up domestic investment over the next five years by 12% in fulfilling our commitment to ensure energy security, affordability and sustainability at the same time capturing new growth opportunities for New Business.

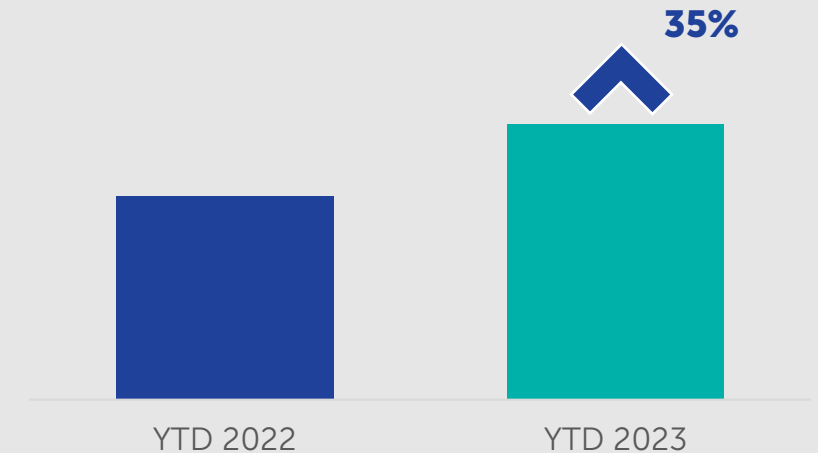
Group Costs Elevated in tandem with Increased Sales Volume

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)

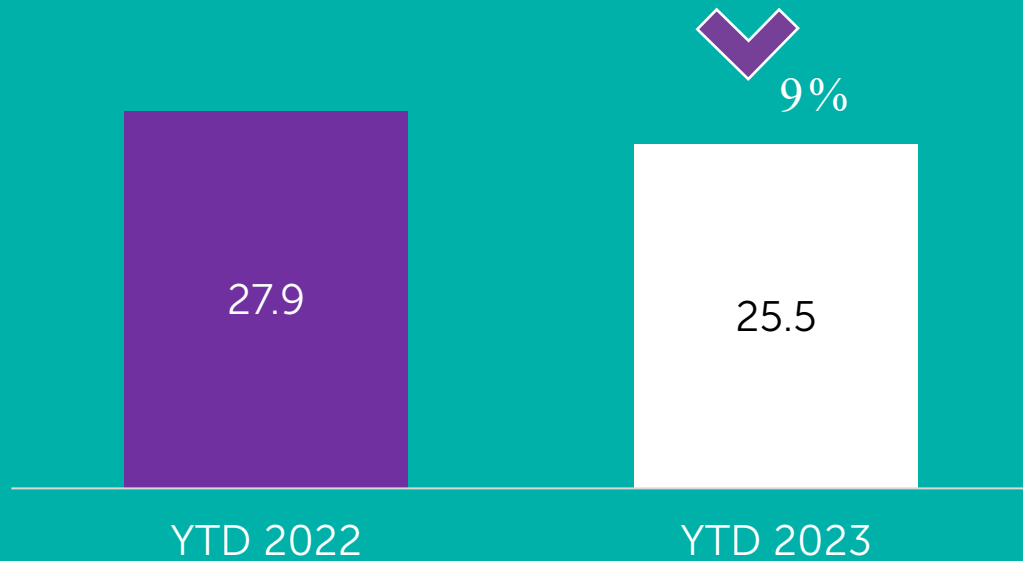


Domestic group costs surged by 35% in tandem with **higher product costs** following higher purchased volume to capture the favourable upside in domestic demand.

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



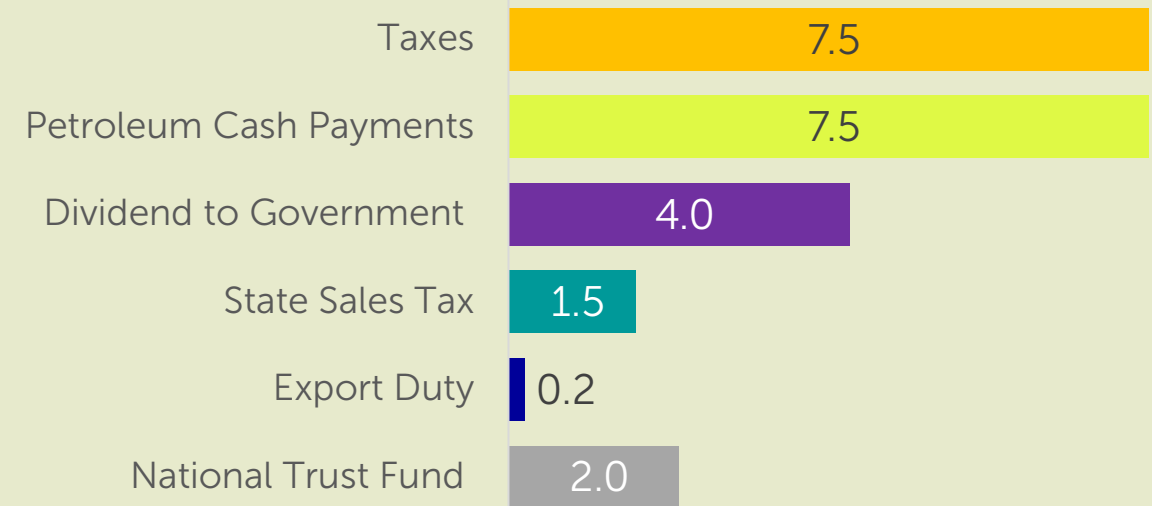
RM105.2 billion

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 Wellbeing¹
> RM 125 Mil

¹ 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
MtCO₂e

Capping Emissions at 49.5 million tonnes of carbon dioxide equivalent (MtCO₂e) from PETRONAS' Malaysia operations by 2024.

Q1 2023 Efforts towards meeting NZCE Pathway Short-term Targets



Against same period last year, the businesses recorded

Upstream

- **10.5% reduction in greenhouse gas (GHG) emissions**
- **18.7% reduction in flaring & venting emissions** from Malaysia-operated assets

Gas

- **reduced an estimated 0.04 MtCO₂e GHG emissions**, mainly through flaring reduction and fuel gas optimisation efforts from operations under PETRONAS Gas Berhad

Downstream

- **reduced an estimated 0.05 MtCO₂e 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

**Quarter 1 2023
GHG Emissions***

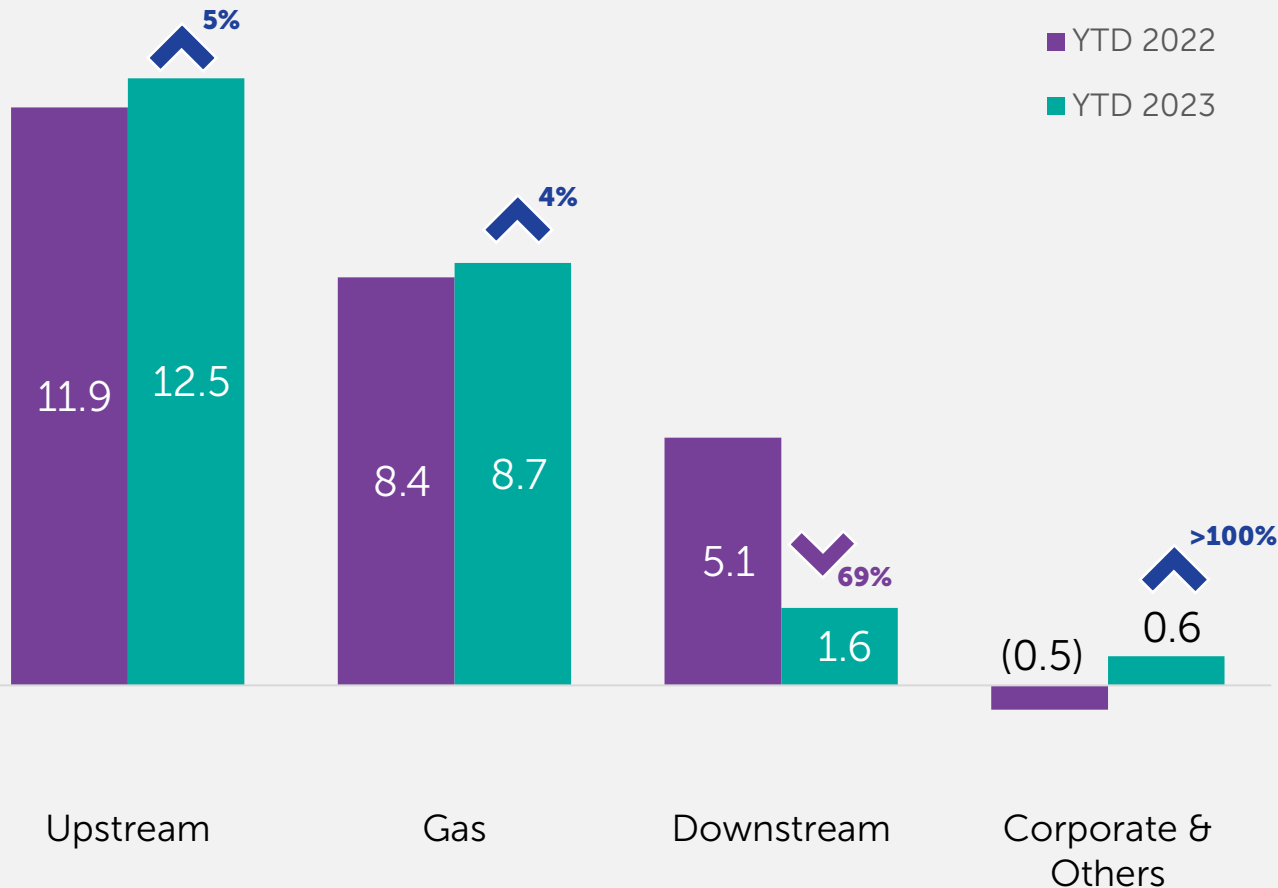
11.8
MtCO₂e

**Scope 1 and Scope 2 in Malaysia operations*

Most Businesses registered Improved Profitability mainly driven by Higher Sales Volume

Profit After Tax / (Loss After Tax)

RM Bil



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

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

Business Highlights



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



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



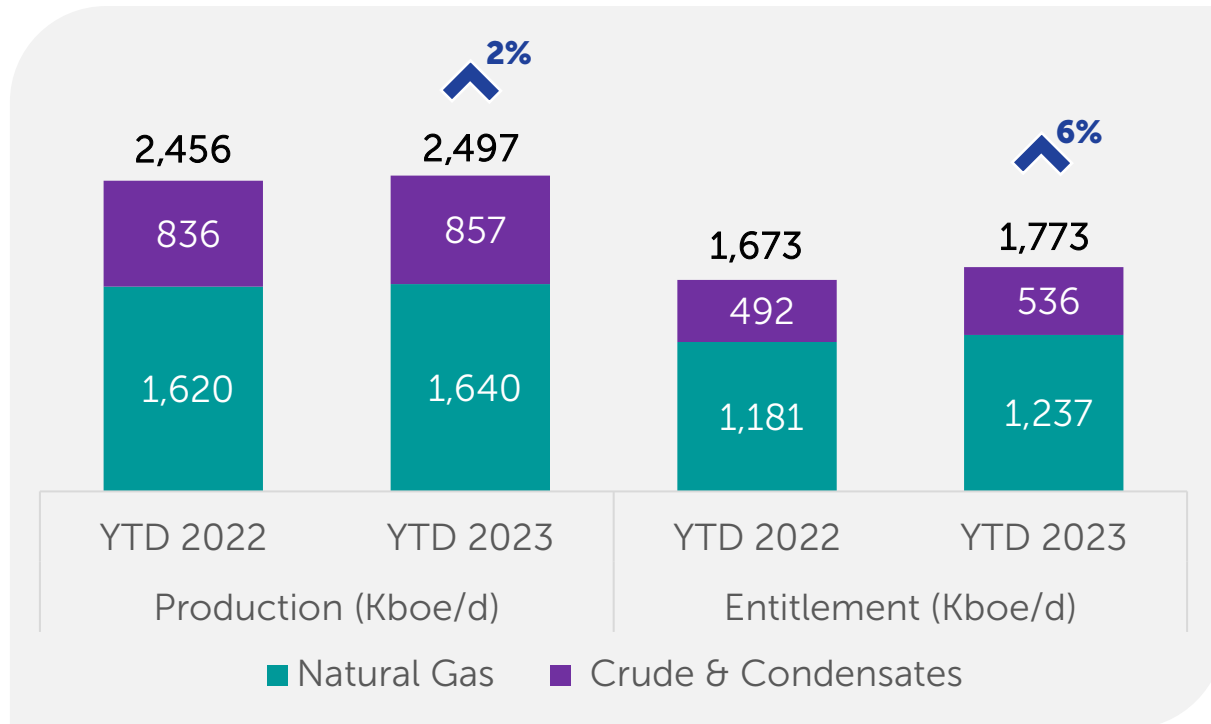
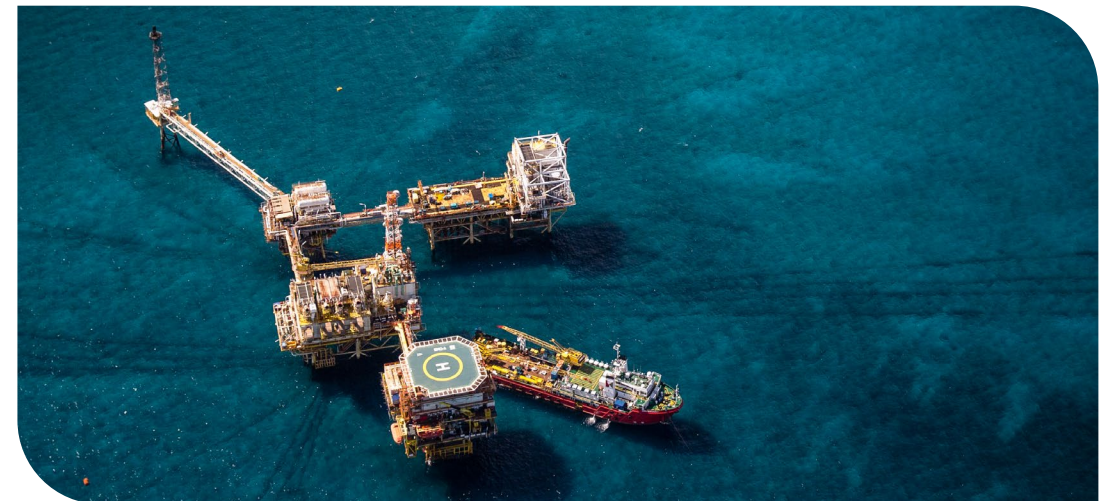
Signed **12 PSCs** in Malaysia under MBR 2022



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

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

Business Highlights



109

total LNG cargoes delivered from PETRONAS LNG Complex



9

LNG cargoes delivered from PFLNG SATU and PFLNG DUA



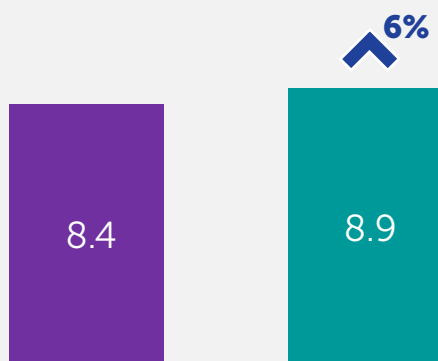
941

Virtual Pipeline System (VPS) and LNG Bunkering deliveries completed

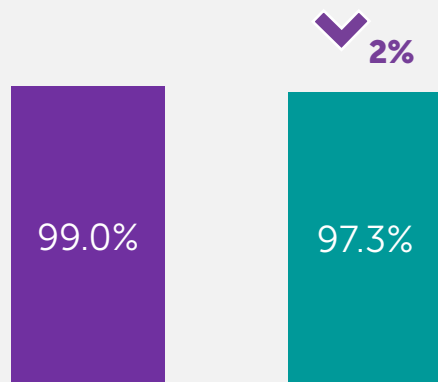


2,253 MMscfd

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



88.9%

Overall Equipment Effectiveness (OEE)



6.3 Bil

Litres of overall marketing sales volume



96.1%*

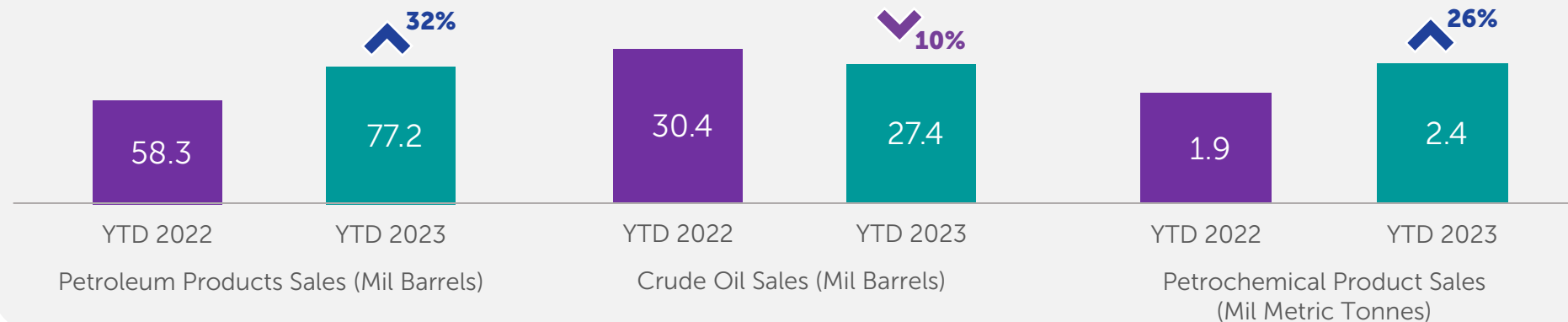
Petrochemical Plant Utilisation

* Nexant



2.7 Mil

Metric tonnes of petrochemicals production volume



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 1st 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 development*

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