

PETRONAS Group Financial Results Announcement

Fourth Quarter and Year
Ended 31 December 2022

Delivering Value for Our Collective Progress



Cautionary Statement

Forward-looking statements in this Financial Results Announcement presentation or in subsequent discussions with regards to this presentation involve inherent risks and uncertainties. Should one or more of these or other uncertainties or risks materialise, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in capacity, performance or profit levels might not be fully realised. Although PETRONAS believes that the expectations of its management as reflected by such forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they are made. PETRONAS undertakes no obligation to update or revise any of them, whether as a result of new information, future developments or otherwise.

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Key Messages

- The oil and gas industry faced **heightened uncertainty** and **pronounced volatility** throughout 2022. This led to energy price spikes amidst security concerns. Even as supply concerns emerged, the call for energy transition increased.
- Amidst an unpredictable market, PETRONAS **demonstrated resilience** and continues to focus on **safely delivering commercial** and **operational excellence**.
- Throughout the year in review, we exercised **discipline in capital allocation & portfolio reshaping** even as we future proofed our portfolio by **investing responsibly** in line with PETRONAS' 3-pronged growth strategy and NZCE 2050 target.


Leveraging on Solid Portfolio and Market Upsides, PETRONAS delivered a Strong Financial Performance

(RM Bil)

Performance

Financial Position


Revenue

375.3  248.0
 51%
 FY2022 FY2021*

Profit After Tax

101.6  50.9
 100%
 FY2022 FY2021*


Group Costs

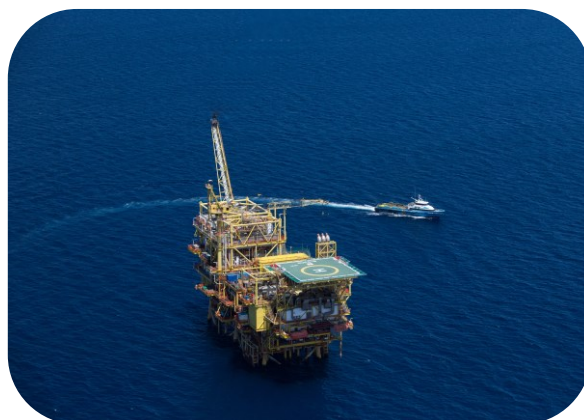
280.7  202.0
 39%
 FY2022 FY2021*

Total Assets

710.6  635.0
 12%
 31 Dec 2022 31 Dec 2021*

Cash Flows from Operating Activities

135.3  78.5
 72%
 FY2022 FY2021*



EBITDA

170.7  100.4
 70%
 FY2022 FY2021*


Shareholders' Equity

401.6  350.8
 14%
 31 Dec 2022 31 Dec 2021*

Total Borrowings

104.2  107.8
 3%
 31 Dec 2022 31 Dec 2021*

43% 
Average Brent
 (USD/bbl)
\$101.32
 FY2021 \$70.91

48% 
Average JCC Single-month¹
 (USD/bbl)
\$102.18
 FY2021 \$69.11

USD Strengthens
USD/MYR²
RM4.40
 FY2021 RM4.14

¹Represents published price, not actualised price
²Average exchange rate

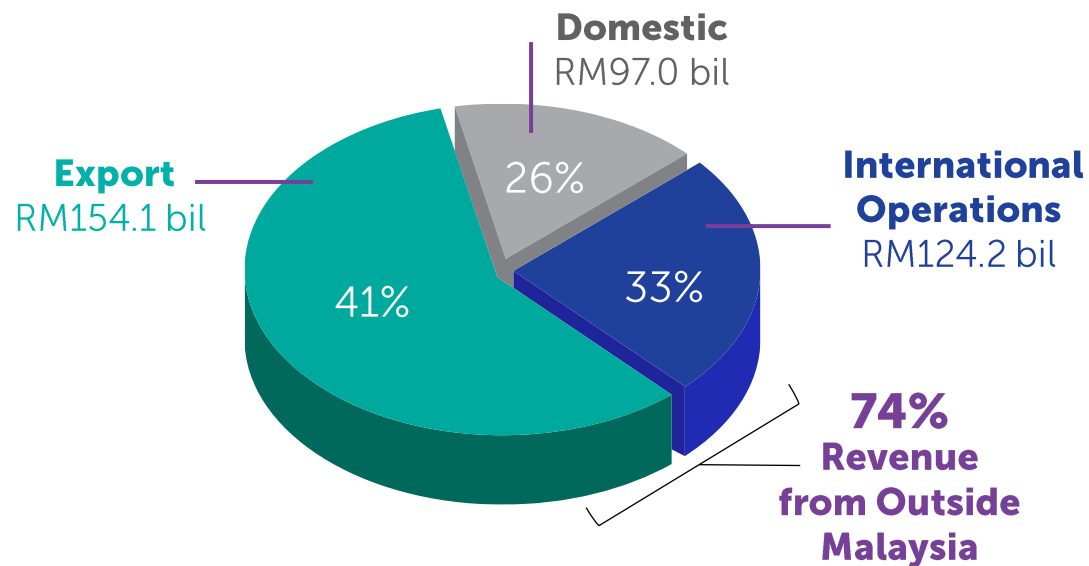
Note: *Restated for impact from adoption of Amendments to MFRS 116: Proceeds before Intended Use "PBIU"

** All financial and operational results comprise continuing and discontinued operations. Discontinued operations relate to disposal of ENGEN Group in FY2022.

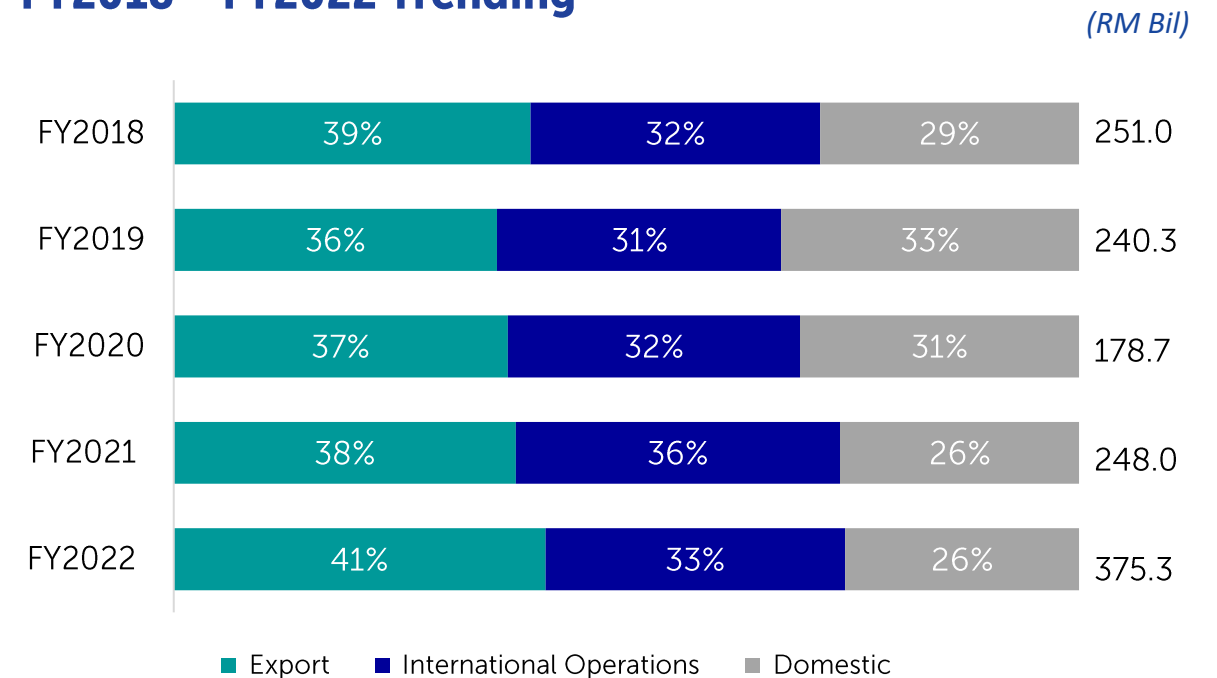
Significant Amount of Group's Revenue Originated from Outside Malaysia

Group's Revenue

FY2022 Revenue by Geographical Trade



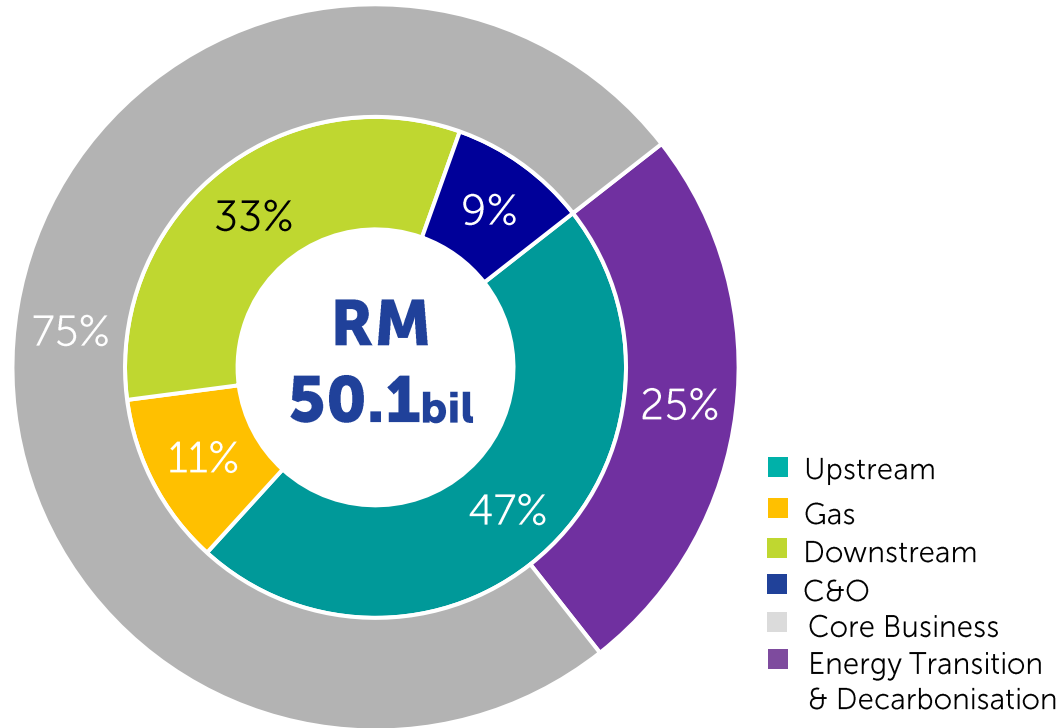
FY2018 - FY2022 Trending



- In 2022, revenue from outside Malaysia, which included export and international sales, accounted for 74% of the Group's revenue, demonstrating PETRONAS' strong global presence.
- Similar trend recorded in previous years, where an average of 71% of revenue was received from outside Malaysia.

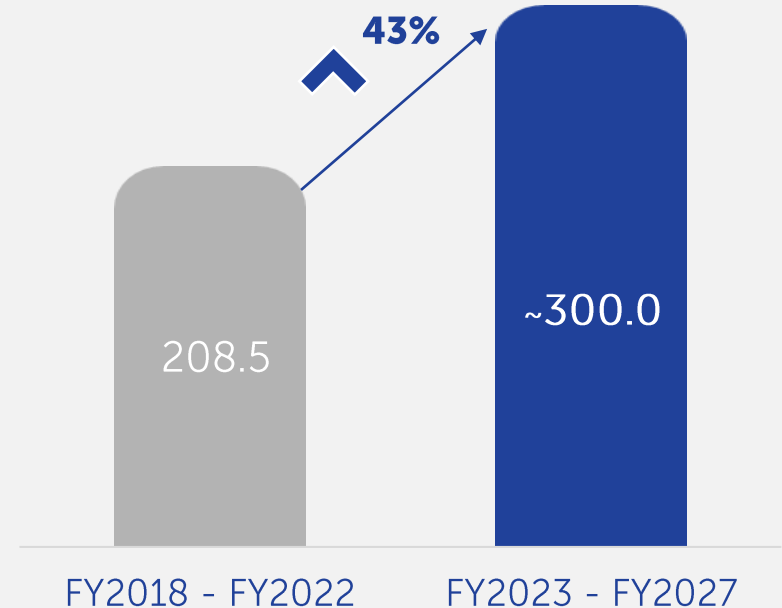
Steadfast in our Journey towards Energy Transition and NZCE 2050 Target through Strict Capital Discipline

Capital Investments



CAPEX Trending

RM Bil



- Domestic CAPEX increased 24% against the same period last year, contributing towards the growth of the Malaysian Oil and Gas industry.

Scaling up investment in the core business, lowering emissions as well as investing in clean energy to future-proof Group's portfolio

Higher Upstream Industry Spending Contributed to Malaysia's Economic Growth

Malaysia remains an attractive E&P investment destination where foreign contractors continue investing in Malaysia, elevating economic recovery and spurring economic growth.

Total PA Contracts in Malaysia : 110

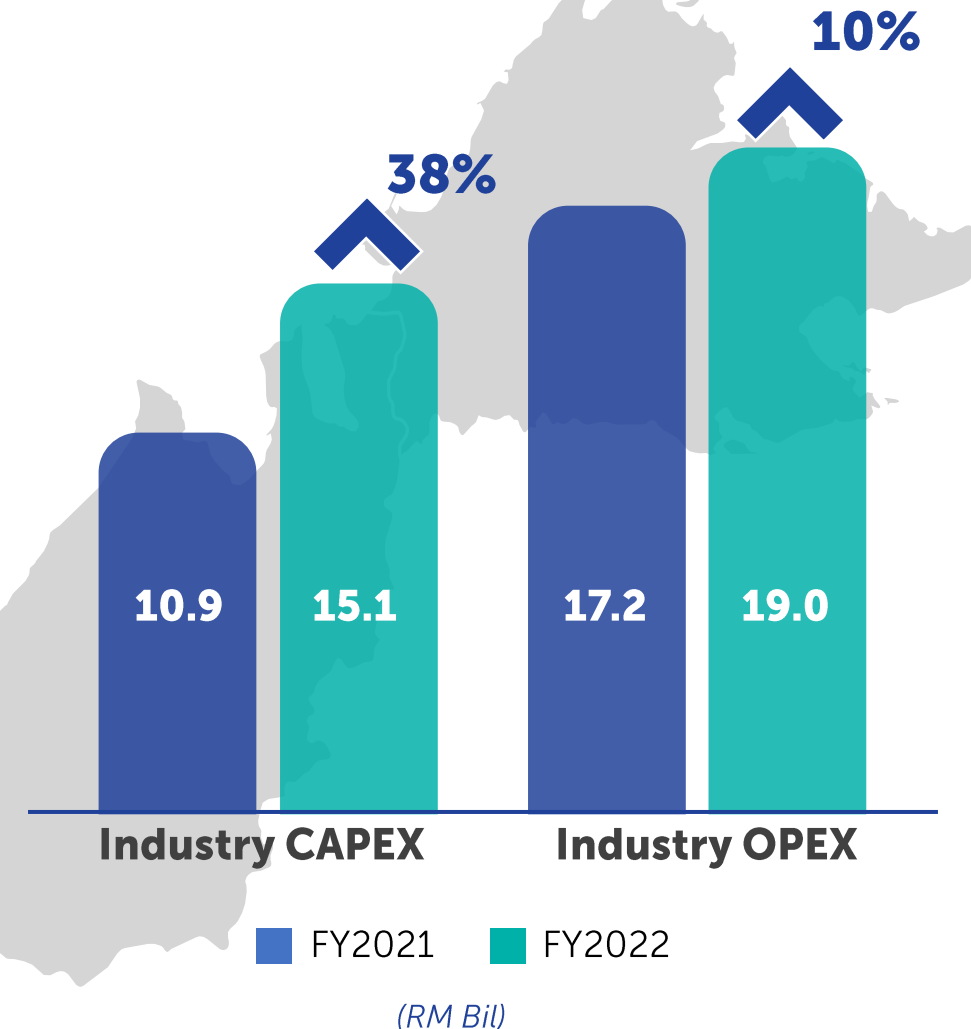
- ✓ **PETRONAS Carigali Operated Blocks** 43 PSCs
- ✓ **Blocks Operated by Others** 65 PSCs | 1 RSC | 1 OPA

Total Upstream Contractors in Malaysia : 37

- ✓ **Foreign Contractors** 27
- ✓ **Local Contractors** 10

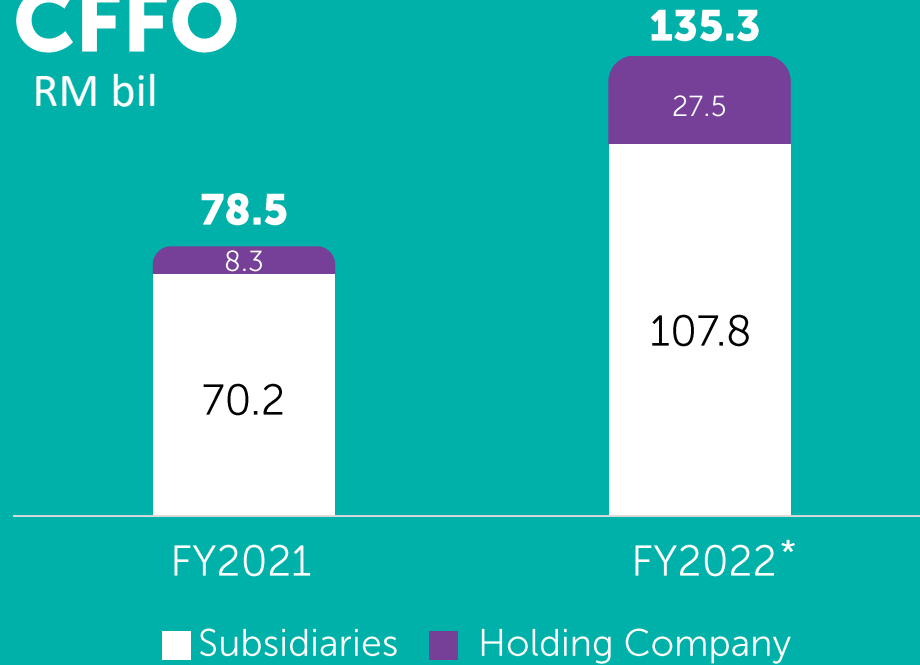
Notes:

- PA : Petroleum Arrangement
- PSC : Production Sharing Contract
- RSC : Risk Service Contract
- OPA : Onshore Petroleum Arrangement



Growing Robust CFFO covered Increasing Investment for Growth, Larger Dividend Payments and Servicing Debt Obligations

CFFO
RM bil



RM104.2 billion

Total Borrowings as at 31 December 2022



CAPEX
RM50.1 billion



Dividend to Government
RM50.0 billion



Tax Payments¹
RM30.9 billion



Petroleum Cash Payment
RM11.7 billion



National Trust Fund
RM500 million

¹ Includes federal taxes, state sales tax and export duty

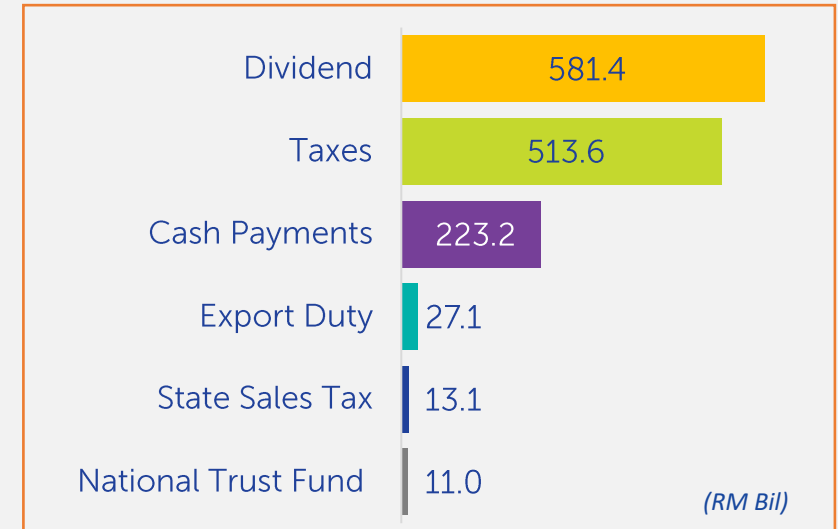
Note: *Restated for impact from adoption of Amendments to MFRS 116: Proceeds before Intended Use "PBIU"
Open

PETRONAS adopts Highest Standards of Governance & Transparency, delivering Efficient Operations & Maximising Shareholders' Returns

- The high credit rating accorded to PETRONAS on a standalone basis by the CRAs reflects its transparency and strong governance practices.
- PETRONAS board includes several **Independent Directors**
- PETRONAS' financial statements are **audited by global accounting firms** and comply with Malaysian and International Financial Reporting Standards, at par with **Fortune 500 companies**.
- PETRONAS adheres to **best principles of corporate governance** in line with **MCCG**;
 - ✓ Annual issuance of **Integrated Report** based on **IIRCF** won **NACRA's Platinum Awards** in 2021 and 2022,
 - ✓ Adopted **TCFD** to enhance its sustainability reporting.

Notes: – MCCG : Malaysian Code on Corporate Governance
 – IIRCF : International Integrated Reporting Council Framework
 – NACRA : National Corporate Report Award y
 – TCFD : Taskforce on Climate-related Financial Disclosure

Cumulative Contributions to Governments and NTF RM1.4 trillion



Stand-alone Credit Rating

Credit Rating Agencies	PETRONAS
MOODY'S	A2
S&P Global	AA
FitchRatings	AA-

PETRONAS contributed towards Human Capital Development and Upliftment of Livelihood & Living Standards of Local Communities

Investment close to RM1 billion benefiting 1.5 million beneficiaries



PETRONAS Uplifting Lives

- Contributed 36 boats with engines, 8,800 collapsible tents, 5,500 life jackets and 55,000 raincoats nationwide to aid flood preparedness efforts in view of the year-end monsoon season.
- Offered solar and sustainable clean water supply system to selected communities, community-based centres across the nation, benefiting 2,192 people.
- Provided training in skills, entrepreneurship, and innovation to improve the living standards and income stream of B40 communities, benefiting 4,853 people.



PETRONAS Powering Knowledge

- Enhanced the marketability of unemployed Malaysian graduates through Graduate Employability Enhancement Scheme (GEES), benefiting 4,683 graduates since inception in 2011.
- Provided essential school supplies and personal hygiene kits to 108,034 B40 students from primary and secondary schools across Malaysia to reduce their financial burden to continually participate in the education process.
- Provided 600 Malaysians with the opportunities to realise their potential and contribute to the nation's growth through education scholarships.

PETRONAS contributed towards Human Capital Development and Upliftment of Livelihood & Living Standards of Local Communities

Investment close to RM1 billion benefiting 1.5 million beneficiaries



PETRONAS Planting Tomorrow

- Contributed towards reforestation, shoreline protection and expansion of Mangrove ecosystem in Johor, Sarawak and Terengganu.
- Contributed towards carbon sequestration through Yayasan PETRONAS' tree planting activities.

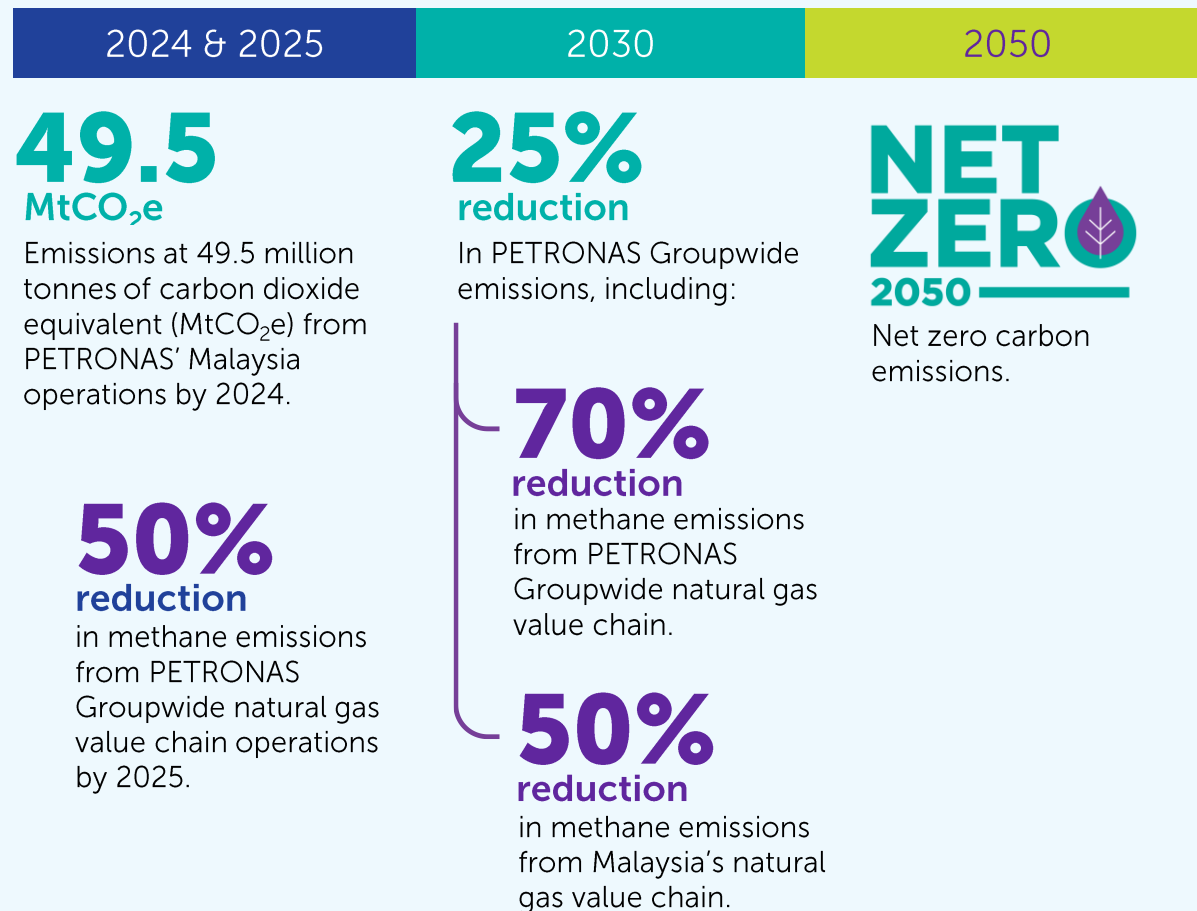


Sponsorship

- Supported national talent development in badminton through a partnership with BAM.
- Supported national talent development in two-wheel sports towards shaping future global champions through industry partnerships.

PETRONAS remains Steadfast in the Journey towards Energy Transition and NZCE 2050 Target

Greenhouse Gas Emissions Reduction Targets (Scope 1 and Scope 2) and Ambitions



2022 GHG Emissions*

46.1 MtCO₂e

*Scope 1 and Scope 2

2022 Efforts towards meeting NZCE 2050 Target :

Zero Routine Flaring and Venting



20% reduction in flaring and venting (Malaysia operated assets), including 4 fields achieved Zero Routine Venting, contributing to **0.66 MtCO₂e of venting reduction**

Electrification



90MW PPA for hydroelectric power to PLC Bintulu, resulting to 40% of PLC powered by renewable energy, reducing **0.5 MtCO₂e GHG emissions per year**

Carbon Capture and Storage

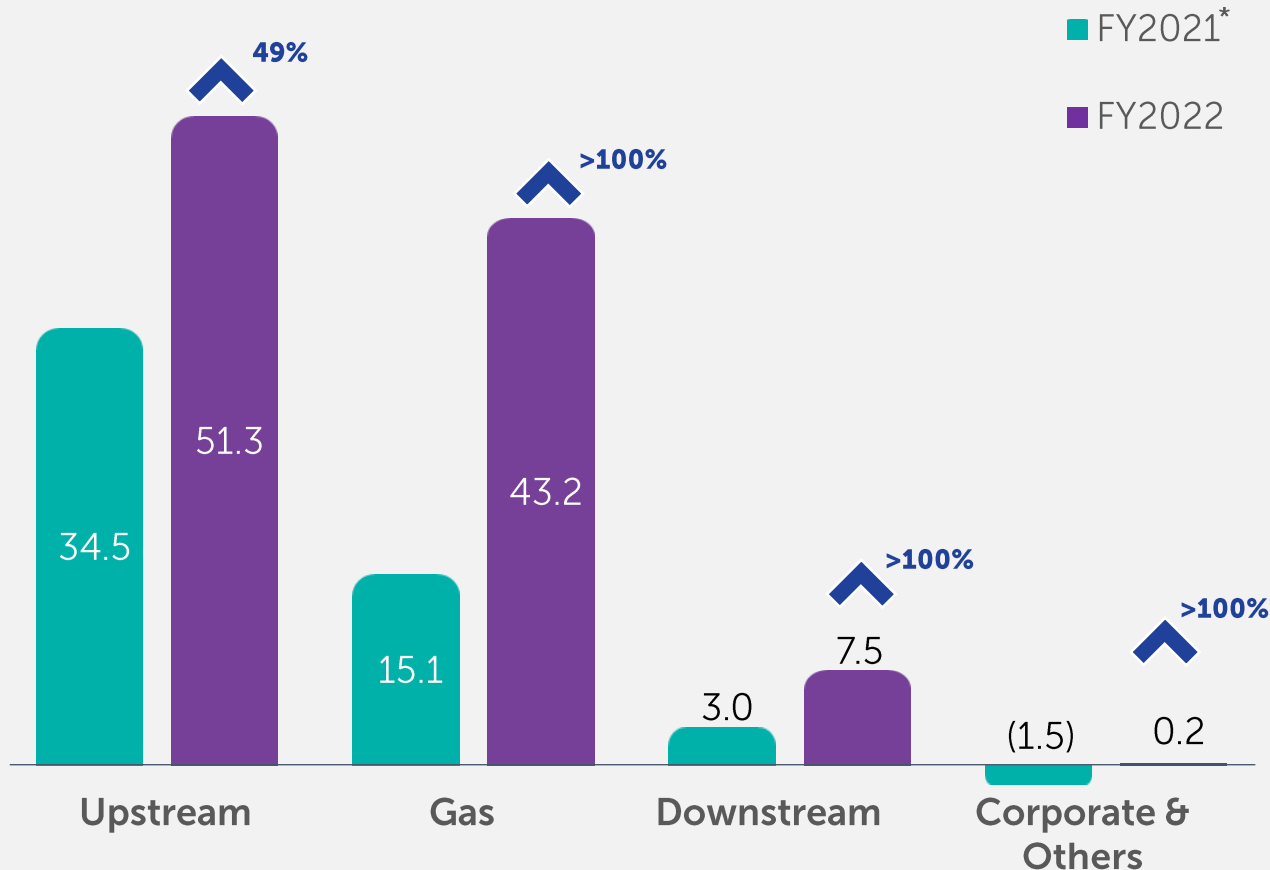


- Achieved **FID** for Kasawari CCS project
- Signed **HOA** for Bujang, Inas, Guling, Sepat and Tujoh (BIGST) Cluster
- Forged **8 pacts** across the CCS value chain in Q4 (A total of 16 pacts forged in 2022)

Higher Profitability reported from All Businesses across the Integrated Value Chain underpinned by Higher Realised Prices

Profit After Tax / (Loss After Tax)

RM Bil



Upstream

Higher PAT in tandem with higher revenue, partially offset by higher net impairment reversal reported in prior year. This was further offset by higher taxation, product costs and petroleum cash payments.

Gas

Higher PAT mainly contributed by higher revenue partially offset by higher product costs and taxation.

Downstream

Higher PAT primarily due to improved refining and petrochemical margins in line with favourable prices.

Corporate & Others

Higher PAT mainly due to higher revenue and favourable impact from foreign exchange, partially offset by higher operating expenditure.

Note: *Restated for impact from adoption of Amendments to MFRS 116: Proceeds before Intended Use "PBIU"

Maximising Cash Generators



Achieved **1st hydrocarbon** for **37** projects in Malaysia and overseas



Achieved **FID** for **26 projects**



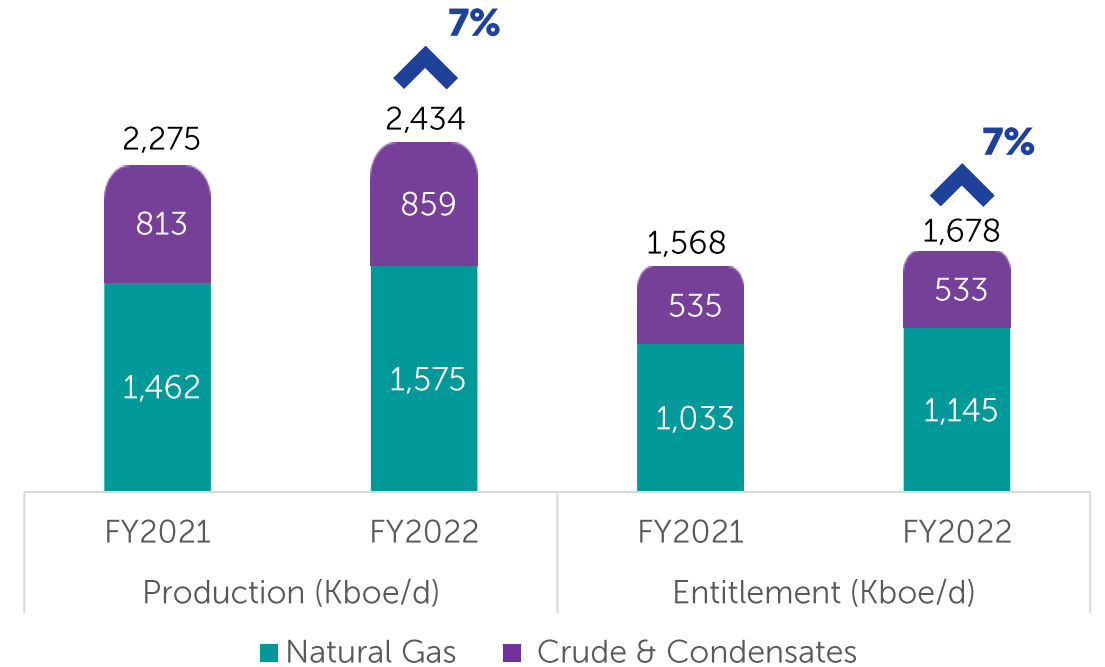
Made **9** exploration **discoveries**



Signed **6 PSCs** in Malaysia



Undertook **2** international portfolio **high grading** in **South Sudan & Chad**
(Ongoing, subject to regulatory approvals and fulfillment of conditions precedent)



Expanding Core Business

Signed **4** international agreements in 2022

Signed **1** concession agreement in **UAE**, in Q4

Won **Agua Marinha** block in Brazil in Q4 during the Brazil bid round

Gas

Contended with Growing Demand for Lower Carbon Energy and maintained a focus on Business Growth and Expansion

Maximising Cash Generators



405

total LNG cargoes delivered from PETRONAS LNG Complex



43

LNG cargoes delivered from PFLNG SATU and PFLNG DUA



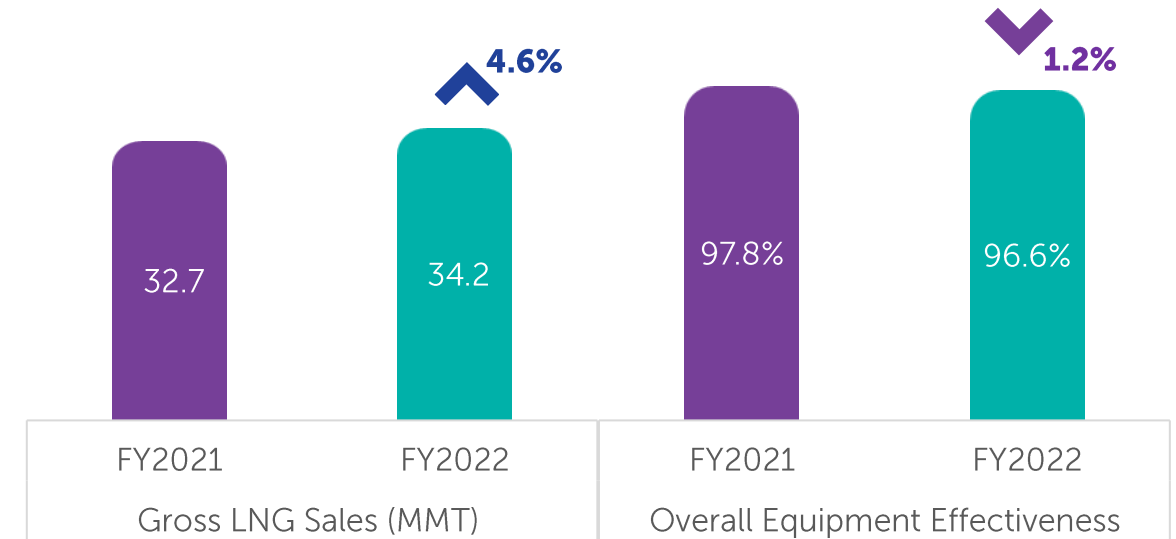
2,619

Virtual Pipeline System (VPS) and LNG Bunkering deliveries completed



136 MMscfd

of natural gas supply deals secured with non-power customers



Expanding Core Business

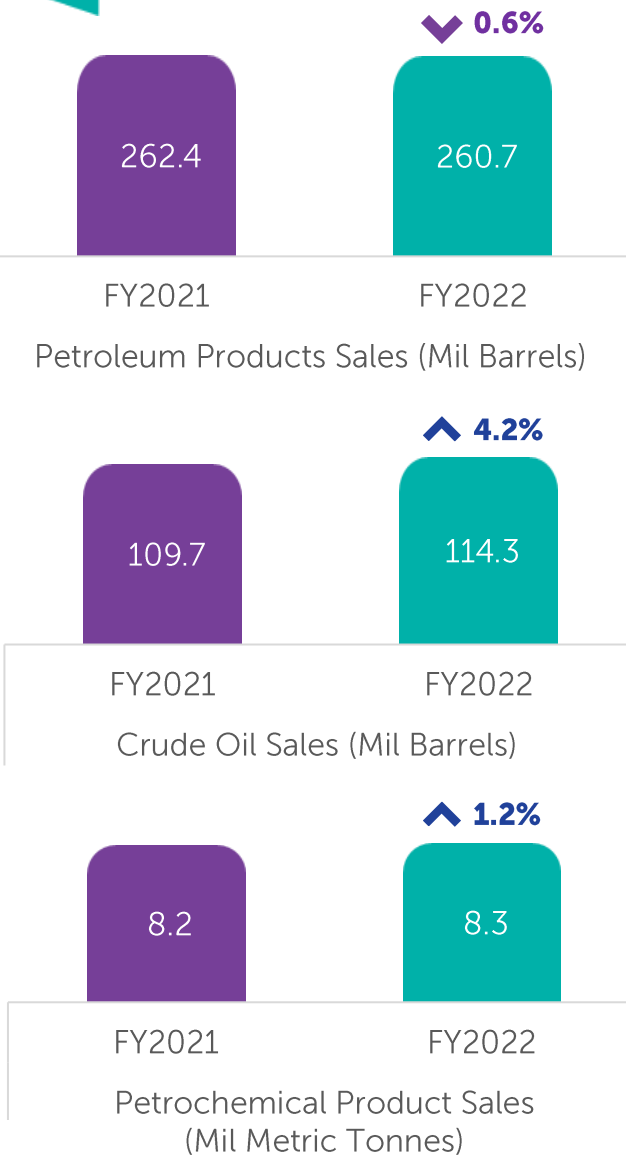


SAMSUNG HEAVY INDUSTRIES

Achieved Final Investment Decision and awarded Engineering Procurement, Construction and Commissioning contract to a consortium between JGC and Samsung Heavy Industries for the development of Sabah's first nearshore LNG facility

Downstream

Stable Operations across Downstream Business, with Positive Market Recovery



Maximising Cash Generators



85.9%

Overall Equipment Effectiveness (OEE)



24.9 Bil

Litres of overall marketing sales volume



89.0%*

Petrochemical Plant Utilisation

* Nexant



10.0 Mil

Metric tonnes of petrochemicals production volume

Expanding Core Business



Acquisition of Perstorp in PCG's strategic diversification into the specialty chemicals industry to capture new growth opportunities.



New lubricant oil additives manufacturing facility in Echt, Netherlands by BRB International, a wholly-owned subsidiary of PCG, to expand specialty portfolio and product offerings in meeting growing demands.



PDB, in collaboration with Gentari Green Mobility Sdn Bhd and other industry players, accelerates electric mobility adoption by rolling out e-two wheelers battery swap stations and e-bus charging infrastructure at PETRONAS stations.

Stepping Out



PETRONAS, Eni S.p.A (Eni) and Euglena Co., Ltd. (Euglena) announced its feasibility study to develop and operate a biorefinery plant in Pengerang Integrated Complex to supply sustainable solutions including Sustainable Aviation Fuel for aircraft and Hydrogenated Vegetable Oil for on-road vehicles.

Renewables



1.6 GW*

Global Solar Capacity

**in operations and under development*

Commercial Operation Date in October 2022 for Malaysia's **largest self-consumption ground mounted solar installation of 40 MW** in PIC

Hydrogen



MoU with IHI Japan in October 2022, to explore **feasibility of producing green ammonia** derived from renewables in Peninsular Malaysia

Green Mobility



MoU with Proton New Energy Technology Sdn Bhd in October 2022, to **power PROTON's nationwide dealership network** with comprehensive EV charging solutions



Vehicle-as-a-Service (VaaS) offering in India delivered 382 three-wheelers & 161 charge points, achieving **2 million clean kilometers**



Largest DC Network Operator in Malaysia & **1st to offer equitable kWh pricing:**

- ✓ Installed 151 charge points
- ✓ Launched Southeast Asia's 1st public 350kW super charger in X Park Sunway Serene hub - also 1st hub to be licensed by Energy Commission, in November 2022
- ✓ Launched Bangi Golf Resort's EV charging hub with dynamic power sharing in December 2022

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



- MISC and consortium partners, Nippon Yusen Kabushiki Kaisha (NYK), Kawasaki Kisen Kaisha, Ltd. (K-Line) and China LNG Shipping (Holdings) Limited (CLNG) **secured long-term contracts for 5 additional newbuild LNG carriers** with QatarEnergy on 3 November 2022.



- In November, AET's first LNG **dual-fuel VLCC**, Eagle Valence, **won "Tanker of the Year"** at the Tanker Shipping & Trade (TS&T) Awards 2022.



- MISC, through its wholly-owned entities entered into a **USD527 million 11-year sustainable-linked non-recourse term loan** for the financing of 6 Very Large Ethane Carriers on 9 December 2022.



- Recognised as a constituent of the **Dow Jones Sustainability Emerging Markets Index** for the **second consecutive year**.
- MISC is the only Malaysian transportation sector company and one of the three Malaysian companies listed in the Index globally.



PETRONAS

Passionate about Progress

