



PETRONAS

PETRONAS Group Financial Results Announcement

First Half 2023

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



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Key Messages

- Quarter 2 2023 saw **Brent prices dropped to its lowest** since the previous four quarters, as concerns over slowing global economic activities outweighed supply cuts.
- **PETRONAS intensifies efforts towards building resilience to counter increasing headwinds.**
- Despite contending in a lower-price environment and global economy slowdown, PETRONAS delivered commendable financial performance for the 1H 2023 - **PAT of RM40.2 billion, EBITDA of RM70.5 billion** and **CFFO of RM57.8 billion.**
- PETRONAS remains steadfast and resolute in **delivering energy security responsibly**, while **pursuing its growth and sustainability agenda.**

PETRONAS delivered Commendable Financial Performance in 1H 2023 amidst Lower Realised Prices

(RM Bil)

Financial Performance

Revenue

170.3

1H 2023



170.4

1H 2022

PAT

40.2

1H 2023



13%

46.4

1H 2022



CFFO

57.8

1H 2023



7%

62.4

1H 2022

EBITDA

70.5

1H 2023



15%

82.7

1H 2022

Financial Position

Total Borrowings

110.8

30 Jun 2023



6%

104.2

31 Dec 2022

Total Assets

742.0

30 Jun 2023



4%

710.6

31 Dec 2022

Shareholders' Equity

410.0

30 Jun 2023



2%

401.6

31 Dec 2022



26%



Average Brent
(USD/bbl)

\$79.66

1H 2022 \$107.94

13%



Average JCC
Single-month¹
(USD/bbl)

\$85.10

1H 2022 \$98.11

USD
Strengthens

USD/MYR²

RM4.46

1H 2022 RM4.27

¹ Represents published price, not actualised price

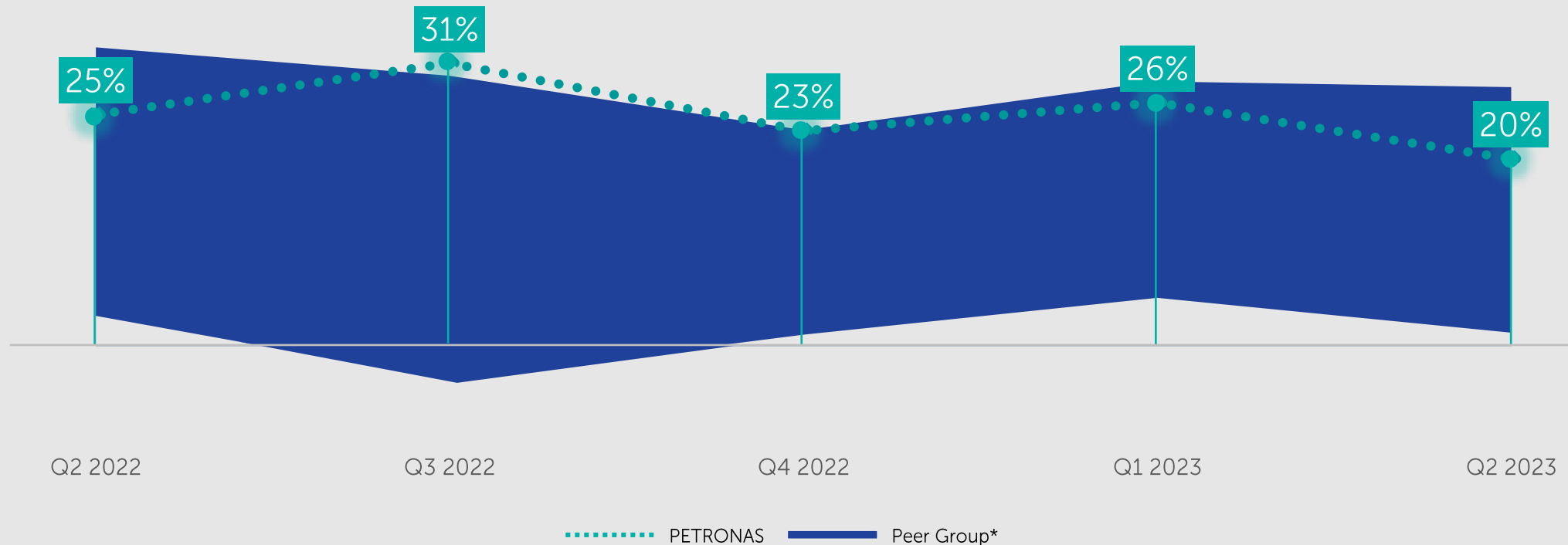
² Average exchange rate

PETRONAS is in line with Other Oil Majors

Continue to Deliver Favourable Financial Performance despite Contending in a Lower-price Environment and Global Economy Slowdown

Benchmarking against Peer Group

Profit / (Loss) After Tax Margin (%)



* Peer Group range comprised BP, Chevron, ConocoPhillips, Ecopetrol, Eni, Equinor, ExxonMobil, Shell, Saudi Aramco, PTT and TotalEnergies

** Information on other oil companies were sourced from the respective Quarterly Announcements. PETRONAS 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.

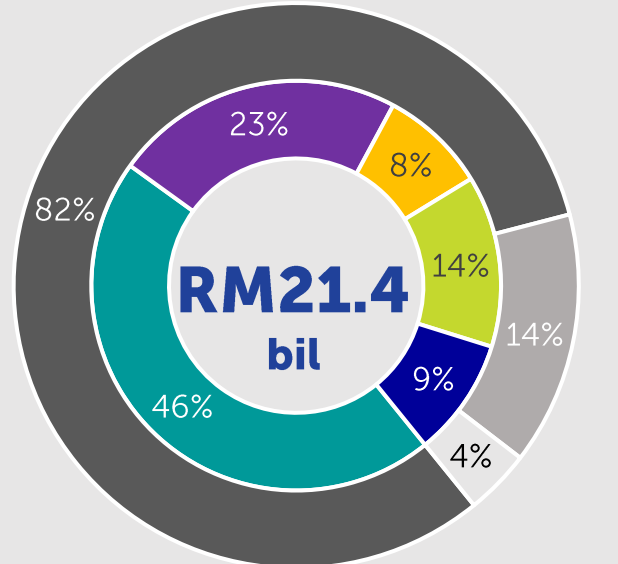
Striking the Right Balance between Investments in Growth for Core Business, New Business and Reducing GHG Emissions

Group Capital Investments (CAPEX)

1H 2023
RM21.4bil

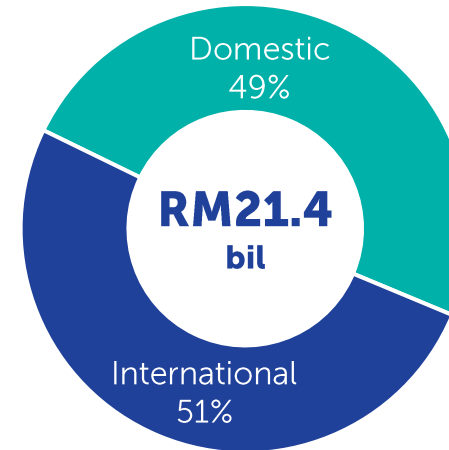


1H 2022
RM18.9bil

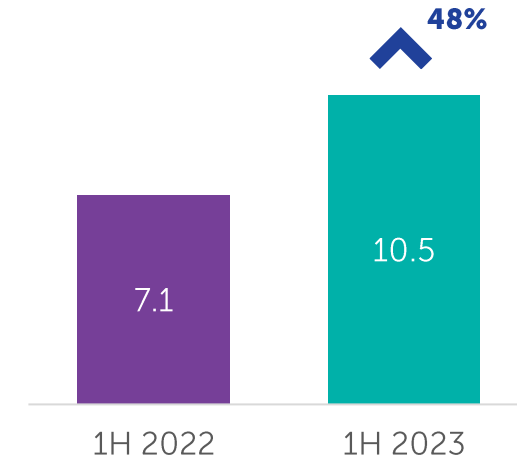


- Upstream
- Gas
- Downstream
- Gentari
- C&O
- New Business
- NZCE
- Core Business

CAPEX by Geographical Segment



Domestic CAPEX (RM Bil)

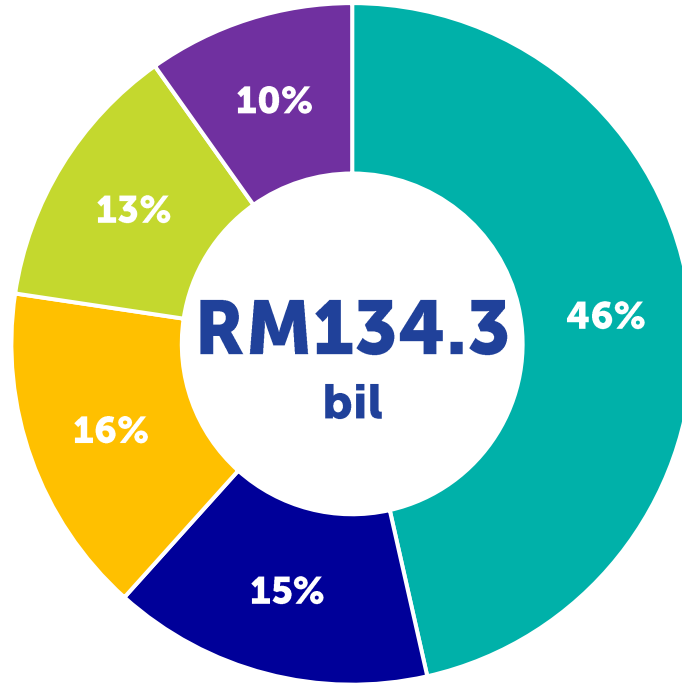
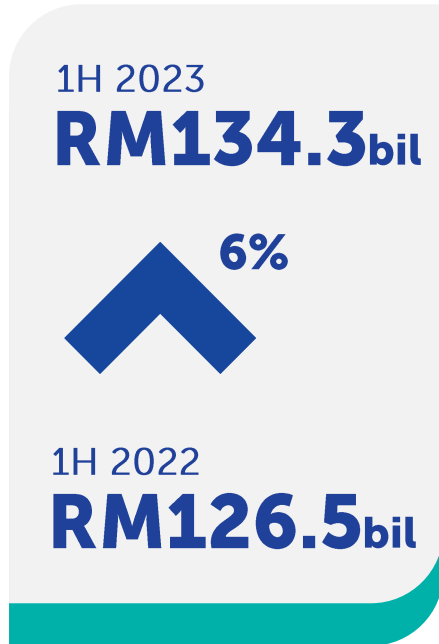


Scaling up investment in New Business and abatement activities to future-proof the Group's portfolio in response to changing customer preferences and to offer clean energy solutions.

Higher Domestic CAPEX spent by 48% against same period last year, to support PETRONAS' commitment in delivering energy security, affordability and sustainability.

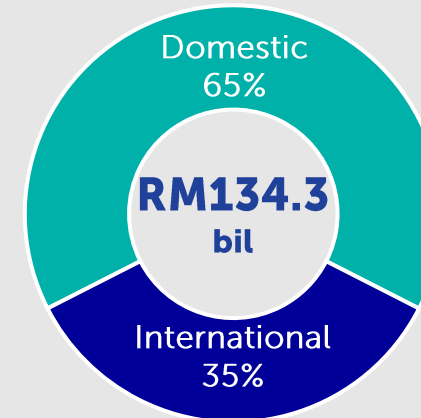
Higher Domestic Group Costs to Support Increased Activities in Malaysia

Group Costs

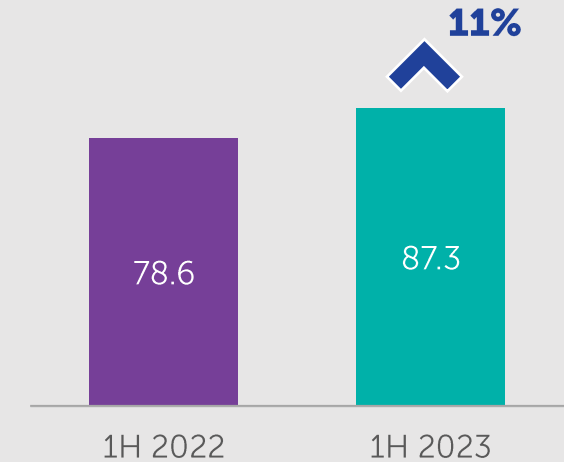


- Product costs
- Tax expenses, sales tax & duties and cash payments
- Non-cash items
- Production and transportation expense, purchased services, materials & supplies
- Others (HR cost, rental, utilities, finance cost, etc.)

Group Costs by Geographical Segment



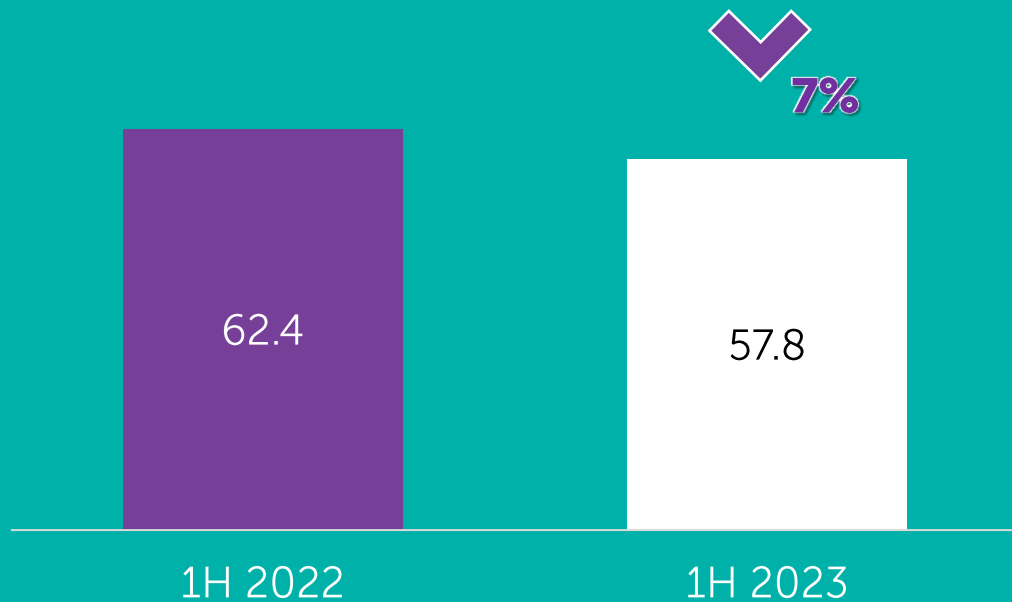
Domestic Group Costs (RM bil)



Domestic group costs surged by 11% predominately due to higher product costs, production expenses, purchased services and exploration cost.

CFFO Declined against the backdrop of Lower Realised Prices

CFFO
RM bil



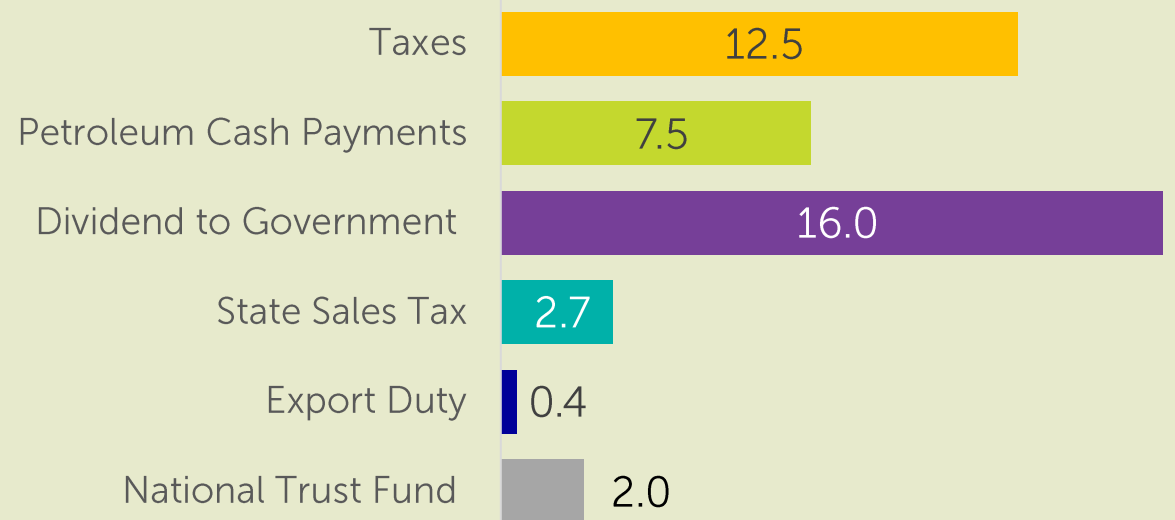
RM110.8 billion

Total Borrowings as at 30 June 2023



Capital Expenditure (CAPEX)
RM21.4 billion

Contributions to Governments and NTF (RM Bil)



Nation's Sustainability and Community Wellbeing
Close to RM300 million

Progressing towards Delivering Energy in a Responsible and Sustainable Manner whilst Creating Positive Social Impacts

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.

1H 2023
GHG Emissions*

23.04
MtCO₂e

**Scope 1 and Scope 2 in Malaysia operations*



PETRONAS' Social Impact Investment

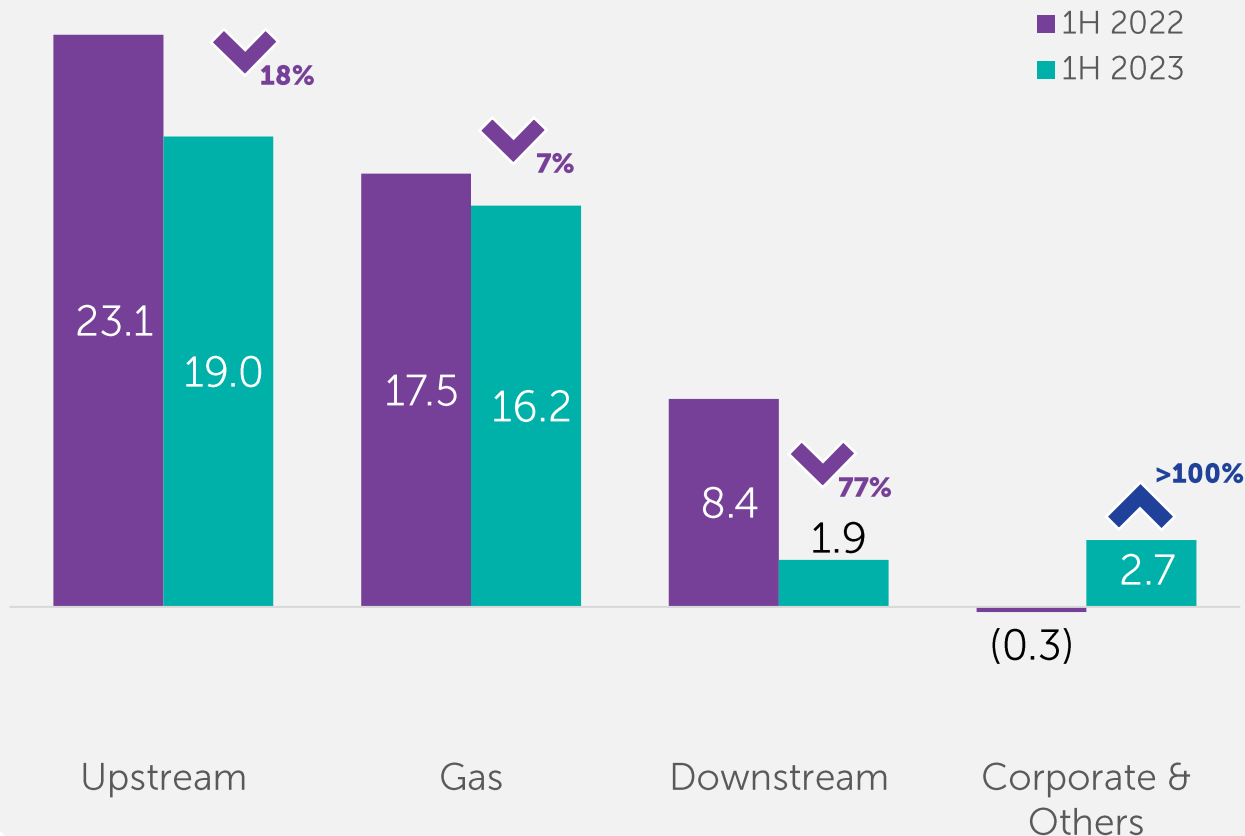


For 1H 2023, PETRONAS has contributed close to RM300 million towards its Social Impact efforts, aiding 1.1 million beneficiaries.

Reduced Performance across Most Businesses underpinned by Market Uncertainties

Profit After Tax / (Loss After Tax)

RM Bil



Upstream

Lower PAT in line with lower revenue partially offset by lower taxation and operating expenses.

Gas

Lower PAT primarily driven by lower revenue and higher product costs, partially offset by lower taxation.

Downstream

Lower PAT mainly 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 expenses.

Upstream

Delivering Operational and Commercial Excellence through Continuous Responsible and Sustainable Operations

Business Highlights



Achieved **1st hydrocarbon** for **11 projects**



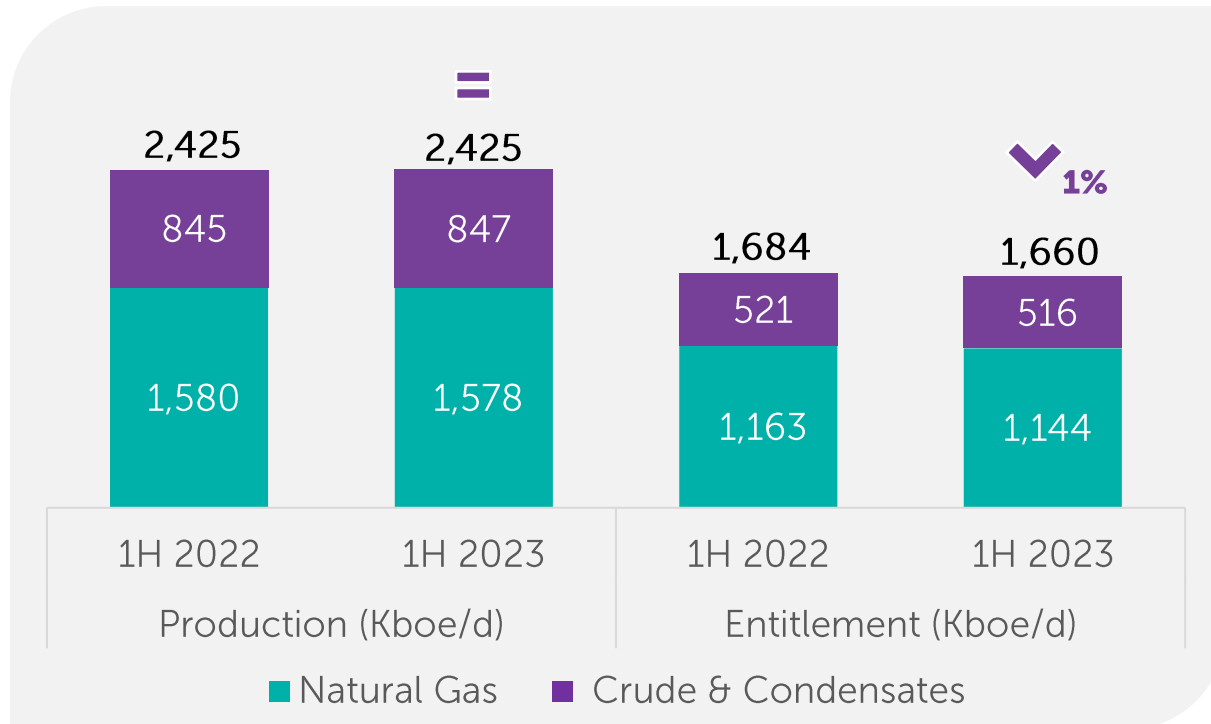
Achieved **FID** for **12 projects**



Made **5 discoveries** in **5 blocks** located offshore Sarawak



Signed an **FOA** with SMJSB for the **sale of 50% non-operating participating interest** in the Samarang PSC



Signed a **PSC** with partners for **Agua Marinha block** in Brazil



Signed a **Development Agreement (DA)** with partners to **jointly pursue CCS project** in Malaysia



Attained **Approvals in Principle (AiPs)** with partners for **4 LCO₂ carriers and LCO₂ FSO** units

Gas

Continued to Fulfill Demand for Lower-carbon Energy through Customised Solutions and Operational Excellence

Business Highlights



200

total LNG cargoes delivered from PETRONAS LNG Complex



19

LNG cargoes delivered from PFLNG SATU and PFLNG DUA



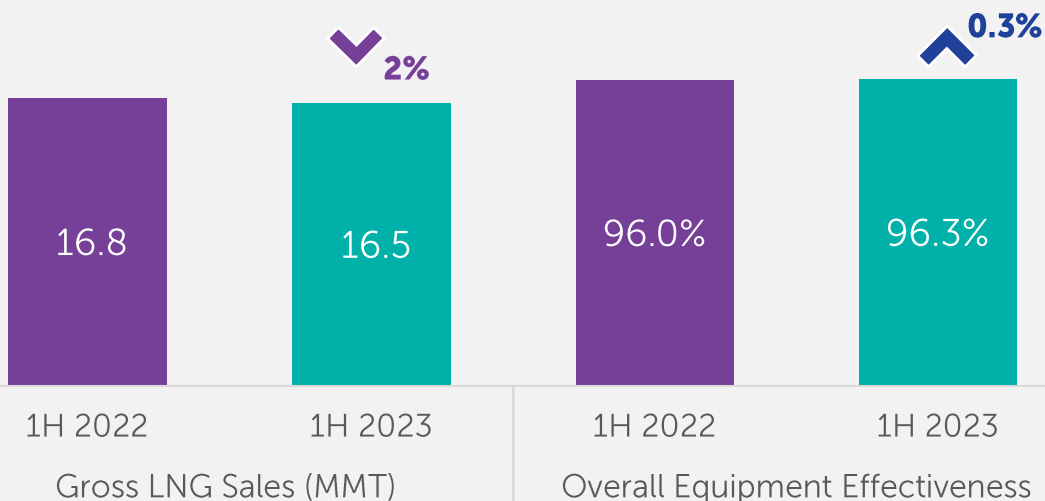
2,760

Virtual Pipeline System (VPS) and LNG Bunkering deliveries completed



2,214 MMscfd

of average sales gas volume delivered in Peninsular Malaysia



Downstream

Strong Operational Excellence leveraging Growth in Domestic Demand

Business Highlights



89.0%

Overall Equipment Effectiveness (OEE)



12.8 Bil

Litres of overall marketing sales volume



89.1%*

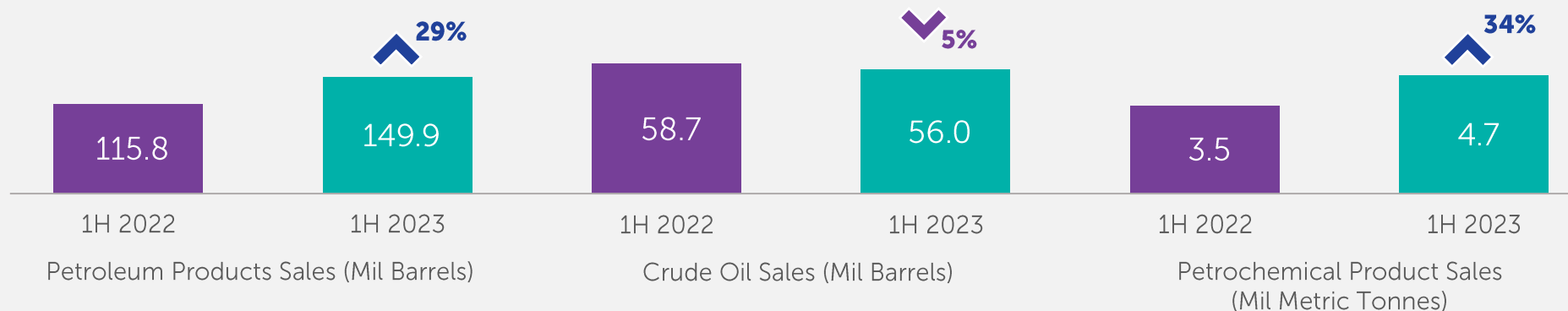
Petrochemical Plant Utilisation

* Nexant



4.9 Mil

Metric tonnes of petrochemicals production volume



Supply Mercedes-AMG PETRONAS Formula One Team's fleet of trucks with HVO100, a 100% renewable biofuel, helping its partner to reduce greenhouse gas emissions by up to 90%



PCG reached the FID to fully acquire Maleic Anhydride (MA) plant in Gebeng, Kuantan



PDB signed a SAF offtake agreement to supply > 230,000 tonnes of SAF to Malaysia Aviation Group's airlines, with the first delivery to commence from 2027

Progressing Growth towards Cleaner and Sustainable Energy Solutions

Renewables



2.0
GW*

Renewable Energy Capacity

**in operations and under development*

- Signed several Strategic Collaboration Agreements and Memorandum of Understanding (MoUs) with domestic, regional and international partners to explore collaborations in the development and deployment of clean energy solutions

Hydrogen



- JFSA with **Tenaga Nasional Bhd** to explore green hydrogen supply chain in Peninsular Malaysia
- MoU with **SEDC Energy Sdn Bhd** for collaborative studies to develop low carbon hydrogen to support the Kuching Urban Transportation System and a hydrogen hub in Bintulu
- Successfully obtained approval from the Tamil Nadu State Government in India on an investment proposal to construct green hydrogen and green ammonia facilities

Green Mobility



Malaysia:

- Collaborated with **Permodalan Nasional Berhad (PNB)** for their 1st batch Electric Vehicle (EV) Charging Points (CPs) in Kelantan. 59 EV CPs will be installed at 18 PNB's premises by 2023
- Activated roaming network for cross access of EV CPs with **EV Connection Sdn Bhd** and **Green EV Charge Sdn Bhd**
- MoUs with **JLand Group Sdn Bhd**, **Lotus Cars Malaysia** and **Sunway Group** to develop green mobility infrastructure across residential, commercial and industrial facilities



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



- MISC unveiled its **Newbuild FPSO (NBFPSO)**, known as **Mega-Module Engineering & Green Architecture** on 2 May 2023
- It is the **world's 1st NBFPSO** using Mega-Module topsides and incorporates **sustainable technologies** into the design, making it one of the largest and greenest in the market



- **Signed milestone Collaboration Agreements** with WinGD and DNV
- Areas of focus include **formulating a comprehensive training syllabus to enhance maritime capabilities** in the **safe management of zero-emission ammonia engines** within the industry



- Signed MoU with Uzma Berhad to develop comprehensive services, including **floaters conversion / modification** as well as **renewable energy solutions**, to meet the increasing demands of the energy industry



PETRONAS

Passionate about Progress