



# EARNINGS CALL FINANCIAL YEAR 2021

June 2022

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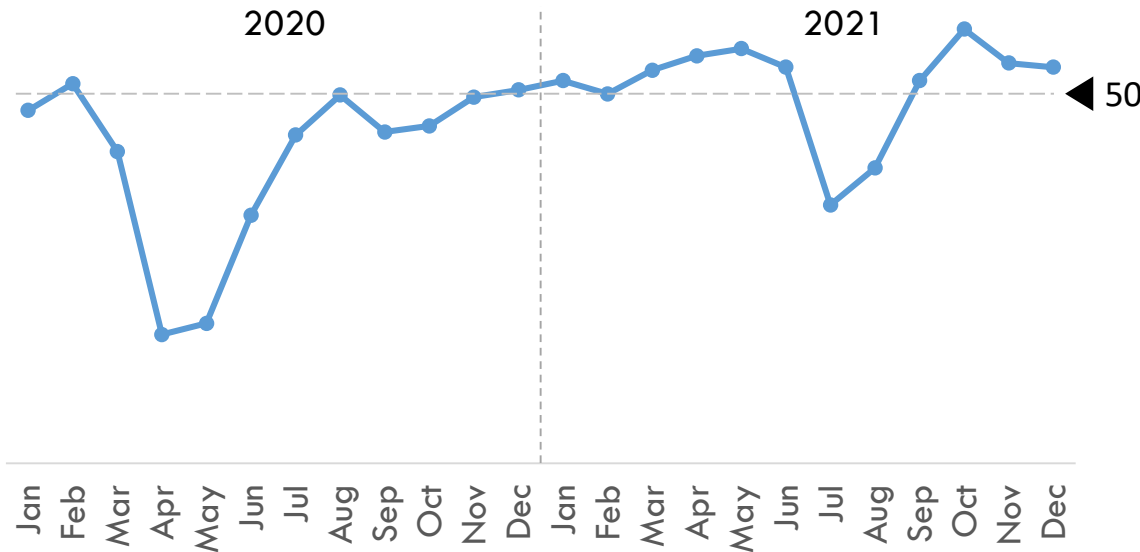
# Presentation Outline

- 1** Indonesia's Economic Update
- 2 Financial & Operational Updates
- 3 2022 Strategy
- 4 Sustainability Initiatives

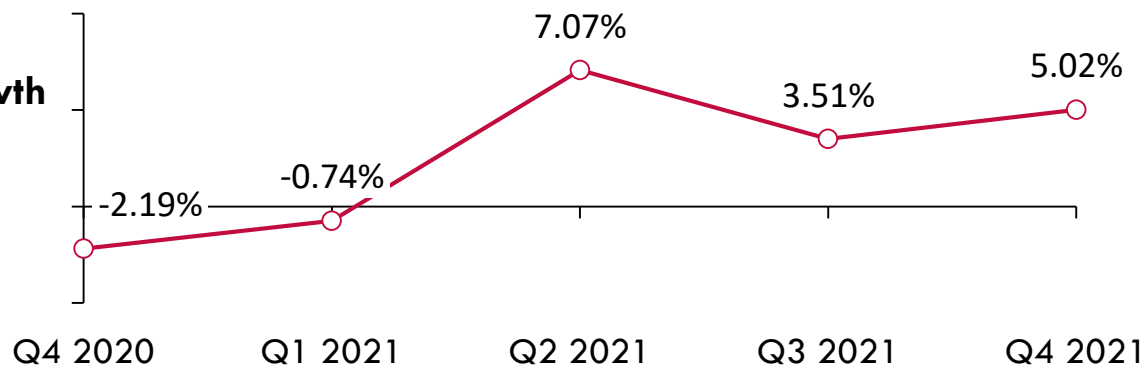
# National Economy Recovery:

“Indonesia economy indicators are going stronger”

Indonesia Manufacturing PMI



National Economic Growth (year on year)



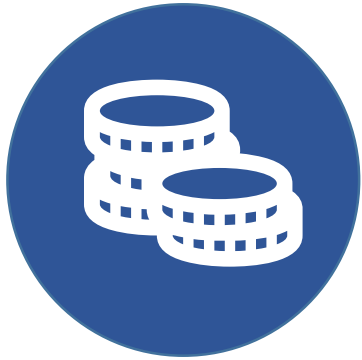
## Highlight:

- Indonesia's Manufacturing Purchasing Managers' Index (PMI) stood at 53.5 in December 2021. The average PMI for 2021 was positive, indicating the economy has expanded despite the pandemic.
- Indonesia's economic growth showed an upward trend at the end of 2021 due to pandemic control, increased mobility, and escalated economic activities. Cumulatively, the Indonesian economy throughout 2021 grew by 3.69%.
- Those two indicators better off compared to 2020.

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# Key highlights



## Finance

A significant increase in Revenue and Net Income represent a speed-up business recovery. Meanwhile, EBITDA and cash position are more robust than last year.

**Revenue 39%**  
**EBITDA 22%**



## Operation

Upstream and downstream businesses have increased compared to 2020, in line with the post-pandemic economic improvement.

**Oil & Gas Production 4%**  
**Product Sales Volume 4%**



## Capex

Capex realization in 2021 has increased to support investment predominantly in upstream, refinery and petrochemical sectors, including restructuring.

**Capex (cash) 20%**



## Government Support

Government provides continuous support through payment and implementation of new policies.

**Payment USD2.1 billion**  
**Compensation recognition USD4.7 billion**

“Several actions had been taken to strengthen the company in facing challenges”

## FINANCE



The cost optimization program across Pertamina Group includes cost saving, cost avoidance, and revenue enhancement



Active hedge program for market risk management



Centralize procurement to achieve cost saving



Capex prioritization



Asset and Liability Management to lower the cost of fund

## OPERATION



Optimize load factor in shipping to increase revenue and cost efficiency



Increase gas trade and transportation



Increase oil and gas production and lifting following the high prices



Maximize the production of refinery products for valuable products  
Energy conversion (fuel to gas and electricity) to reduced own fuel consumption.



Resource sharing after legal end state, such as sharing facility and sharing development agreement, especially in upstream sub-holding

## POLICY & REGULATION



Working with government and stakeholders to determine pricing policy dynamics



Regulation adjustment which gives favorable impact towards the Company

# Financial Highlight (1/3)

“Financial figures improve significantly, align with economic recovery”

Profit & Loss (USD Billion)	FY 2020	FY 2021	YoY %
Revenue	41.47	57.51	39% ↑
Cost of sales and operating expenses	37.37	52.55	41% ↑
Operating Profit	4.10	4.96	21% ↑
Net Income/(Loss)	1.05	2.05	95% ↑
EBITDA	7.61	9.26	22% ↑

Financial Positions (USD Billion)	FY 2020	FY 2021	YoY %
Cash	9.94	10.93	10% ↑
Total Assets	69.14	78.05	13% ↑
Debt	19.40	22.29	15% ↑
Loans & bonds	17.53	20.62	18% ↑
Leases	1.87	1.66	-11% ↓
Total Liabilities	37.89	44.72	18% ↑
Total Equity	31.25	33.33	7% ↑

Key Parameter	FY 2020	FY 2021	YoY %
Forex Rate <sup>1)</sup> (USD/IDR)	14,572	14,312	-2% ↑
ICP <sup>1)</sup> (USD/Bbl)	40	68	70% ↑

## Highlights

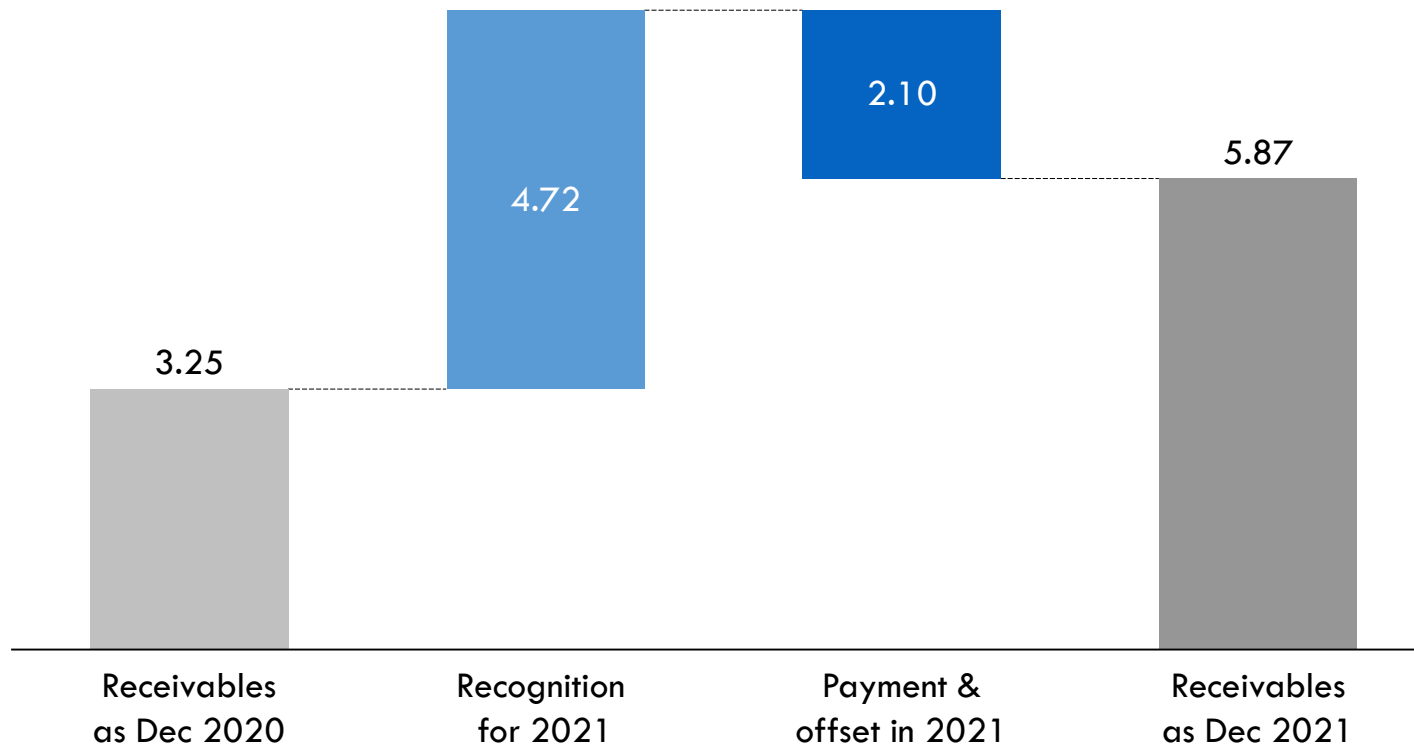
- Higher oil & gas lifting and product sales contribute to the higher revenue, supported by the oil price.
- However, oil price increase also impacted cost of sales and operating expenses. Several strategic actions were taken during the period to address this challenge.
- 2021 has shown Government's consistent support to Pertamina, especially in downstream operations by recognizing compensation and payments for price differences .



# Financial Highlight (2/3)

## “Strong Government support through payment and new policies”

Receivables from recognition of disparity selling price (include tax)  
*USD Billion*

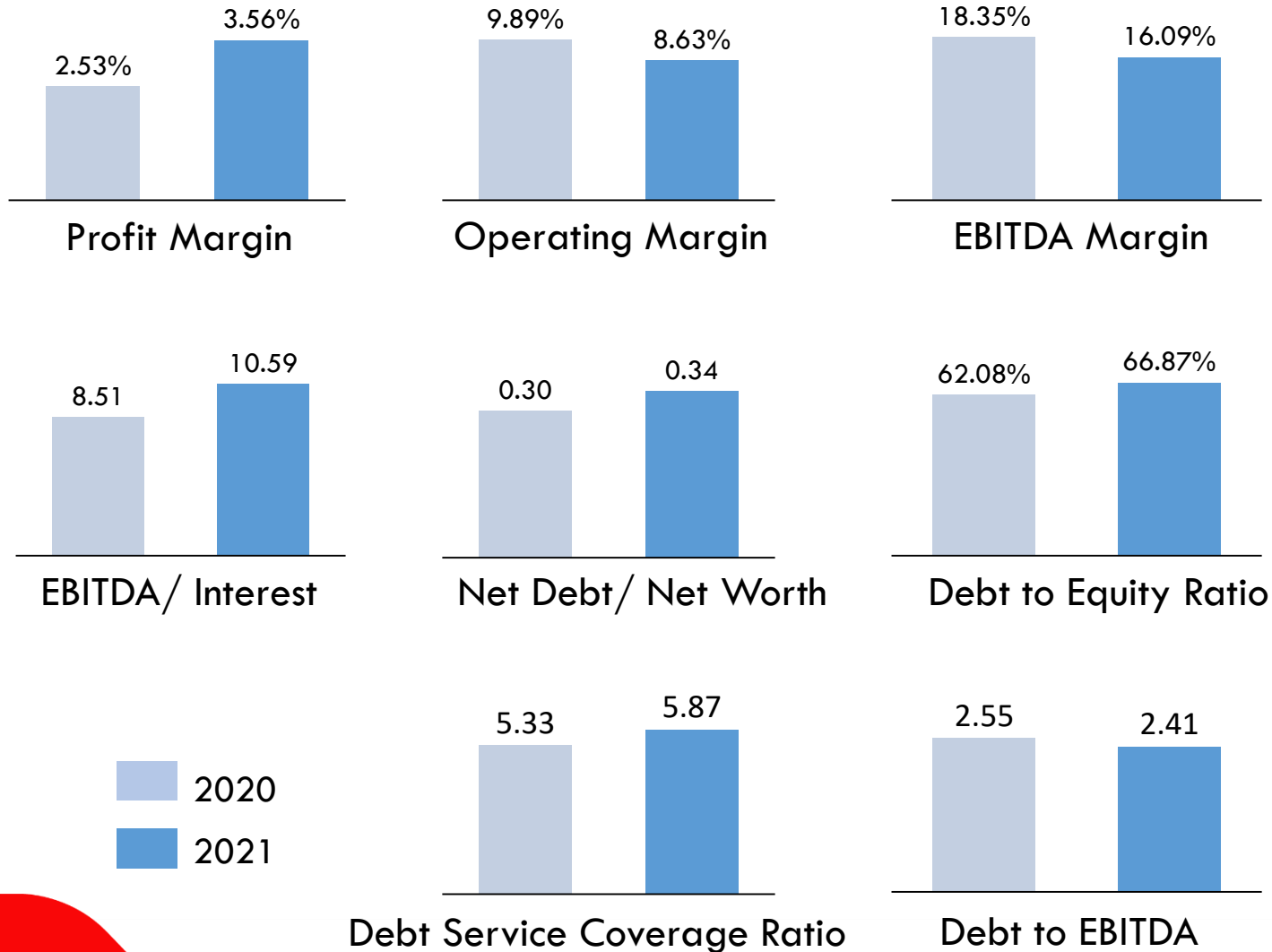


### Highlights

- Compensation recognized for 2021 was at USD4.72 billion.
- The Government has paid around USD2.10 billion for 2018 and 2019 compensation receivables. This shows Government continuous support to Pertamina.

# Financial Highlight (3/3)

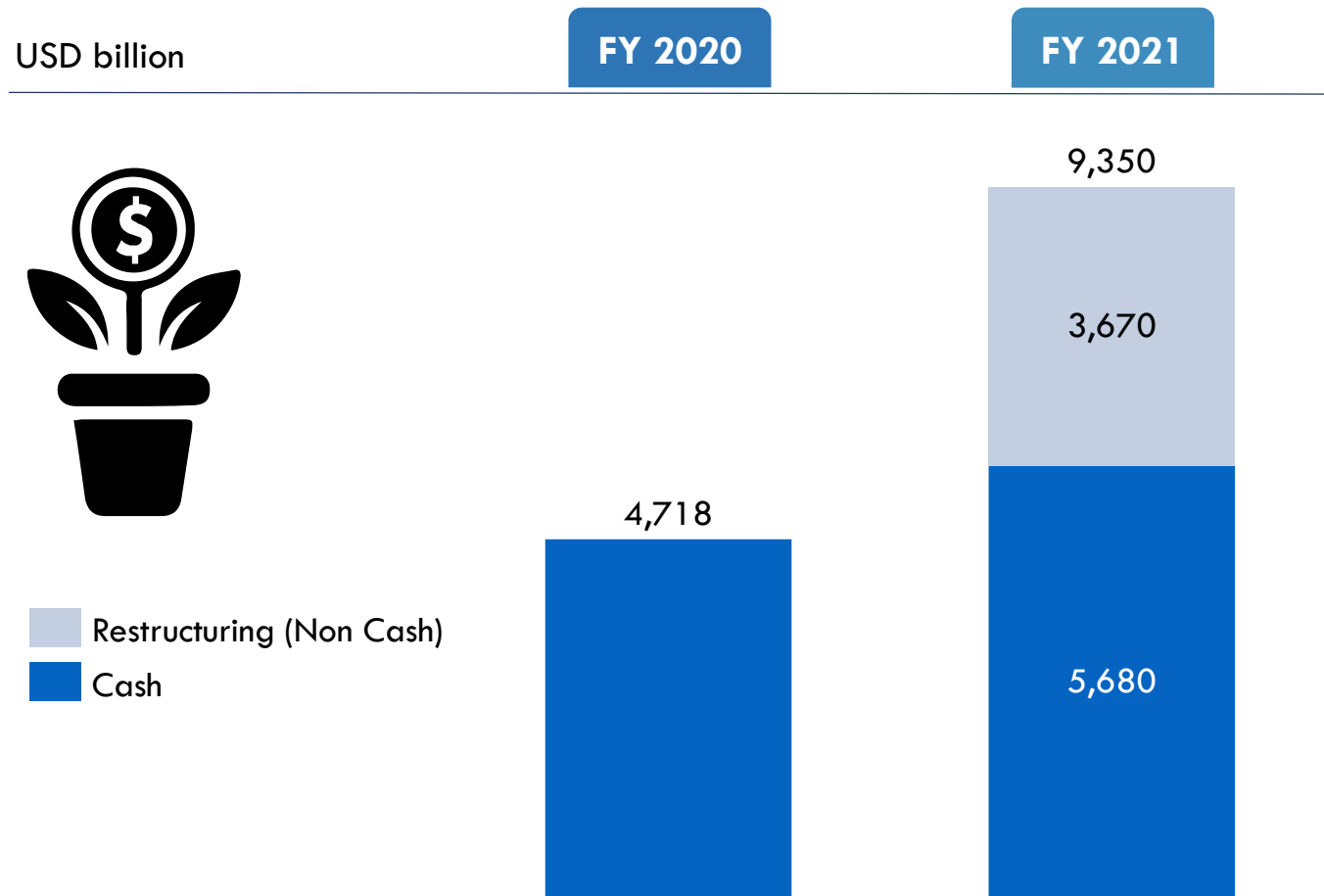
“The ratios remains stable”



## Highlight

- Despite the difficulties, Pertamina’s profitability ratios remain stable.
- Financial covenants and ratios are all in good shapes and reflecting good serviceability on the debt, such as DSCR, Debt to EBITDA, EBITDA to Interest, etc.
- Debt to equity ratio still provides a healthy debt room to fund capex for future growth.

## “Accelerate Capex deployment for revenue generating projects”



### Highlights

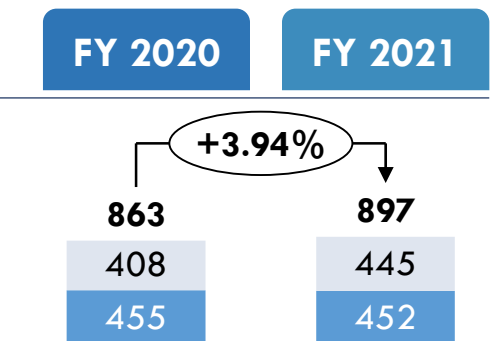
- Cash drawdown for investment in 2021 increased by 20.39% compared to 2020.
- The cash realization predominately in upstream projects (45%) and refineries & petrochemical projects (37%).
- Company’s restructuring involves the increase in equity capital on the subholding and the transfer of assets.

# Operational Highlight (1/4)

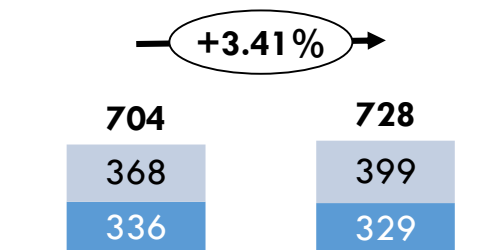
## Upstream



**Oil & Gas Production**  
MBOEPD

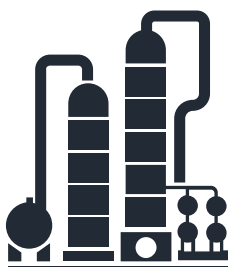


**Oil & Gas Lifting**  
MBOEPD

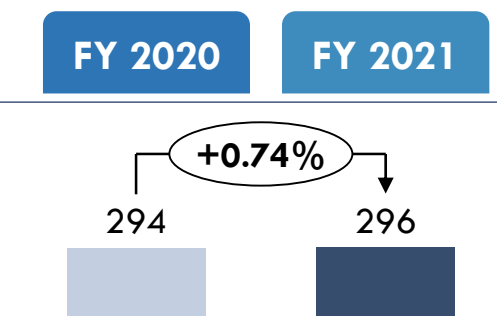


Oil  
Gas

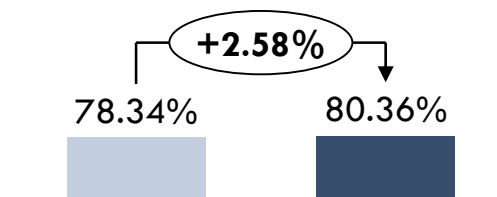
## Refining & Petrochemical



**Total Production**  
MMbbl



**Yield of Valuable Products**



## Highlights

- Production and lifting increased by 4% and 3%, contributed by Rokan Block and overseas assets.
- 12 exploration and 350 exploitation wells have been drilled.
- Resource findings (2C) reached 486.70 MMBOE, and additional proven reserves (P1) reached 623.47 MMBOE.

## Highlights

- Refinery production increased in response to the rising demand due to pandemic recovery.
- Yield of valuable product increased by 3%, due to crude and product optimization strategy through crude selection & substitution.

# Operational Highlight (2/4)

## Marketing & Trading

FY 2020

FY 2021



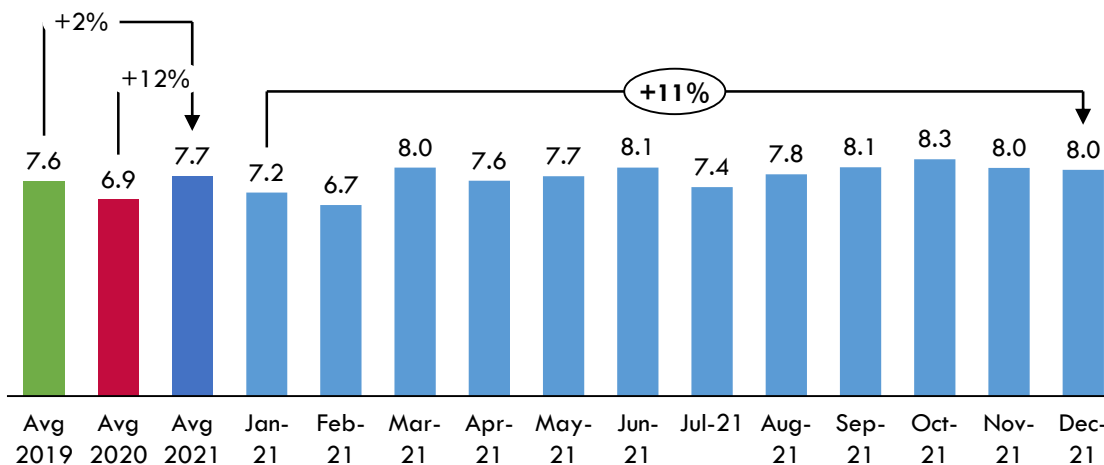
### Product Sales Mio KL



+4.49%



### Monthly Product Sales Mio KL



+2%

+12%

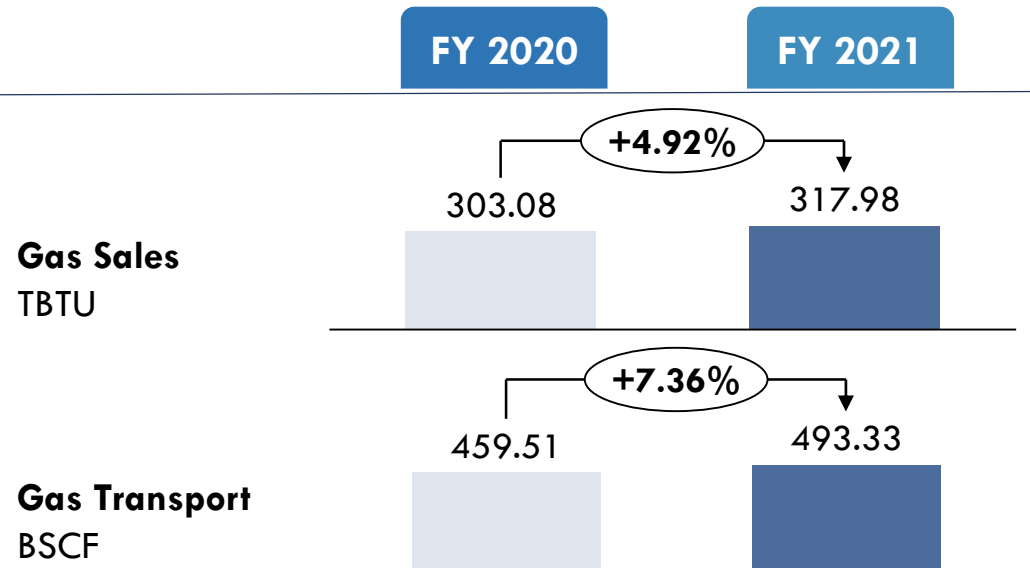
+11%

## Highlights

- The increase in demand contributed to the higher sales volume by 4%. As the economic activities increase, the average monthly product sales have reached the pre-Covid level.
- In 2021, Government has revised several fuel-related policies, including compensation for price difference. One of them is the Minister of Finance Regulation No. 159, which states that the recognition and payment of the price difference can be carried out in the first semester of the current year.

# Operational Highlight (3/4)

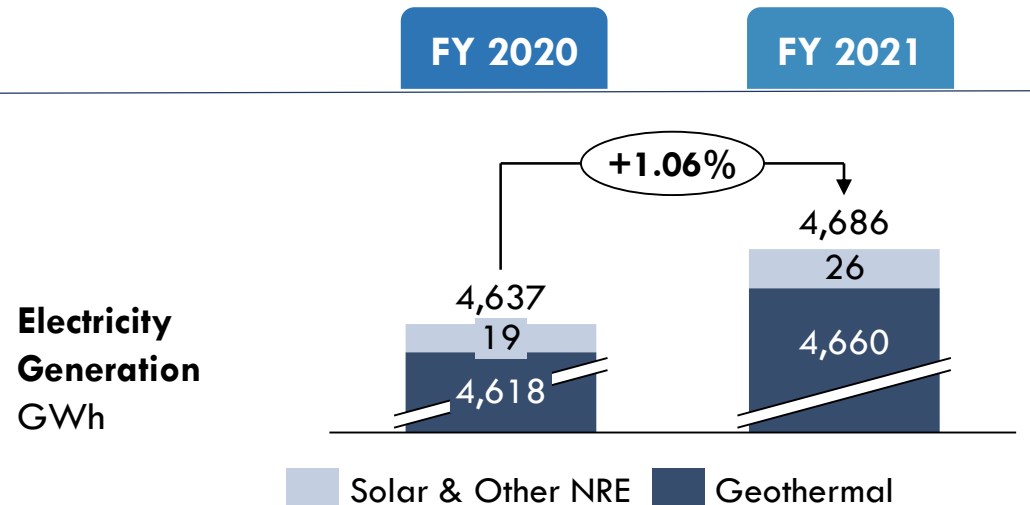
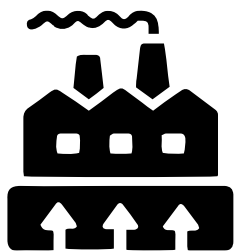
## Gas



### Highlights

- Gas sales and transport improved significantly due to the increase in demand from retail and commercial customers.

## Power & NRE



### Highlights

- Steam and electricity production slightly increase as the reliability of production assets improves.
- The addition of production capacity from solar and biogas power plants increases electricity production from new and renewable energy generation.

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# Our Strategic Keys for 2022

## “Growth in Business & Committed to Sustainability”

### 01



#### Stronger Upstream

Oil & Gas production is targeted to increase by **17%** compared to 2021. Supported by existing asset optimization and new projects onstream such as JBT and Rokan.

### 02



#### Excellence Refineries

Yield Valuable Product is targeted at **79.9%** or higher than 77.6% in 2021 target. The strategies are selecting more economical crude and produce more high value product with higher spread margin

### 03



#### Market Expansion

Expanding market through additional outlets development in 2022 (around **3,000** Pertashop), digital market development (**25 million** of MyPertamina users), and enlarge revenue portion from non-captive market in shipping business up to **7.5%**

### 04



#### Cost & Cash Optimization

**Cost Optimization** targeted in 2022 is up to **USD 600 million** contributed by cost saving, revenue growth, and cost avoidance.

**Cash optimization** is maintained by several efforts including communicating subsidy & compensation payment to government.

### 05



#### Low Carbon Projects

In 2022, PNRE plans to produce **7,138 GWh** of electricity or **52%** higher compared to 2021 realization. Supported by higher installed capacity which is targeted up to **2.9 GW** or **84%** higher than 2021 realization

### 06



#### Unlock Value Program

In 2022, several entities or the group are accelerating their progress of unlocking business through IPO, strategic partnership and M&A.



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# Pertamina's Commitment to Sustainability

- Pertamina received an ESG Risk Rating by Sustainalytics of **28.1** and was assessed to be at Medium risk. Pertamina sits the 8th position in the integrated Oil & Gas sub-industry.
- Pertamina has set a target of 30% emission reduction in 2030, versus our 2010 baseline and has succeeded in reducing greenhouse gas (GHG) emissions by **7.4 million metric tons** of carbon dioxide equivalents.

## ESG Performance



## Emission Reduction



Pertamina's Emission Reduction Achievement  
2010 – 2020, equivalent of **29.09%**

## Pertamina Sustainability Policy

“PERTAMINA’s ambition is to be a leading and reputable Global Energy Company and to be recognized as:



**Environmentally Friendly Company**



**Socially Responsible Company**



**Good Governance Company”**

## Pertamina Sustainability Strategy (10 Sustainability Focuses)

	Focus	SDGs	Primary Target
Environmental	1. Addressing climate change	7, 13	30% of emission reduction in 2030 (vs 2010 baseline)
	2. Reducing environmental footprint	7, 13	Beyond compliance Water & Waste management
	3. Protecting biodiversity	14,15	Net positive impact on biodiversity
Social	4. Health and safety	3, 8	Zero accidents, Zero Fatalities
	5. Prevention of major accidents	3, 12, 14,15	Zero loss of primary containment, No major accidents
	6. Employee recruiting, development & retention	5, 8	Aim for below 5% employee turnover, Zero harassment
	7. Innovation and research	8, 9	Completion of low-carbon research and innovations
	8. Community engagement and impact	1,4,7,14,15	Improve community based access to energy in Indonesia
Governance	9. Cyber security	16	Zero cyber attacks
	10. Corporate Ethics	16	Zero tolerance on Fraud and Corruption

# Pertamina's ESG Initiatives in 2022

In 2022 we have committed to execute 16 ESG Initiative to address our Sustainability Strategy

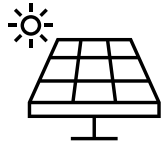
  <p>1 2</p> <p><b>NET ZERO ROADMAP</b></p>	  <p>1 2 3</p> <p><b>DECARBONIZATION</b></p>	 <p>3 8</p> <p><b>SYSTEMIZE BIODIVERSITY PROGRAMS</b></p>	  <p>1 2</p> <p><b>DELIVER NRE CAPACITY COMMITMENT (RJPP)</b></p>
 <p>2</p> <p><b>BEYOND PROPER (WASTE AND WATER)</b></p>	 <p>4</p> <p><b>ENHANCEMENT OF HEALTH &amp; SAFETY ASPECTS</b></p>	 <p>5</p> <p><b>PROCESS SAFETY MANAGEMENT</b></p>	 <p>6</p> <p><b>PROMOTING HUMAN RIGHTS</b></p>
 <p>7</p> <p><b>SUSTAINABILITY-FOCUSED RESEARCH &amp; INNOVATION</b></p>	 <p>1 2 8</p> <p><b>IMPROVE ACCESSIBILITY TO ENERGY FOR THE COMMUNITY</b></p>	 <p>9</p> <p><b>CYBERSECURITY STRUCTURE &amp; CULTURE</b></p>	 <p>10</p> <p><b>ENHANCE GCG MANAGEMENT SYSTEM</b></p>
 <p>ALL</p> <p><b>ESG OPERATING MODEL</b></p>	 <p>ALL</p> <p><b>EVALUATE &amp; IMPLEMENT ESG FINANCING</b></p>	 <p>ALL</p> <p><b>ESG COMMUNICATION &amp; ENGAGEMENT</b></p>	 <p>ALL</p> <p><b>BLUE CARBON INITIATIVES</b></p>

 : Priority Initiatives related to Climate & Decarbonization

 : Pertamina 10 Sustainability Focuses addressed by the initiatives

# Low Carbon Projects

Pertamina initiated several low carbon energy projects as part of commitment to reduce emission production

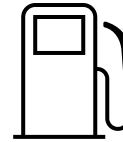


## Solar Energy

Several operation areas use solar to fulfill energy needs :

**Groundbreaking** : Rokan (25MW)

**Operation** : Dumai (2MW), Cilacap (1.34MW), 143 Fuel Stations (>1MW)



## Pertamina Renewable Diesel (Pertamina RD)

Pertamina launched green energy product as Generator Set (Genset) for Electric Vehicle (EV) in Formula E Jakarta E-Prix 2022



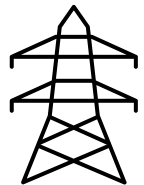
## Clean Energy for GRR Tuban

PNRE and PPRP has signed **HoA** to supply GRR Tuban energy demand (power, steam and water) from LNG power plant with 570 MW capacity



## Sustainable Aviation Fuel

Pertamina developed BioAvtur J2.4, palm-oil based aircraft fuel in Cilacap Refinery. It is proven to deliver performance equivalent to fossil-based aviation turbine (avtur) fuel but with lower carbon emission.



## First Fire PLTGU Jawa-1

PLTGU Jawa-1 (1,760 MW) has successfully conducted its first fire in February 2022



## BioRefinery

Cilacap Refinery has produced BioAvtur from RBDPO (capacity 8,000 barrel/day) and Plaju Refinery is on process to produce BioAvtur from CPO (estimated capacity 20,000 barrel per day)

A large, atmospheric photograph showing a person on a bicycle in silhouette, riding from left to right. The background is a hazy industrial facility with numerous tall chimneys and complex piping. Large, leafy trees are in the foreground, their branches framing the scene. The overall tone is muted and industrial, with a soft, overcast sky.

# Thank You