

# PT Pertamina (Persero): FY 2018 Performance



Jun 2019

*Strictly Private and Confidential*



## Key Financial Highlights (USD Billions)

	FY 2017	FY 2018	%
ICP (USD/BBL)	51.17	67.47	32%
Exchange Rate (IDR/USD)	13,384	14,246	6%
Revenues	46.00	57.93	26%
Cost of sales & Opr Exp	40.81	51.69	27%
Operating Income	5.19	6.25	20%
Net Income	2.54	2.53	-1%
EBITDA	7.26	9.20	27%
EBITDA Margin	15.77%	15.89%	1%

## Key Operational Highlights

		FY 2017	FY 2018	%
Pertalite & Pertaseries	Percentage	62.21%	68.44%	10%
Total Fuel Sales	Million KL	66.81	70.35	5%
Total Productions of Oil & Gas	MBOEPD	693	921	33%
Oil	MBOPD	343	393	15%
Gas	MMSCFD	2,035	3,059	50%
Cost of Production	USD/BOE	8.84	9.12	3%
Cost of Logistics	USD/KL	8.5	8.3	-2%
Reserve Replacement Ratio	Percentage	143%	138%	-4%

## Revenues grew by 26% driven by ICP Price..

USD Billion

	FY 2016	FY 2017	FY 2018	△%
Revenues	39.81	46.00	57.93	26%
COGS	(26.18)	(33.18)	(42.79)	29%
Upstream Production & Lifting Cost	(3.27)	(3.42)	(4.39)	28%
Exploration Cost	(0.11)	(0.17)	(0.27)	62%
Other Operation Activities Cost	(0.70)	(0.86)	(1.27)	47%
Gross Margin	9.55	8.38	9.22	10%
Sales & Marketing Cost	(1.34)	(1.59)	(1.64)	3%
General & Administration Cost	(1.51)	(1.60)	(1.33)	-17%
Other Expenses	(1.67)	(1.48)	(0.71)	-52%
Pre Tax Income	5.02	3.71	5.54	49%
Taxes	(1.88)	(1.17)	(3.01)	158%
Net Income	3.15	2.54	2.53	-1%

## Balance sheet remains strong..

USD Billion

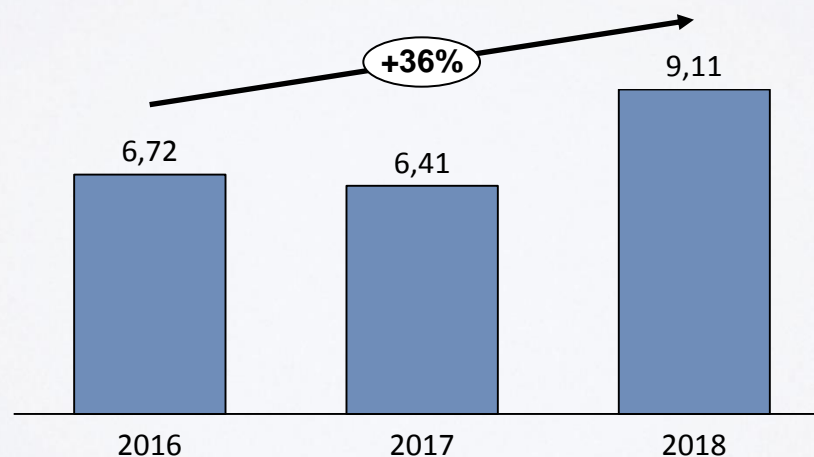
	FY 2016	FY 2017*	FY 2018	△%
Cash & Cash Equivalent incl. Short Term Investment	6.98	6.78	9.45	39%
Account Receivable	2.86	2.68	3.23	21%
Government Receivable	1.79	2.16	4.76	121%
Other Receivable	0.89	0.88	0.88	1%
Inventories	4.80	6.04	6.32	5%
Long Term Investment	3.33	2.97	2.82	-5%
Fixed Assets	12.16	12.44	12.86	3%
Oil & Gas Assets	16.40	18.03	18.61	3%
Other Assets	4.77	5.48	5.78	6%
<b>Total Assets</b>	<b>53.98</b>	<b>57.44</b>	<b>64.72</b>	<b>13%</b>

\*restated

USD Billion

	FY 2017	FY 2018	%
Cash Flows from Operating Activities	4.08	3.17	-22%
Cash Flows from Investing Activities	(2.38)	(3.50)	-47%
Cash Flows from Funding Activities	(1.97)	3.27	266%
Net Cash Flows	(0.27)	2.93	1169%
Effect of Exchange Rate	(0.04)	(0.23)	-524%
Beginning Balance	6.72	6.41	-5%
Cash & Cash Equivalent at Year End	6.41	9.11	42%

**Cash Balances (USD Billion)**



# An integrated oil & gas company in Indonesia..

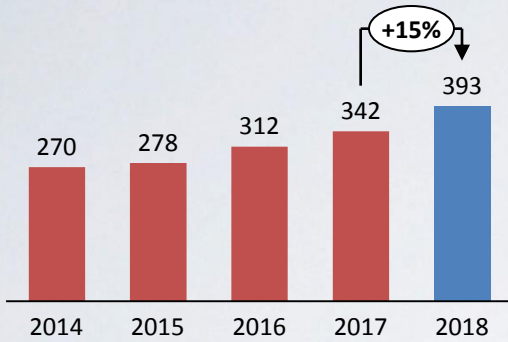
- The only fully integrated Indonesian energy company, 100% owned by the Government of Indonesia
- Rated Baa2 / BBB- / BBB (all stable)



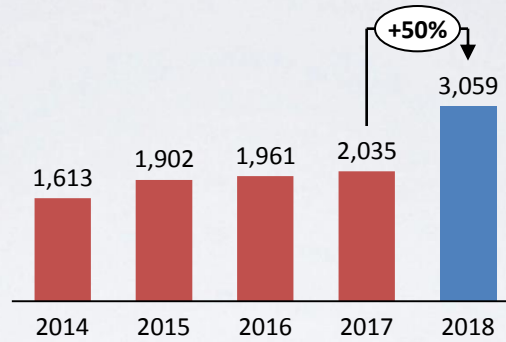
	Upstream	Refinery	Downstream	Others
Revenues	USD11,97 Billion		USD45.5 Billion	USD495 Million
Net Income	USD2.53 Billion		USD2 Million	USD40 Million
	<p>The largest number of exploration and production blocks and the most own-operated work area of 184,392 km<sup>2</sup> in Indonesia<sup>(1)</sup></p> <p>Oil &amp; Gas Production: 921 MBOEPD</p> <p>Oil &amp; Gas Lifting: 757 MBOEPD</p> <p>Electricity generated from geothermal activity 4.2 TWh</p>	<p>Pertamina is the dominant refining company, operate seven refinery (including TPPI)</p> <p>Total capacity of 1.1 MMBLS/D</p> <p>Total intake is approx. 935 MMBLS/D</p>	<p>Dominant fuel distributors with more than 6,000 retail points</p> <p>Total sales of fuel 196 thousand KL per day</p> <p>Total sales fuel and non fuel: 86.5 million KL</p> <p>With PGAS integration, Pertamina group will be able to meet domestic gas demand with efficient prices and infrastructure</p>	<p>Significant downstream infrastructure, including fuel stations, fuel terminals, LPG filling plants, tankers, etc</p> <p>Subsidiaries ranging from logistics, financial services, healthcare, hospitality, and air charter, that support Pertamina operations</p>

# Upstream daily production increase by 15%..

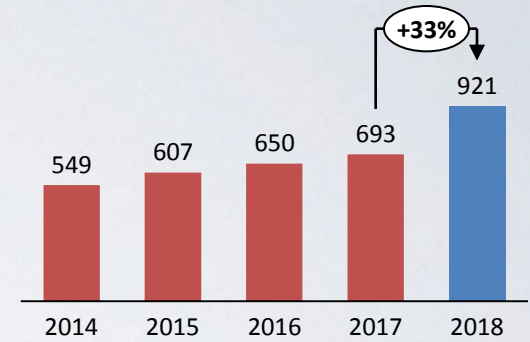
### Daily Oil Production (MBOPD)



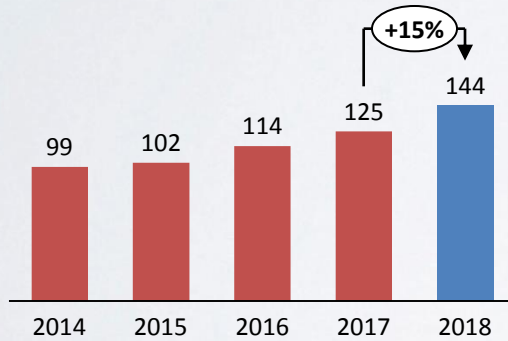
### Daily Gas Production (MMSCFD)



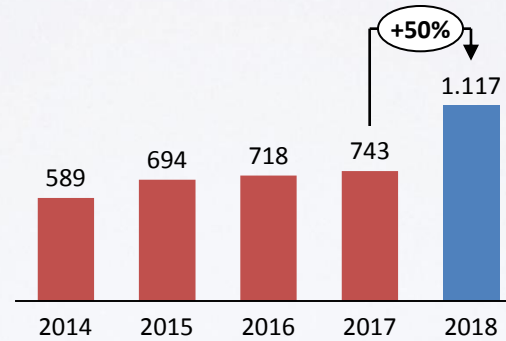
### Daily Oil and Gas Production (MBOEPD)



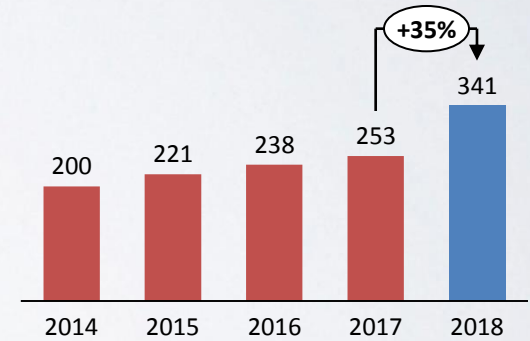
### Cumulative Oil Production (MMBO)



### Cumulative Gas Production (BSCF)

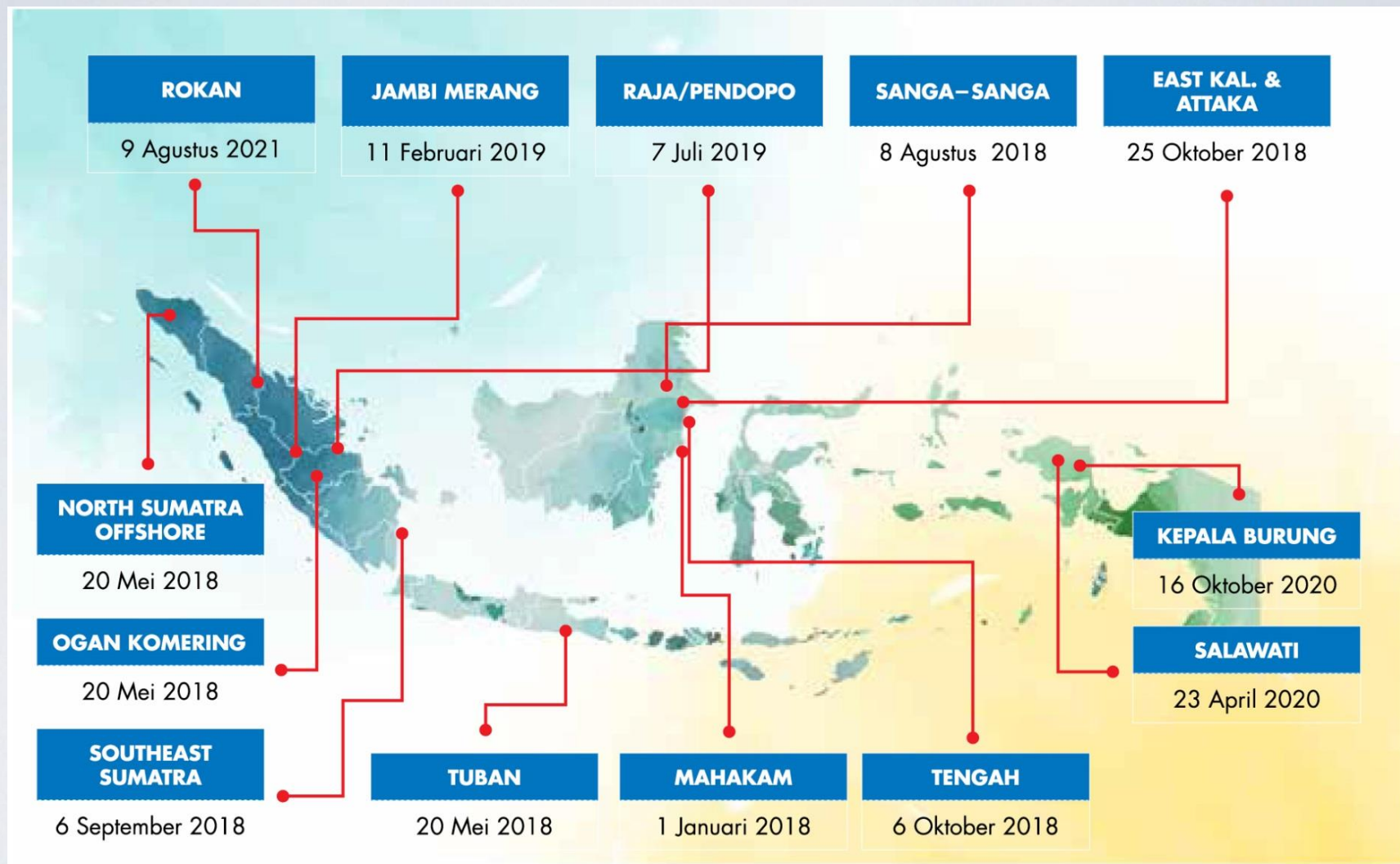


### Cumulative Oil and Gas Production (MMBOE)



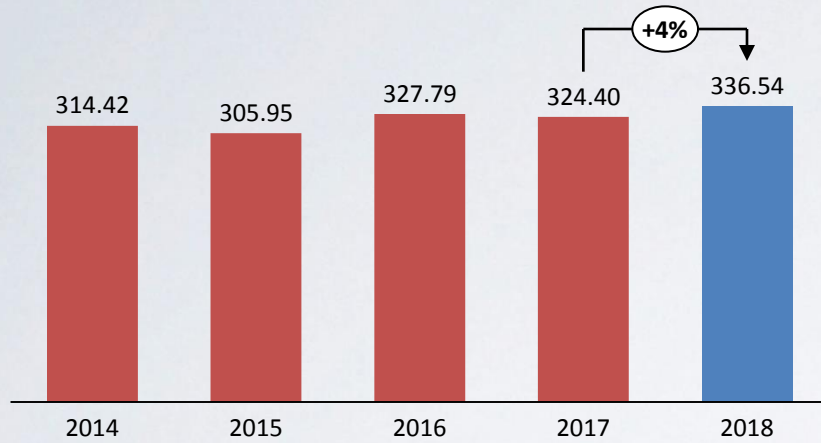


# 8 additional working areas in 2018 and some in 2020 & 2021..

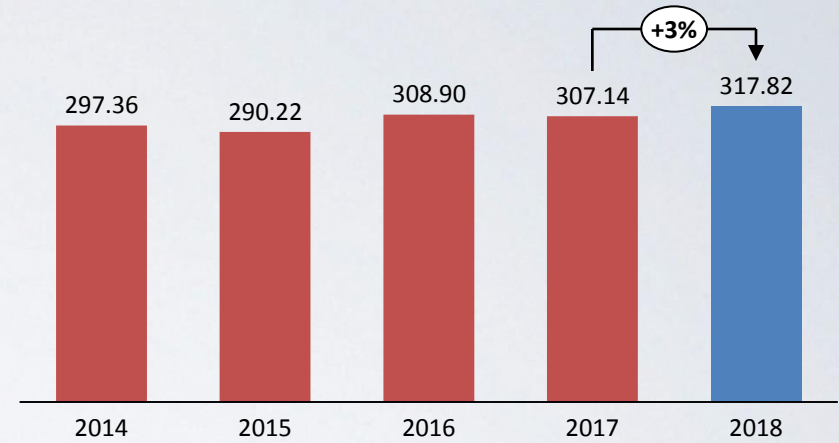


# Close to 1 million barrel of productions refinery

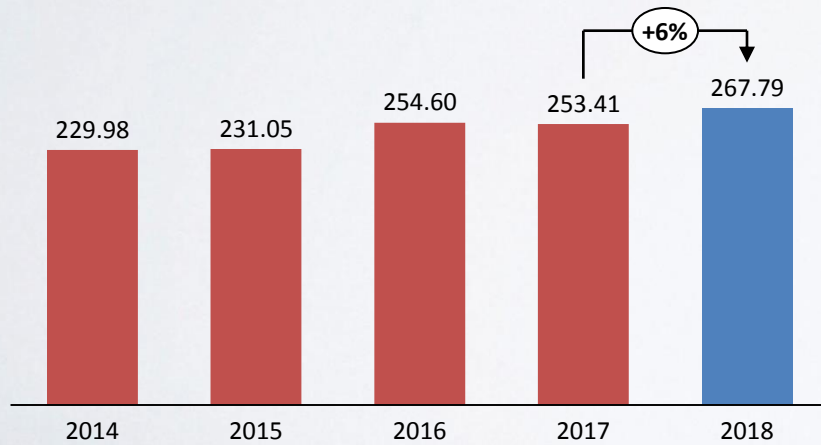
Total Intake (MMBbl)



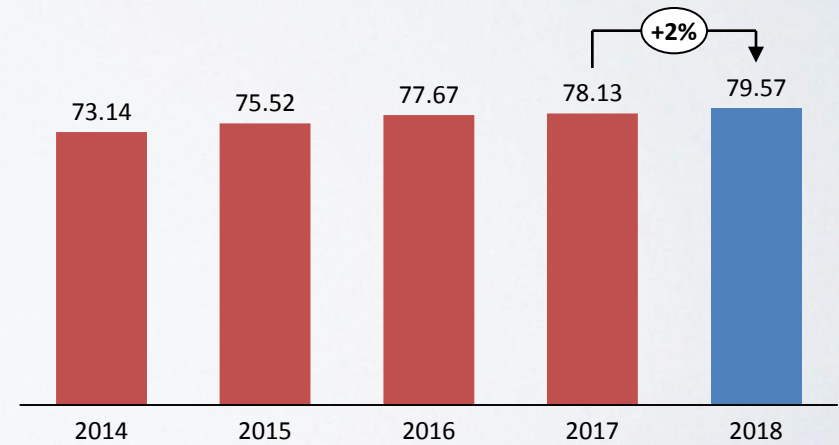
Total Output (MMBbl)



Volume Valuable Product (MMBbl)



Yield Valuable Product On Total Intake (%)





### Refinery development

- To reduce imports of petroleum products, Indonesia aims to increase its domestic supply through expansion and construction of new refineries
- Indonesia has six major refineries with a total refining capacity of approximately 1.1 MMbbl/d
- New refineries planned include the 300 kb/d Tuban refinery in East Java and Bontang refinery in East Kalimantan

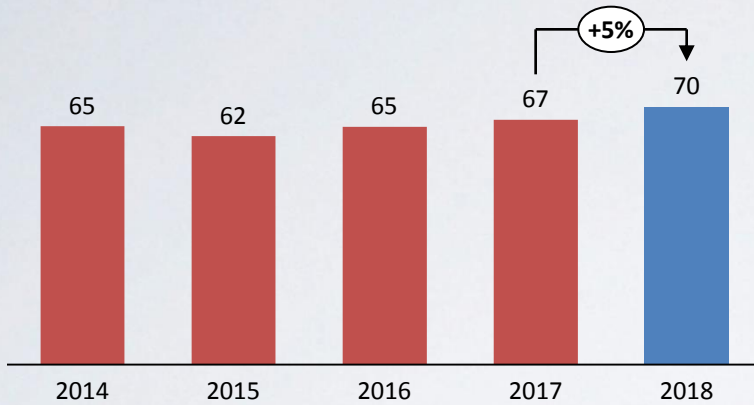
### Balikpapan refinery development

- The company has signed EPC contract with consortium of SK Engineering & Construction Co. Ltd., Hyundai Engineering Co. Ltd., PT Rekayasa Industri, dan PT PP (Persero) Tbk. amounted USD4 billion.
- The project will increase the capacity from 260 MB/D to 360 MB/D. Revitalization of Balikpapan Refinery is divided into two stages. The first phase is targeted to be completed in 2021 and then follows the second phase in 2022.

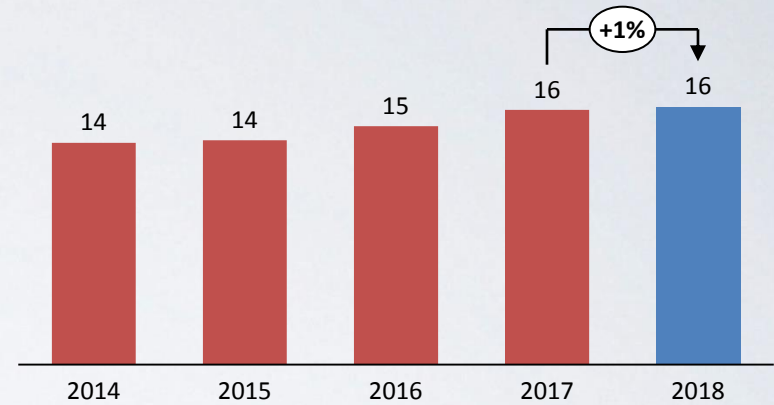
<p><b>Increase the capacity</b></p> <p><b>2.0 million</b></p> <p>from ~1 million barrel per day</p>	<p><b>Crude flexibility</b></p> <p><b>~2%S</b></p> <p>Sulfur handling limit from 0.4% to ~2.0% S</p>	<p><b>Yield valuable products</b></p> <p><b>~95% vol.</b></p> <p>from ~75% vol.</p>	<p><b>Increase fuel production</b></p> <p><b>1700 kbpd</b></p> <p>from 600 kbpd</p>
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# Total fuel sales increase by 5%

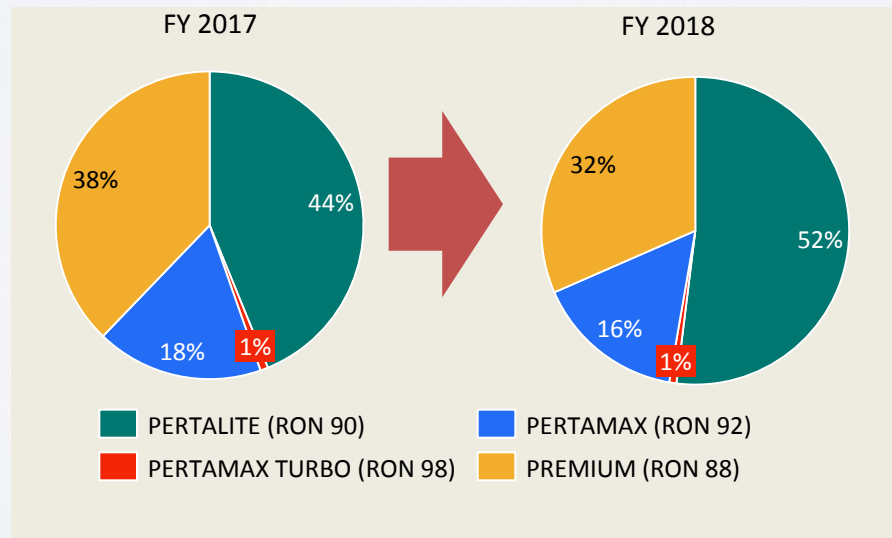
Fuel Sales (Million KL)



Non-Fuel Sales (Domestic Gas, Petrochemical & Lubricant) (Million KL)



## Shift in Gasoline Consumption (Total National Sales)

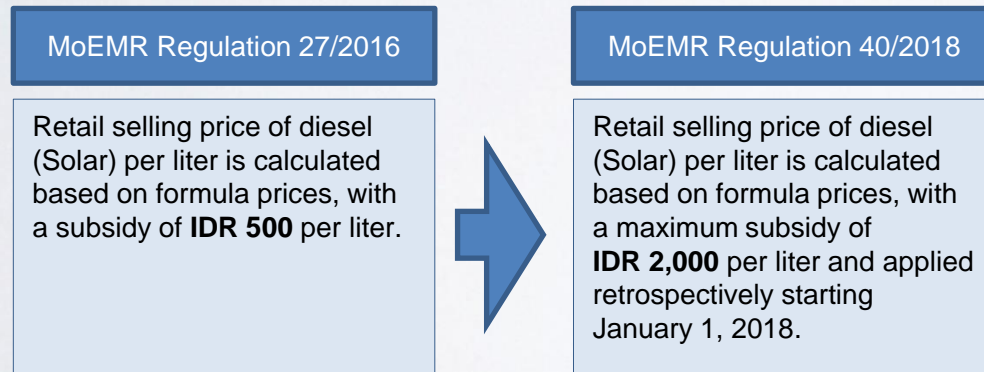


### Policy in the price difference of certain fuels

- The Government issued President Regulation (Perpres) No. 43 of 2018 which replaces Perpres No.191 of 2014, which allows the Ministry of Energy and Mineral Resources, based on certain conditions, to determine the retail selling price of certain fuel products (subsidize and assignment fuels) different from the calculation of the formula.
- In the event that based on the results of the inspection by the State Audit Board (Badan Pemeriksa Keuangan – BPK) in one budget year there are excesses and/or shortcomings in receiving the assignment business entity as a result of the retail sale price of fuels, the Minister of Finance determines the regulation of excess and/or lack of revenue after coordinate with the Minister of State-Owned Enterprises.
- Management expected that the receivable from recognition of price disparity will be paid by the Government from 2020 to 2023

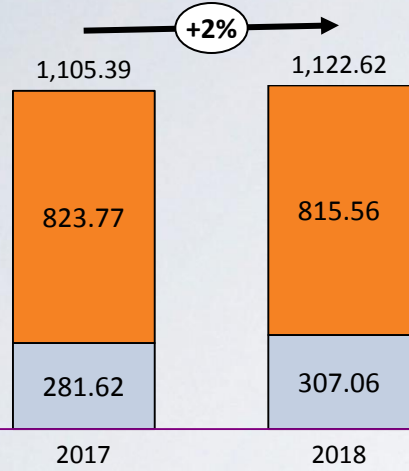
Receivable from recognition of disparity selling price	USD thousand
<b>2018</b>	
Diesel (Subsidize)	1,735,260
Gasoline RON 88 (Assignment)	921,872
	2,657,132
<b>2017</b>	
Diesel (Subsidize)	1,248,347
<b>Total</b>	<b>3,905,479</b>

### Increase of Diesel subsidy



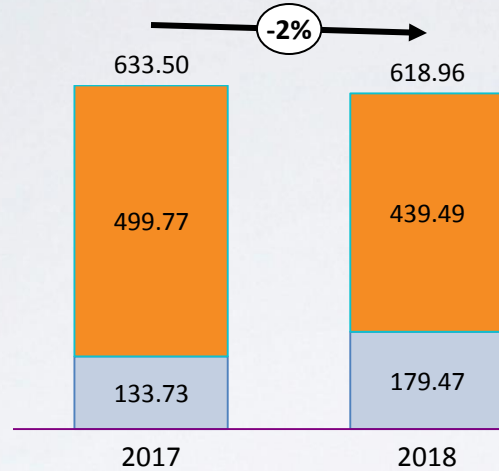
Receivable from subsidy reimbursement	USD thousand
LPG	1,147,538
Diesel	175,556
Kerosene	16,828
<b>Total</b>	<b>1,339,922</b>

Gas Sales (Million BBTU)\*



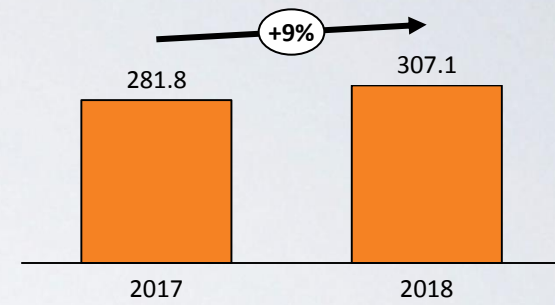
■ Pertamina 
 ■ PGN

LNG Sales (Thousand BBTU)

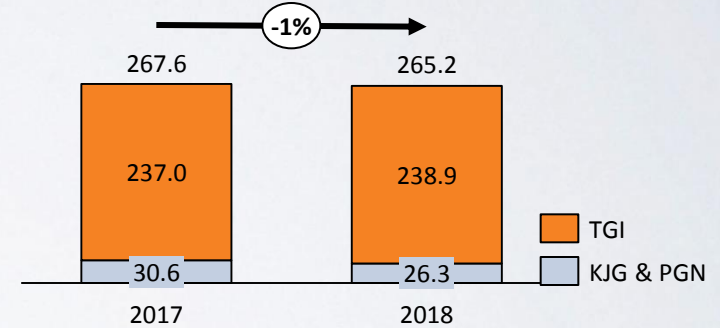


■ LNG - Fee Mkt 
 ■ LNG - Non Fee

PGAS- Gas Trading (Thousand BBTU)

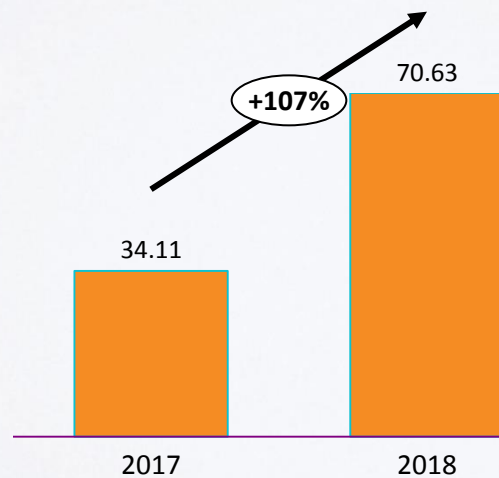


PGAS Gas Transportation (BSCF)

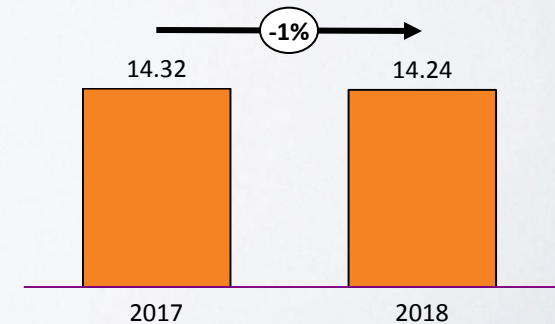


■ TGI 
 ■ KJG & PGN

CNG Sales (Thousand KLSP)



Oil & Gas (MBOE)



# Retail initiatives to enhance shifting to high margin products..



- Berkah Energi Pertamina, marketing program to increase the sales volume of high margin products



- Pertashop, increasing the accessibility of fuel and other Pertamina products in remote area

- LinkAja, e-payment platform that can be used across SoE merchants and products.



- Green Energy Station, solar powered utilities, EV charging station, EV battery swap, and cashless transaction using MyPertamina loyalty program

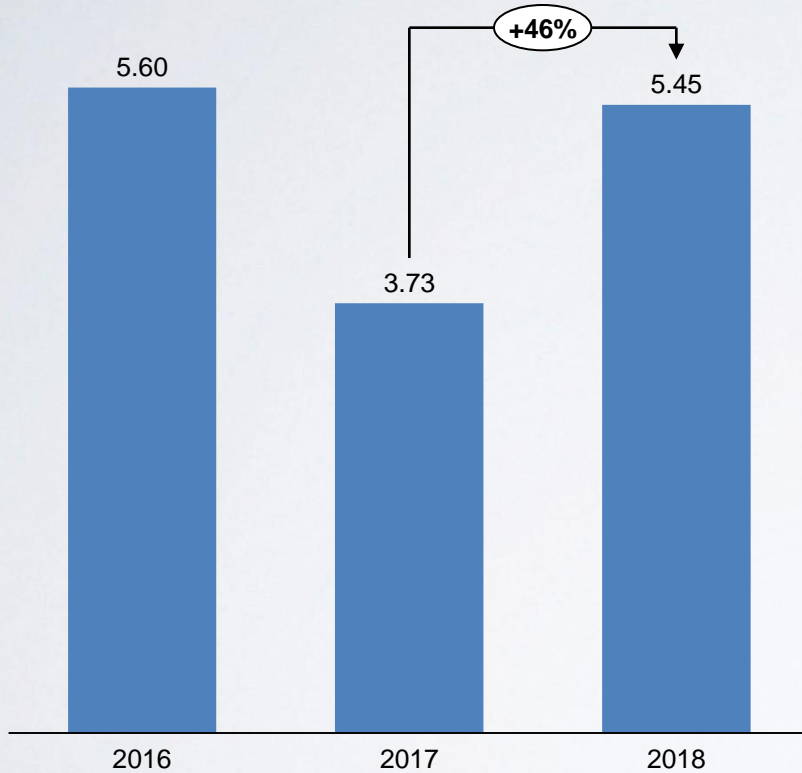


- MyPertamina, a loyalty program and cashless payment using mobile application



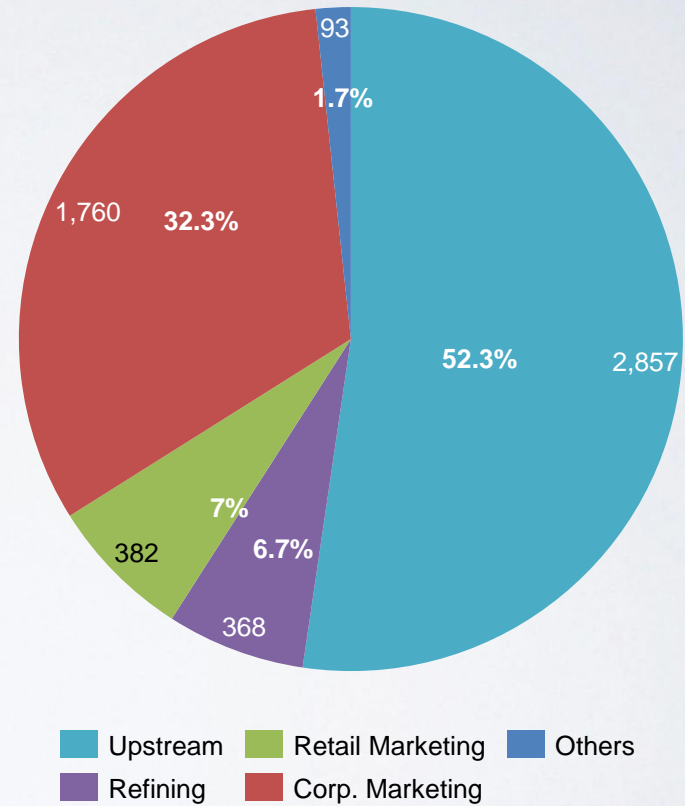
## Investment vs 2017

(USD Billion)



## Realization in 2018

(USD Million)





- 1) Pertamina is the only integrated energy company in Indonesia. The largest company with the total revenue of USD58 billion and with total EBITDA of USD9.2 billion. Backed with Government support and strong balance sheet as well as profit & loss/cash flows.
- 2) Continue to grow through selectively acquire terminated blocks in the upstream, expansion of refineries to increase the flexibility of crude , improve productivity and cost, as well as to match the fuel consumption of around 1.7 million benefiting from strong domestic growth of energy for the next several years.
- 3) In the future, Pertamina continue to leverage on existing strength while selectively expand in the energy value chain.
  - In 2019, Pertamina will kick start the refinery enhancement program (RDMP) thru partnerships.
  - Leveraging on Indonesia's strength to enhance the existing refinery to bio refinery facility.
  - Leveraging on strength of infrastructure, continue to upgrade to further dominate in the downstream, both retail as well as corporate segment.
  - We expect our revenues will increase around 5%, mostly supported by the expected increase on fuel sales by around 24%.

*thank you*

