



## Investor Presentation

# PGAS Business Updates 2019

Morgan Stanley 18th Annual AP Summit

22 November 2019



# Disclaimer & Cautionary Statement

---

*This document is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of the Company's credit facilities or any of the Company's securities. Neither this presentation nor anything in it shall form the basis of any contract or commitment. This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor.*

*The Company has prepared this document based on information available to it that have not been independently verified. No representation or warranty, expressed or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein. The information included in this presentation is preliminary, unaudited and subject to revision upon completion of the Company's closing and audit process.*

---

*This document may include forward-looking statements concerning the Company's plans, objectives, goals, strategies, future events, future performance, capital expenditures, business trend, and other information that is not historical. When used in this document, the words "estimates", "expects", "anticipates", "projects", "plans", "intends", "believes", "predicts", "forecasts", or future or conditional verbs, such as "will", "should", "could", or "may" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, management's examination of historical operating trends and data are based upon the Company's expectation and various assumptions. Future events or results may differ from those anticipated or expressed in these forward-looking statements.*

*All forward-looking statements attributable to the Company or persons acting on its behalf apply only as of the date of this document. The Company undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.*

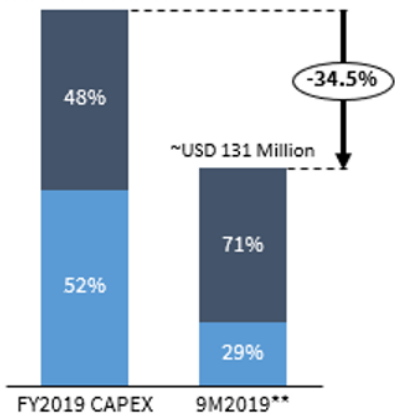
## October Operational Updates: Confidence in 2019 Delivery

PT Perusahaan Gas Negara Tbk. (IDX: PGAS) today announces key operating performance updates ended 31 October 2019 as follows:

Volumes	Jan – Sep 2019	Jan – Oct 2019	Δ YoY %	FY 2019 Targets
Distribution (BBTUD)	971	978	2,3%	970 – 990
Transmission (MMSCFD)	2,036	2,041	-2.2%	2,070 – 2,100
Upstream Lifting (MMBOE)	8.00	8.98*	-27%	10.50 – 11.00
Regasification (BBTUD)	118	123	-1.3%	125 – 130
LPG Processing (TPD)	731	726	-7.3%	740-770
Oil Transportation (Barrel)	2,780,956	3,095,892	0,1%	4,361,069

\* Estimated Oct figures

USD 200 - 250 Million



\*\* Actual disbursement yet to be determined

■ Upstream  
■ Downstream, Midstream & Supporting

- YTD capex spending as of September 2019 reached US\$131 million, US\$93 million of which was spent on upstream activities

- Distribution volume from Pertagas declined from 154 BBTUD in Sept to 128 BBTUD in Oct. due to weaker demand from power sector. This translates to slight decline of the consolidated distribution volume i.e. 2.34% MoM from 1,066 BBTUD in Sept to 1,041 BBTUD in Oct.
- Lower consolidated transmission volume from 2,194 BBTUD in Sept. vs. 2,088 BBTUD in Oct. (or declined by 4.83%).
- 2.76% drop MoM of our oil and gas lifting volume, from 0.92 MMBOE in Sept. to 0.89 MMBOE in Oct. as Muara Bakau production rate had to be slowed down amidst LNG oversupply in the domestic market.
- Other segments reflect Pertagas business contributions:
  - LPG volumes increased by 11.11% MoM from 621 BBTUD in Sept to 690 BBTUD in Oct. due to higher volume produced by Perta Samtan Gas' LPG plant.
  - Higher oil delivery from Pertamina EP oil field in Central Ramba, South Sumatra, to Plaju refinery unit in South Sumatra contributes to higher oil transportation volume of 314,936 bbl in Oct or 0.26% increase MoM.
  - Regasification volume recorded 50.87% increase MoM and reached 172 BBTUD as gas delivery to Pupuk Iskandar Muda was just booked in Oct.

# Table of Contents



## About PGAS

1

### Company Overview

The Milestones | The Sub-Holding Co | Leadership |  
Business Portfolio | Business Structure | Gas Infrastructure  
6M – 2019 Highlights

2

### 9M2019

### Operational Performance

Distribution | Transmission | Other Downstream |  
Upstream Lifting

3

### 9M2019

### Financial Performance

Income Statement | Balance Sheet |  
Cashflow | Financial Ratios | Debt Maturity Profile



# About PGAS

**PT Perusahaan Gas Negara Tbk (PGAS:IJ)** the leading natural gas distribution and transportation player in Indonesia. PGAS continues to strengthen its position in the market by gradually transforming into an integrated energy solution company, encouraging the use of natural gas.

PGAS is engaged in upstream oil and gas, midstream and downstream fields across the Indonesian peninsula. PGAS owns and operates natural gas pipelines in excess of more than 10,000km in total length, covering c. 96% of the national natural gas pipeline network. PGAS' upstream portfolio consist of 11 oil and gas blocks across the country, and 1 shale gas in Houston, US. PGAS has 2 FSRU's (Lampung & West Java) and land based regasification facility in Arun. PGAS, through its downstream entities, serves more than 2,000 industrial and commercial customers.

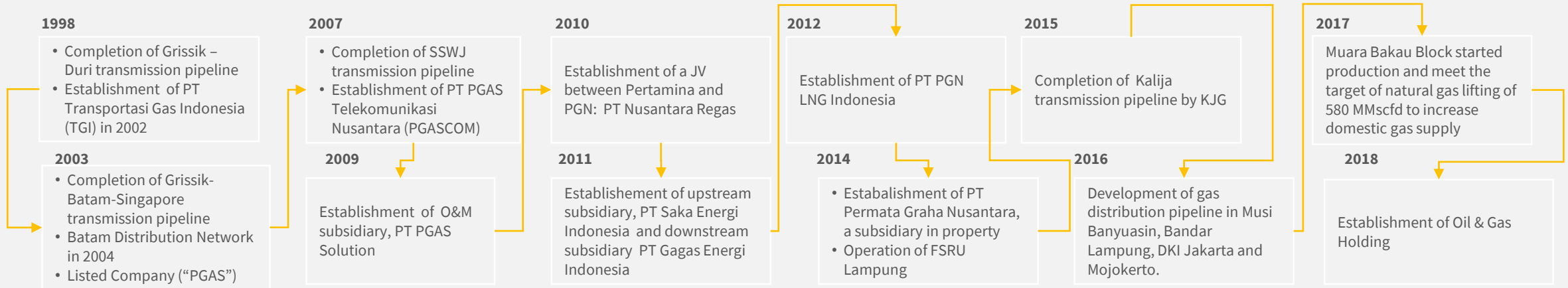
PGAS become subsidiary of PT Pertamina (Persero) since 11 March 2018 as part of Government of Indonesia's Oil & Gas Holding initiatives. With the acquisition of 51% stake in PT Pertamina Gas (and its subsidiaries) on 28 December 2018, PGAS has officially been the Gas Sub-holding Company.



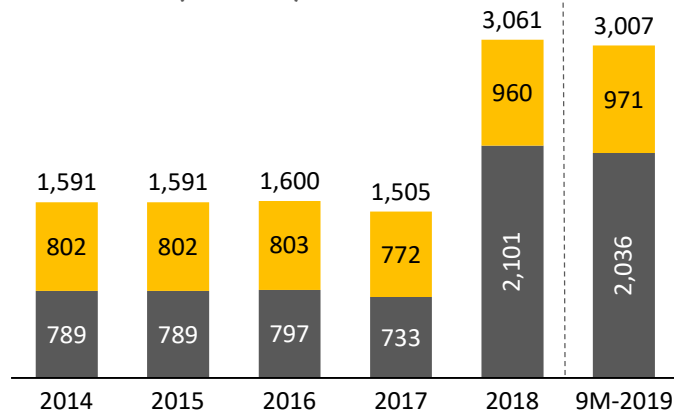
## Company Overview

The Milestones | The Sub-Holding Co |  
Leadership | Business Portfolio |  
Business Structure | Gas Infrastructure |  
6M – 2019 Highlights

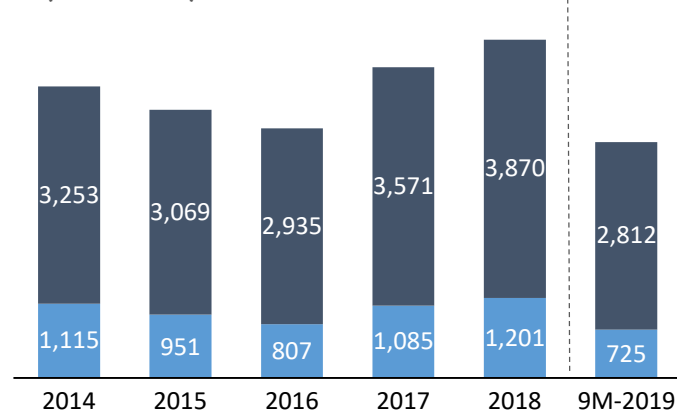
# The Milestones



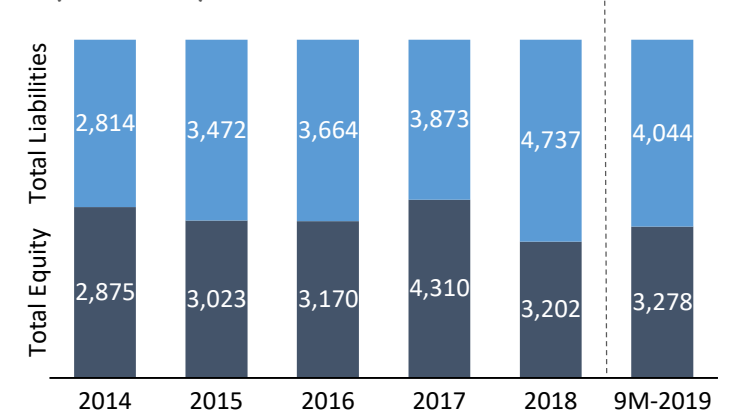
**Distribution (BBTUD) Transmission (MMSCFD)**



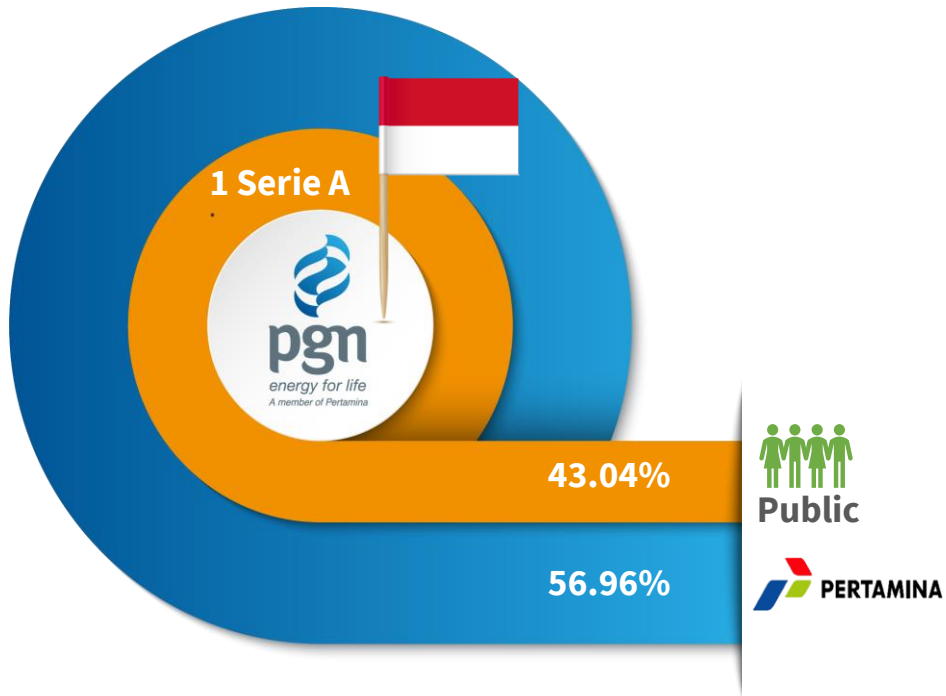
**Revenue & EBITDA (USD Million)**



**Capitalization (USD Million)**



# The Sub-Holding Co.



Credit Rating	Moody's	S&P	Fitch
Indonesia	Baa2 (Stable)	BBB (Stable)	BBB (Stable)
Pertamina	Baa2 (Stable)	BBB (Stable)	BBB (Stable)
PGN	Baa2 (Stable)	BBB- (Stable)	BBB- (Stable)

## Vision

To be World Leading National Gas Company for a Sustainable Future and National Energy Sovereignty.

## Mission

Conducting gas business in Midstream, Downstream, and Other supporting businesses that committed to increasing value for all stakeholders through:

1. Providing gas and developing infrastructure to utilize gas as energy and raw materials to create optimum value for the benefit of customers and society;
2. Creating added value for shareholders and employees, environmentally sound, has the advantage and prioritize safety;
3. Carry out the principles of professional, responsible and sustainable management of the Company;
4. Organizing other businesses to support gas utilization and sustainable business management.

# Leadership

## Board of Directors



President Director  
**Gigih Prakoso**

- Previously served as Director of Investment Planning and Risk Management of PT Pertamina (Persero)
- A PhD from the University of Kentucky, Lexington, USA



Director of Finance  
**Arie Nobelta Kaban**

- Holds a Bachelor and Master degree from University of Gajah Mada.
- Previously served as Team Leader Investigation in Corruption Eradication Commission (KPK)



Director of Commerce  
**Dilo Seno Widagdo**

- Holds a Master degree in International Management from University of Prasetya Mulya.
- Serves as a Director of Commerce since 30 August, 2019. Previously served as Director of Infrastructure & Technology PT PGN Tbk



Director of Human Capital & General Services  
**Desima Equalita Siahaan**

- Holds a Bachelor of Management from University of Padjajaran Bandung and Master of Marketing at Oklahoma City University, USA.
- Served as HR and General Director since May 4, 2017.



Director Infrastructure & Technology  
**Redy Ferryanto**

- Holds a Master degree in International Management from University of Pelita Harapan/UPH (Harvard University Class).
- Serves as a Director since August 30, 2019. Previously served as the Director of Operational & Development PT Energi Management Indonesia



Director of Strategy & Business Development  
**Syahrial Mukhtar**

- A Bachelor of Industrial Engineering ITB, Magister of Management University of Gajah Mada and Doctor of Management Strategic University of Indonesia
- Previously served as Corporate Secretary PT. Pertamina (Persero)

## Board of Commissioners



President Commissioners  
**IGN Wiratmaja Puja**

- Master and Ph.D. of Mechanical Engineering from the University of Kentucky, USA
- Having an affiliation with the Republic of Indonesia as the controlling shareholder, in his position as Head of the Human Resources Development Agency, Ministry of Energy and Mineral Resources



Independent Commissioners  
**Kiswodarmawan**

- A Bachelor of Civil Engineering from ITS, Surabaya. Previously served as Managing Director of Adhi Karya (Persero) Tbk
- Having no affiliation with other members of the Board of Directors and the Board of Commissioners, as well as majority and/or controlling shareholders



Independent Commissioners  
**Paiman Raharjo**

- A Master of Economic Administration from the University of Prof. Dr. Moestopo and Doctor of Administrative Sciences from Padjajaran University
- Having no affiliation with members of the Board of Directors and other members of the Board of Commissioners, as well as major shareholders and/or controllers.



Independent Commissioners  
**Christian H. Siboro**

- A Master of Business Administration & Management from PPM Graduate School of Management and Paris School of Business.
- Having no affiliation with members of the Board of Directors and other members of the Board of Commissioners, as well as major shareholders and/or controllers.



Commissioners  
**Mas'ud Khamid**

- A Bachelor in Physics from ITS Surabaya
- Having an affiliation with PT Pertamina (Persero) as the controlling shareholder, in his position as Director of Retail PT Pertamina (Persero).
- Previously served as Director of Consumer Service PT Telkom (Persero) Tbk



Commissioners  
**Luky Alfirman**

- A MA and PhD in Economic, University of Colorado
- Having an affiliation with the Republic of Indonesia as the controlling shareholder, in his position as General Director of Funding & Risk in Ministry of Finance



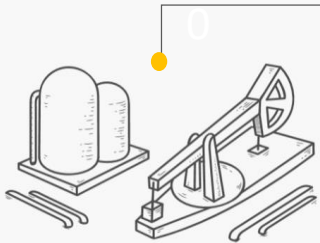
# Business Portfolio

## Sub Holding Gas

### UPSTREAM

#### Oil and Gas Production

Natural gas reserves in Indonesia are larger than oil. Saka Energi Indonesia is subsidiary of PGN that has business activities in the upstream business

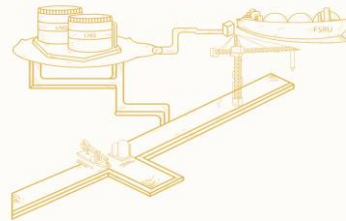


### MIDSTREAM

Through TGI, KJG and Pertagas, PGN maintain a very high reliability and operational infrastructure security. FSRU converts LNG into high-quality natural gas. PGN has 2 (two) FSRUs namely FSRU Lampung and FSRU West Java and also land base regasification facility in Arun through Pertagas



### DOWNSTREAM



#### Gas Transport Module (Gas Link)

Gas Link is a solution for channelling natural gas to location that are not connected to a gas pipeline



#### Commercial Customers

MRU is the solution for natural gas filling station for transportation using CNG technology



#### Power Plants

Power plant made from gas fuel is more environment friendly compared to oil fuel or coal



#### Commercial Customer

Efficiency and reliability are important factor in distributing energy to commercial customers. PGN in this case can fulfil these needs



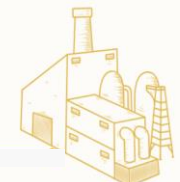
#### Household Customer

PGN has distributed gas to more than 300,000 household customers in 52 cities/regencies all over Indonesia



#### Gas Filling Station (SPBG) and Mobile Refueling Unit (MRU)

Subsidiary, Gagas Energi Indonesia operates 16 SPBG at 11 cities in Java and Sumatra



#### Industrial Sector

Indonesia's growth is driven by the growth of its industrial sector. PGN continues trying to encourage fuel usage efficiency by distributing natural gas to various industrial area in Indonesia

# Business Structure

## PGN Group

### PT Saka Energi Indonesia

Oil and Gas Upstream

### PT Transportasi Gas Indonesia

Natural Gas Transportation

### PT PGN LNG Indonesia

LNG Processing, Transportation, Storage and Trading

### PT Nusantara Regas

Natural Gas Trading Through LNG Regasification facility

### PT Gagas Energi Indonesia

Processing, Transporting, Storage and Oil & Natural gas trading And other energy

### PT PGAS Solution

Operation and maintenance, engineering, trading & EPC of oil and natural gas

### PT PGAS Telekomunikasi Nusantara

Technology, Communication & information technology

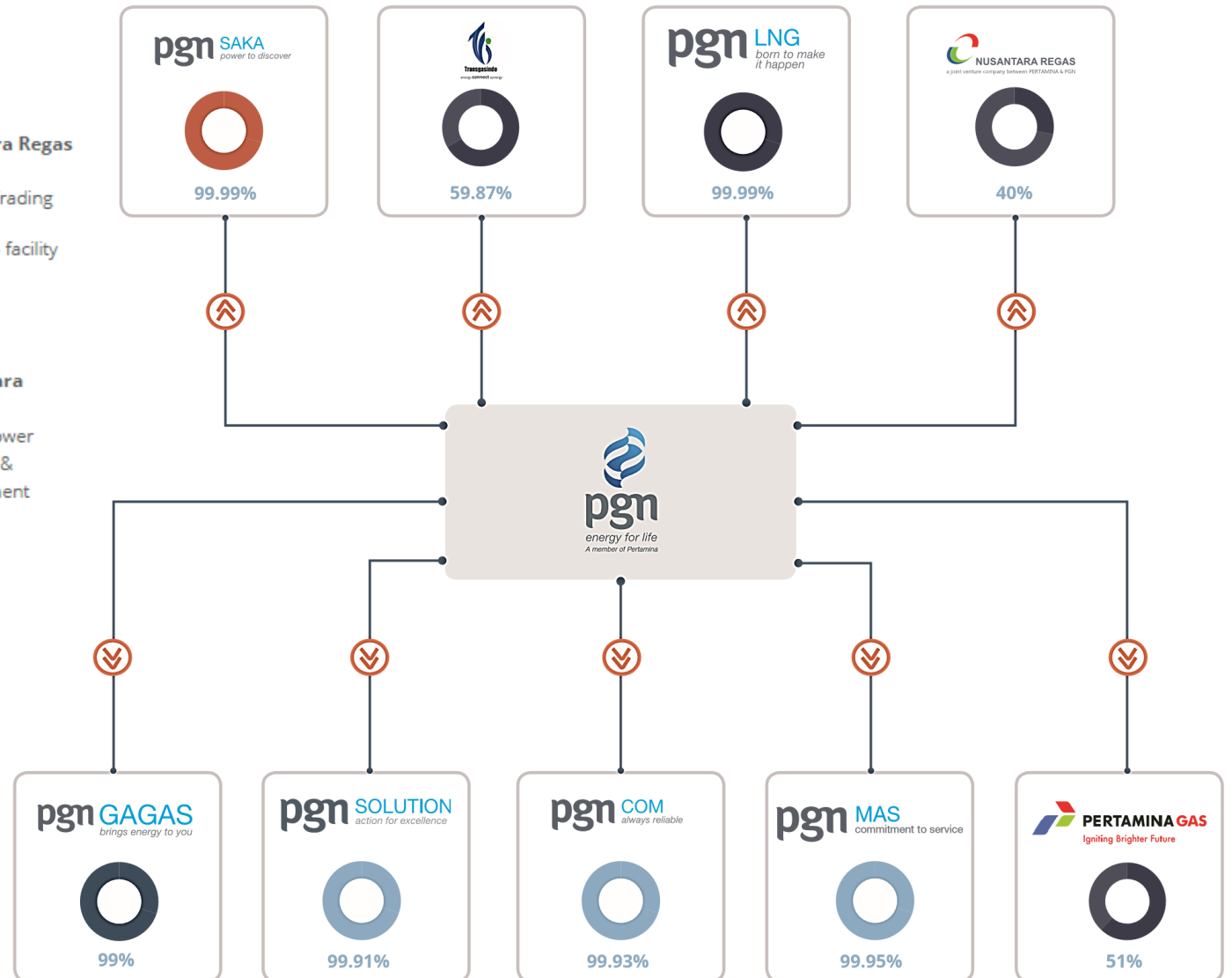
### PT Permata Graha Nusantara (PERMATA)

Property, manpower Provider service & facility management

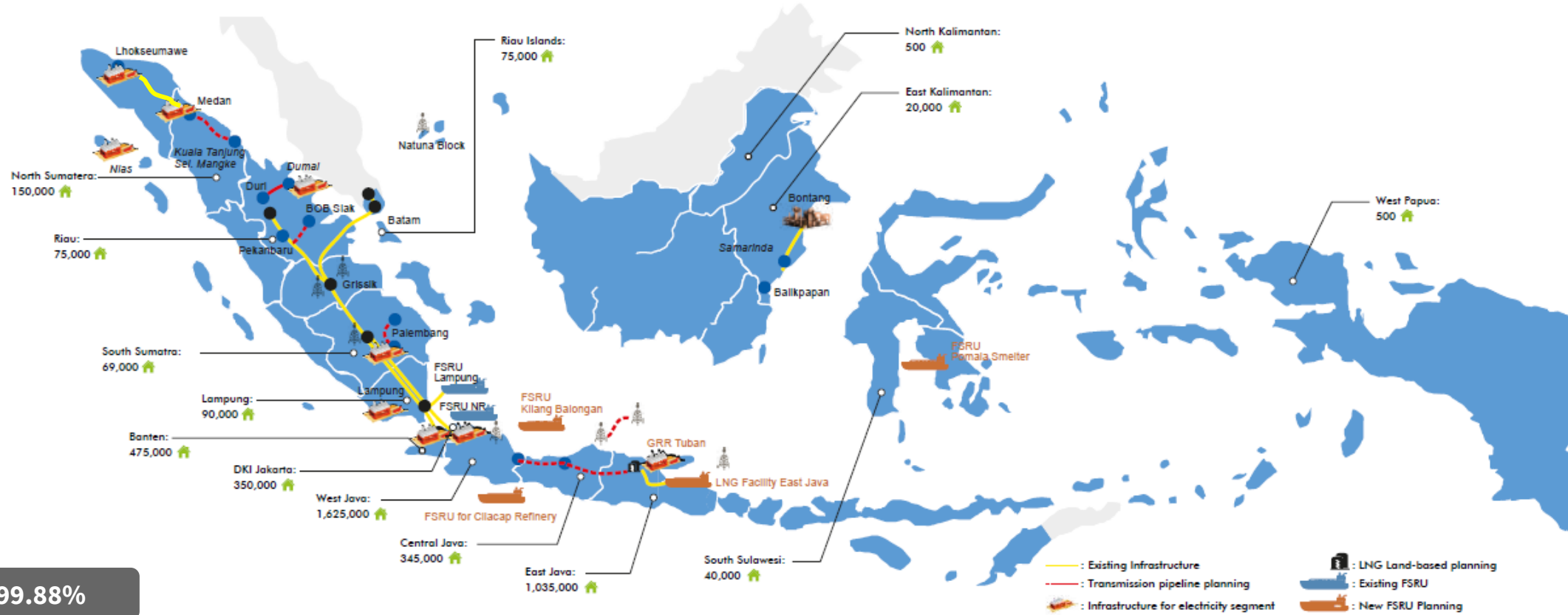
### PT Pertamina Gas

Natural gas trading And its derivatives transportation/ transmission, processing, storage of natural Gas and other business

○ Upstream
 ○ Midstream
 ○ Downstream
 ○ Others



# Gas Infrastructure Market Development



**Reliability : 99.88%**

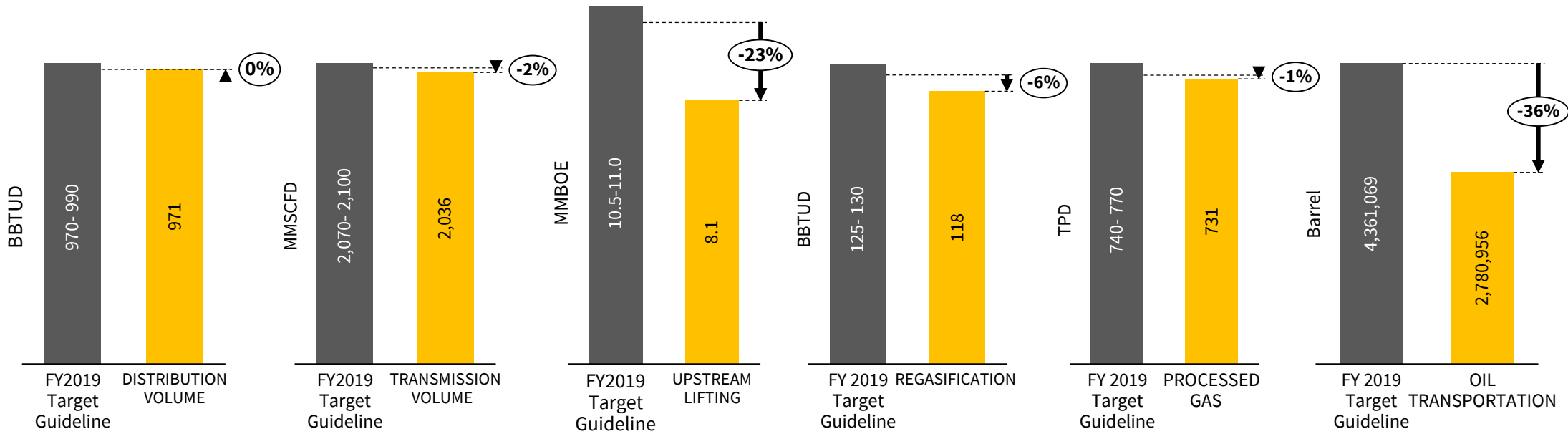
- Distribution Pipeline ±5,376 km
- Transmission Pipeline ±4,818 km
- LNG Infrastructure **2 FSRUs, 1 Land-based Regas Facility**
- CNG Infrastructure **12 SPBG, 4 MRUs**
- LPG Infrastructure **3 Processing Plants**



9M-2019

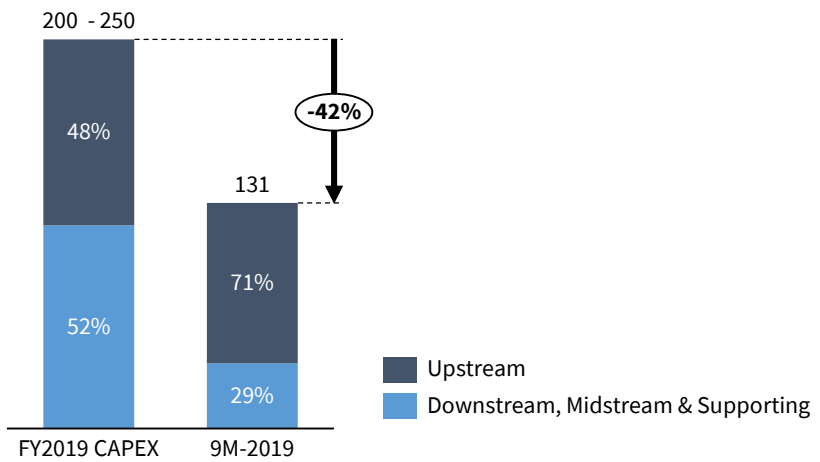
# Highlights

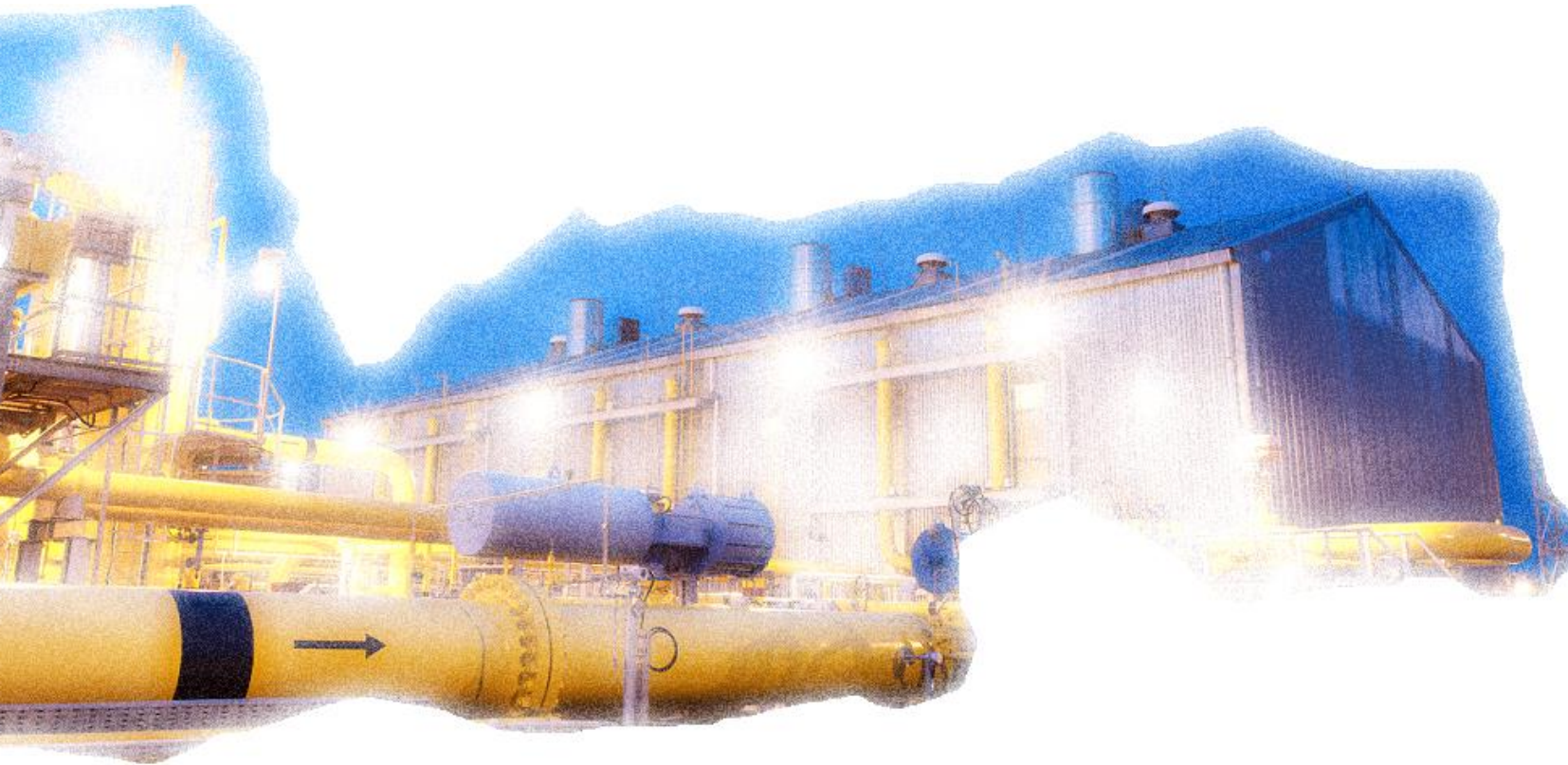
OPERATING METRICS



FINANCIAL INDICATORS (USD Million)

Revenue	2,812
EBITDA	725
Total Asset	7,322
Equity	3,278





# 9M2019 Operational Performance

Distribution | Transmission |  
Other Downstream | Upstream Lifting

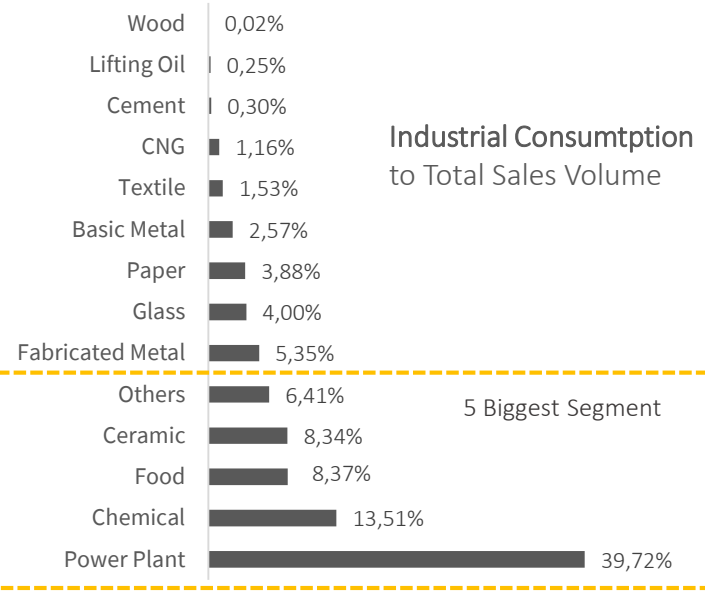
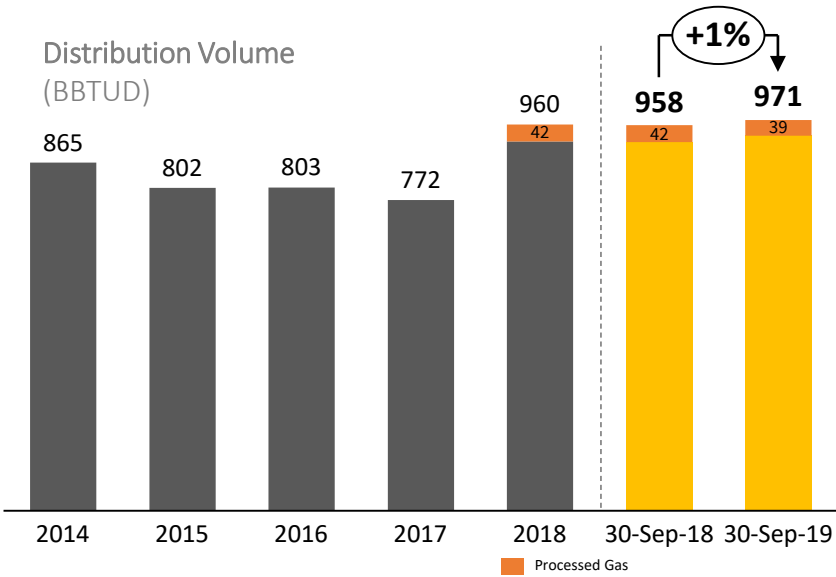




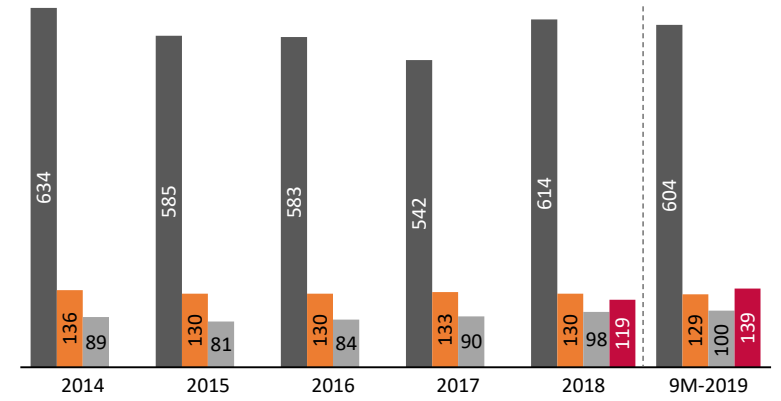
# 9M-2019

## Operational Highlights: Distribution

Distribution Volume (BBTUD)



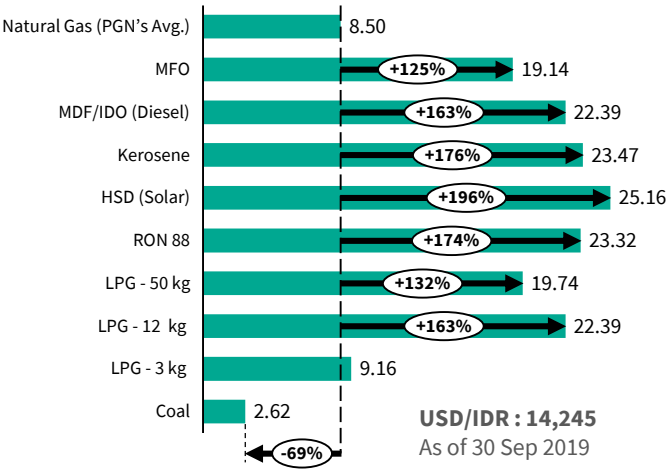
Distribution Volume (BBTUD)



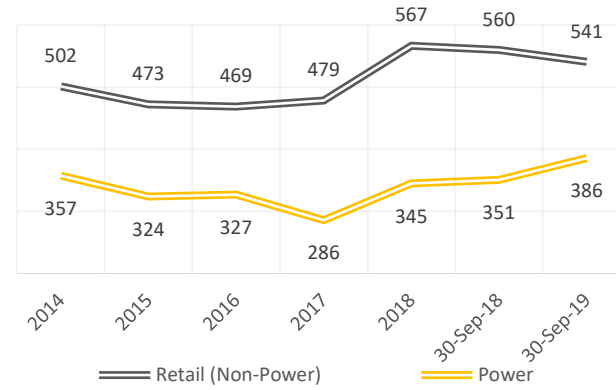
Regional Distribution

- RD 1 : Jakarta, Bogor, Bekasi, Karawang, Tangerang, Cilegon, Lampung, Palembang, and Cirebon
- RD 2 : Surabaya, Sidoarjo, Pasuruan, Semarang, Tarakan, and Sorong
- RD 3 : Medan, Batam, Pekanbaru, and Dumai.
- Pertagas

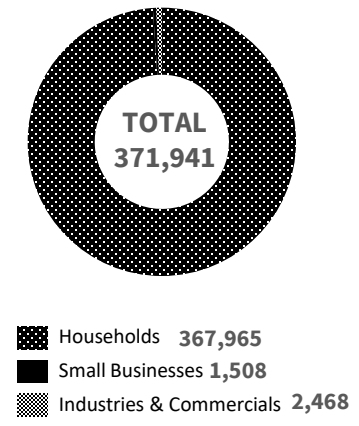
PGN's ASP vs Other Energy



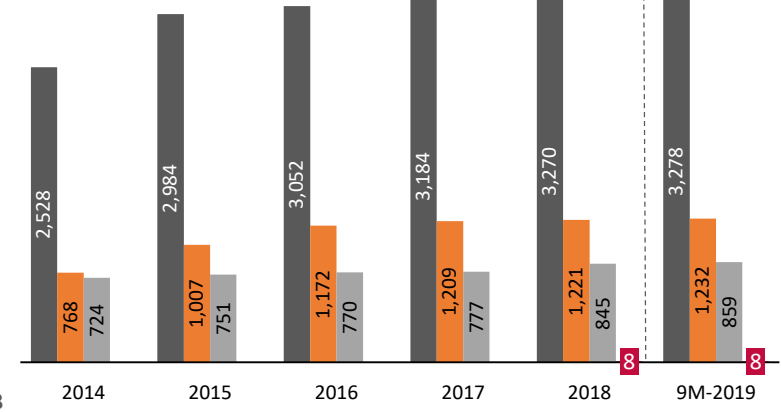
Trend of Industrial Consumption (BBTUD)



Number of Customers



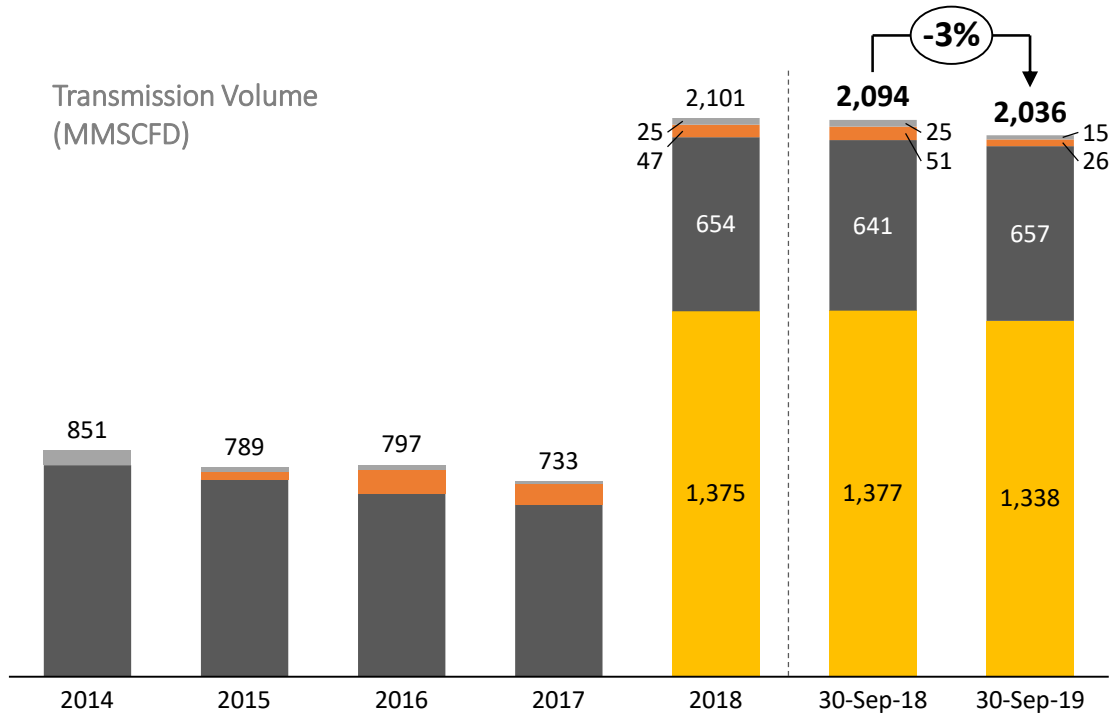
Length of Distribution Pipeline (KM)



# 9M-2019

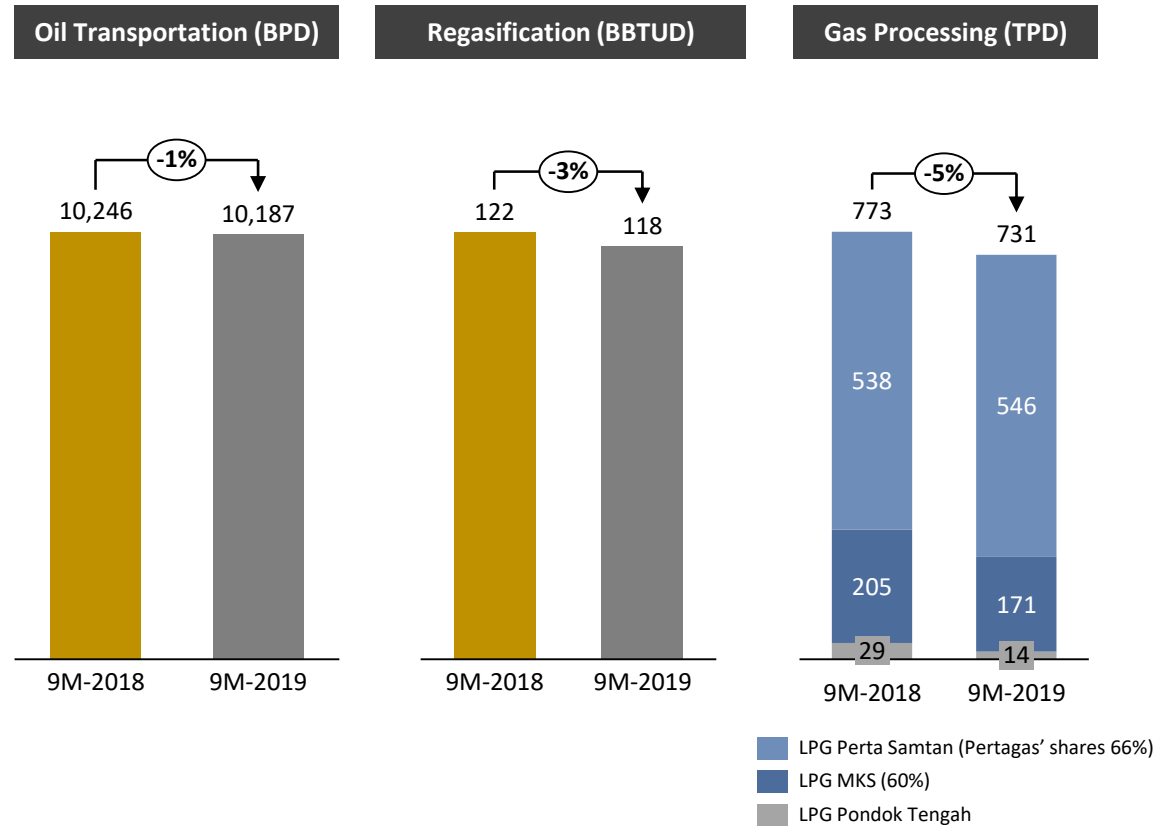
## Operational Highlights: Transmission

Transmission Volume (MMSCFD)



- |  |  |
|--|--|
| <p><b>TGI</b></p> <ul style="list-style-type: none"> <li>Total Length: ± 1,000 km</li> <li>Off-taker: CPI, Gas Supply Pvt. Ltd., PGN, PLN</li> <li>Profit from JV</li> </ul> | <p><b>Pertagas</b></p> <ul style="list-style-type: none"> <li>Total Length: ± 2,466 km</li> <li>Transmission Revenue</li> </ul>                    |
| <p><b>PGN</b></p> <ul style="list-style-type: none"> <li>Total Length: ± 1,145 km (incl. SSWJ)</li> <li>Off-taker: PLN, BBG</li> <li>Transmission Revenue</li> </ul>         | <p><b>KJG</b></p> <ul style="list-style-type: none"> <li>Total Length: ± 200 km</li> <li>Off-taker : PLN</li> <li>Finance Lease Revenue</li> </ul> |

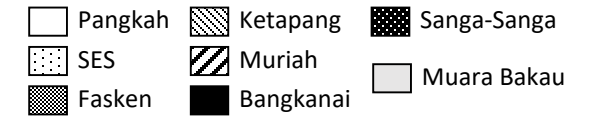
## Other Downstream



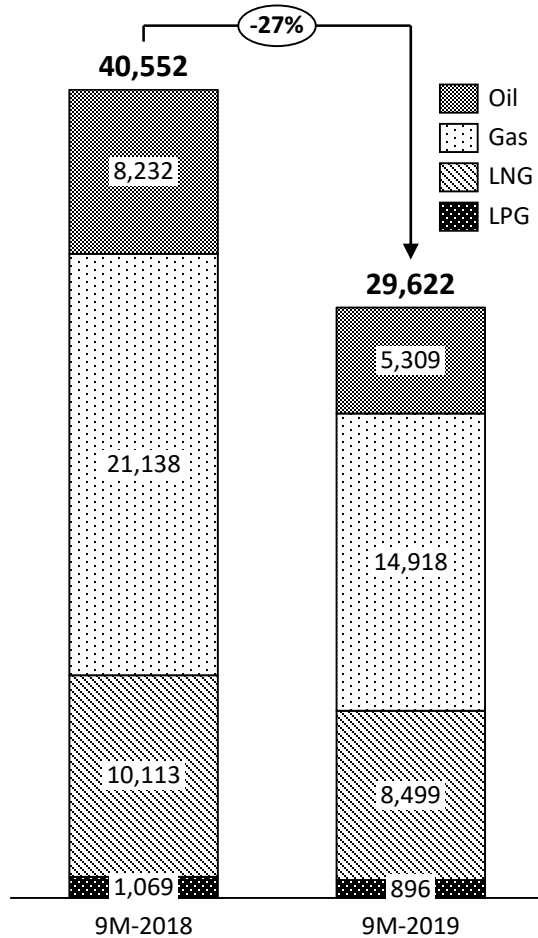
9M-2019

# Operational Highlights:

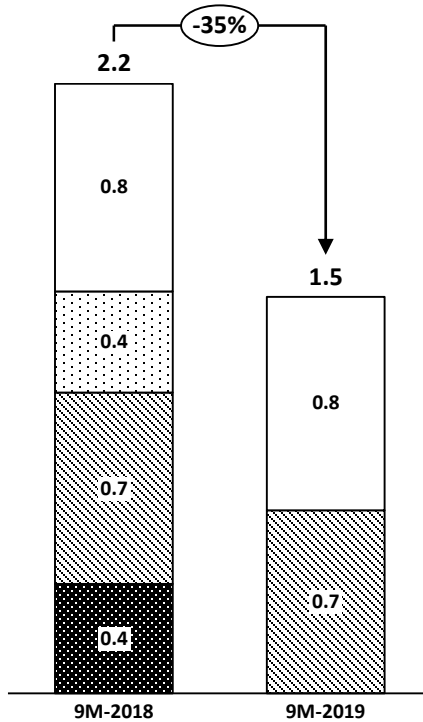
## Upstream Lifting



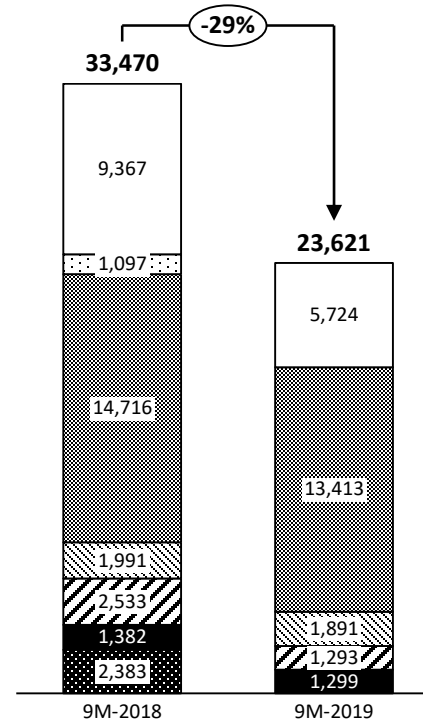
**Oil Gas Lifting (BOEPD)**



**Crude Oil (MMBBL)**



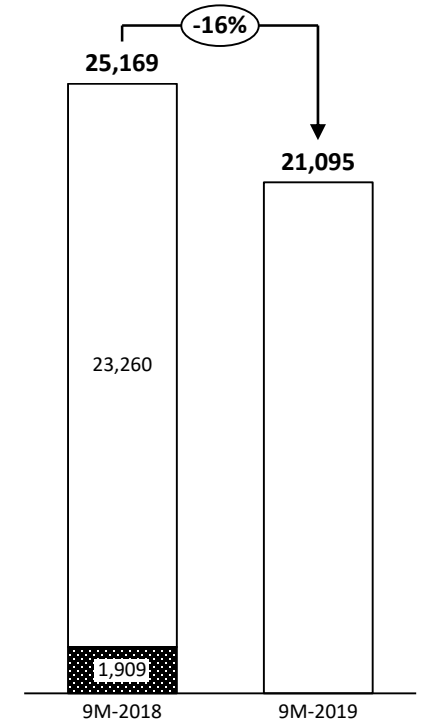
**Gas (BBTU)**

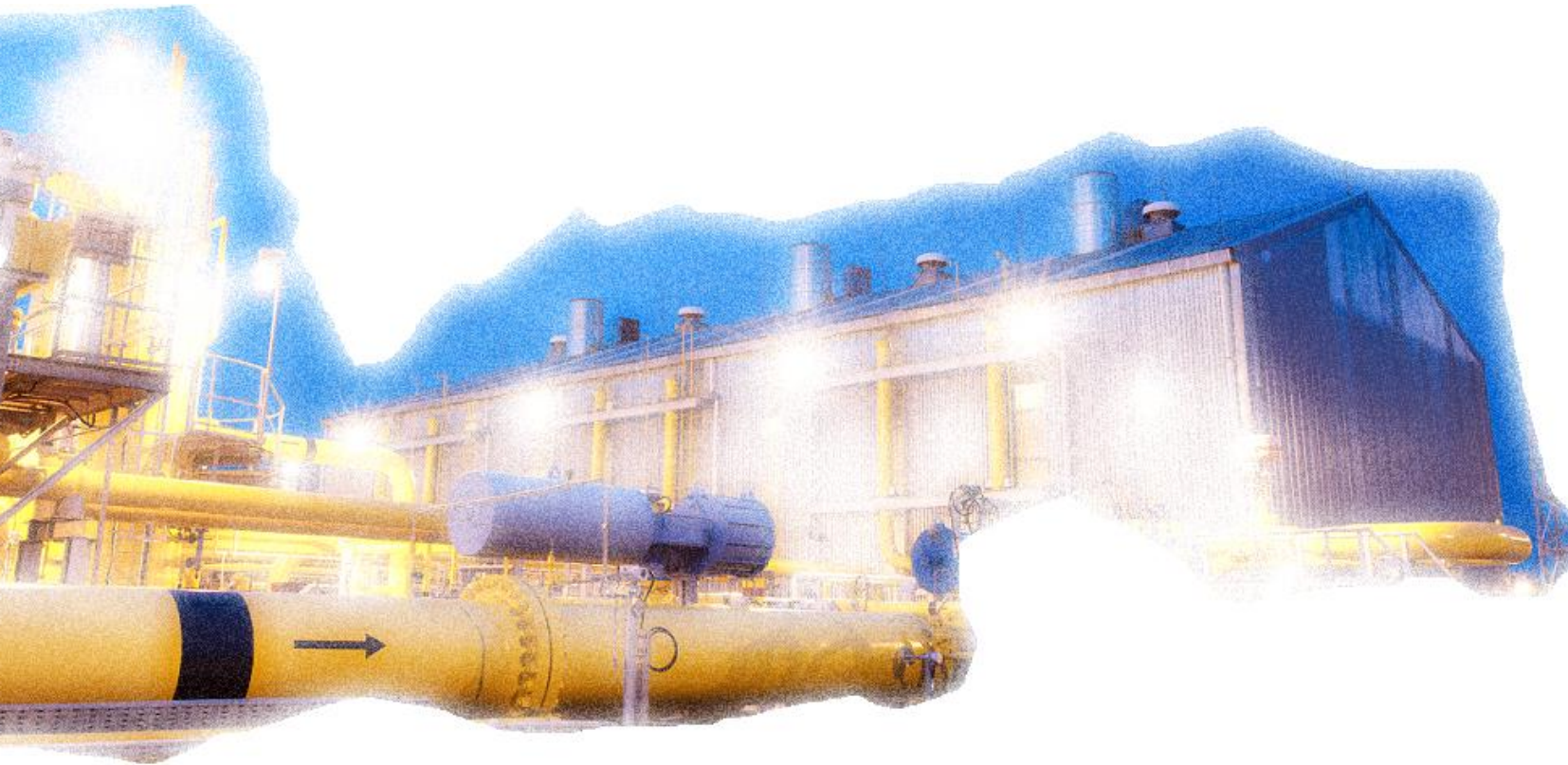


**LNG (BBTU)**



**LPG (MT)**





# 9M2019 Financial Performance

Income Statement | Balance Sheet |  
Cashflow | Financial Ratios



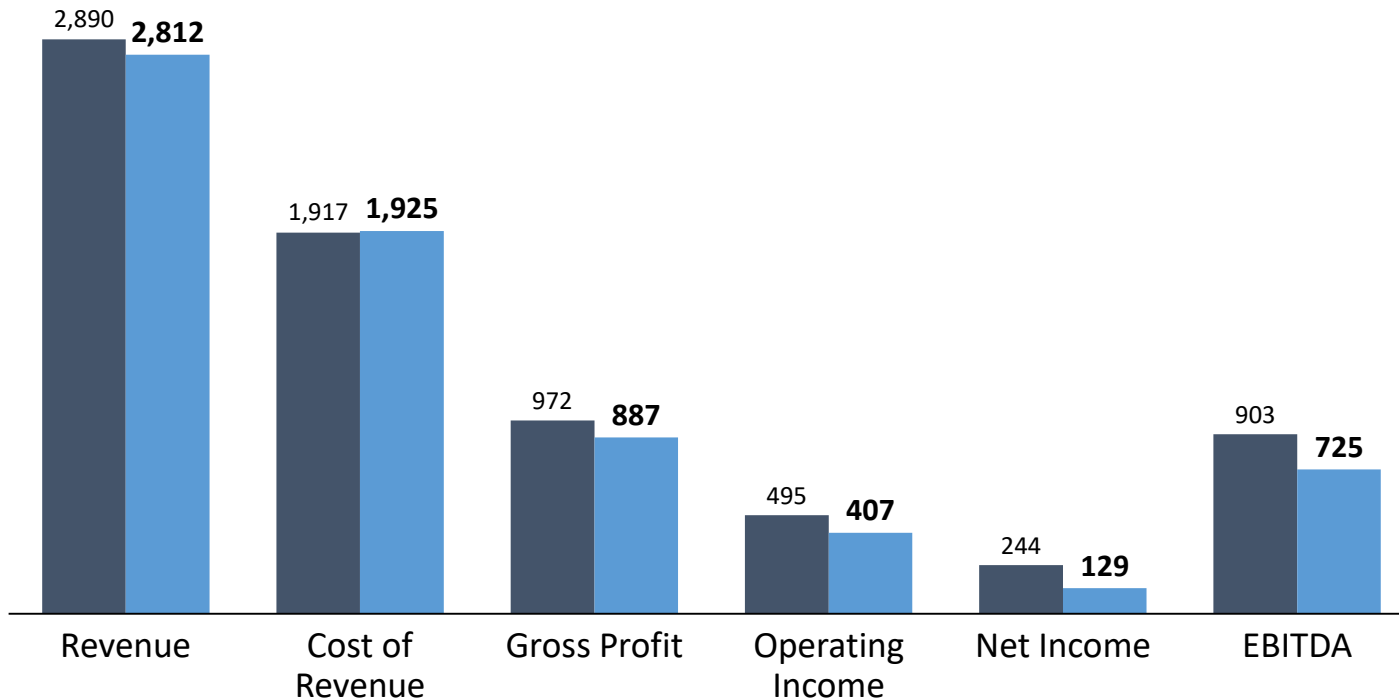
9M-2019

# Financial Highlights:

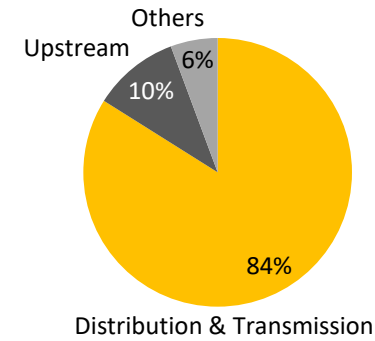
## Consolidated Income Statement

■ 30 Sep 2018 (As restated)  
 ■ 30 Sep 2019 (Unaudited)

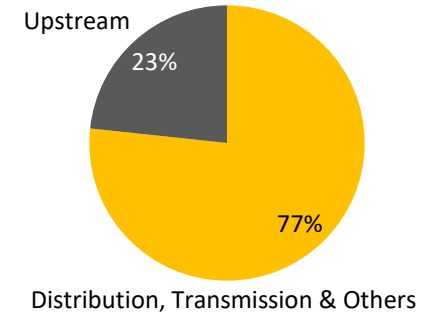
(USD Million)



Revenue Contribution



EBITDA Contribution

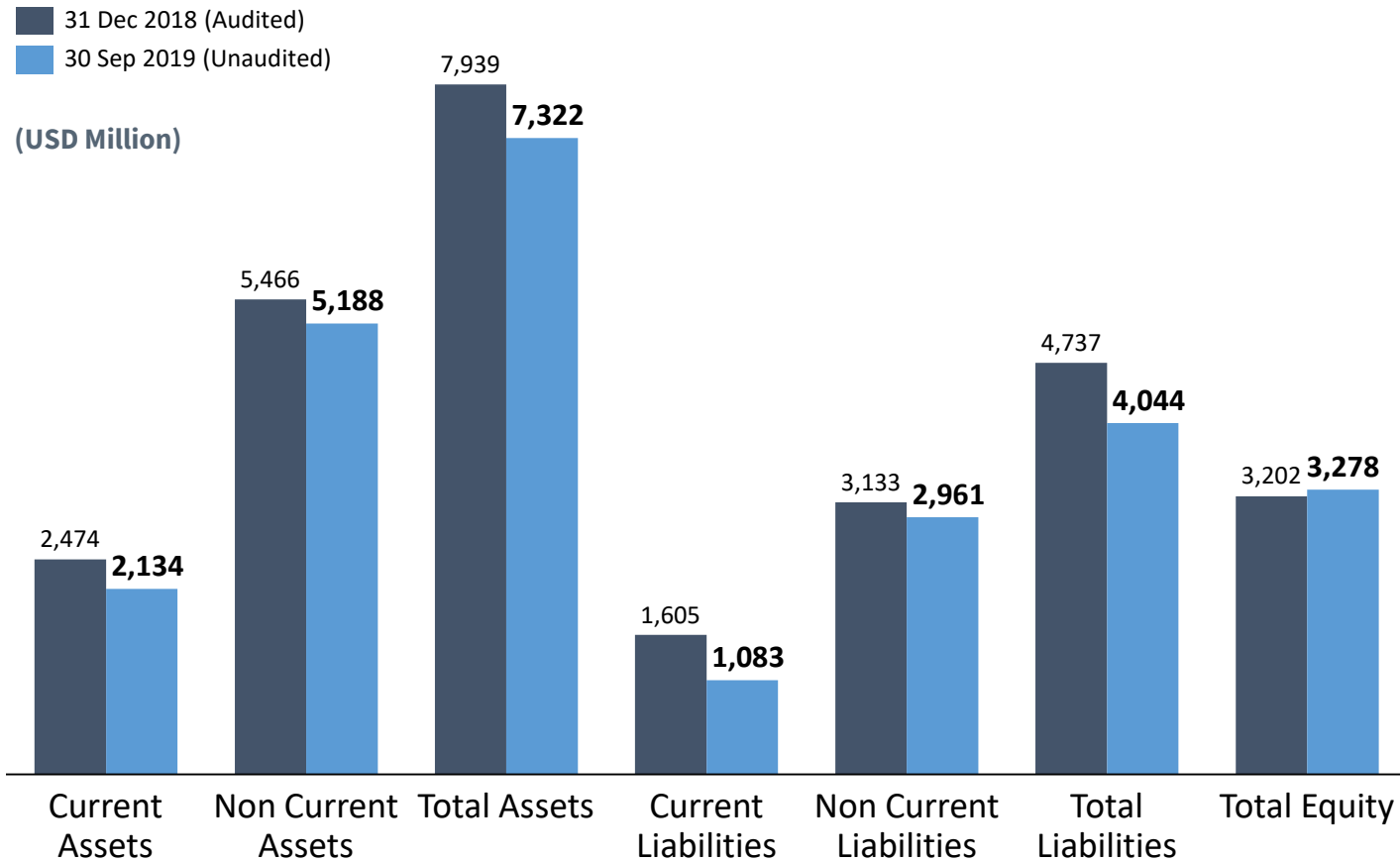


Revenue (USD Million)	30 September 2018	30 September 2019
Gas Distribution	2,103	2,182
Gas Transmission	167	181
Oil Transportation	20	15
E & P	442	292
Fiber Optic	10	12
Finance Lease	31	16
Gas Processing	98	81
Others	19	32
<b>Total</b>	<b>2,890</b>	<b>2,812</b>



9M-2019

## Financial Highlights: Consolidated Balance Sheet



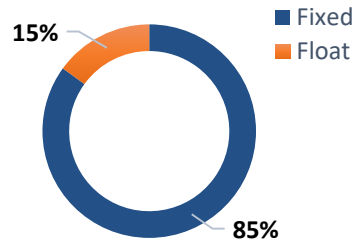
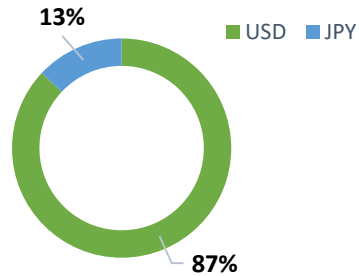
## Consolidated Cashflow

Cash Flow (USD Million)	30 Sep 2018 (As restated)	30 Sep 2019 (Unaudited)
Beginning Balance	1,140	1,315
Cash flow from operating	727	867
Cash flow from investment	(81)	(879)
Cash flow from financing	32	(345)
Foreign Exchange Impact	(42)	5
Ending Balance	1,776	964

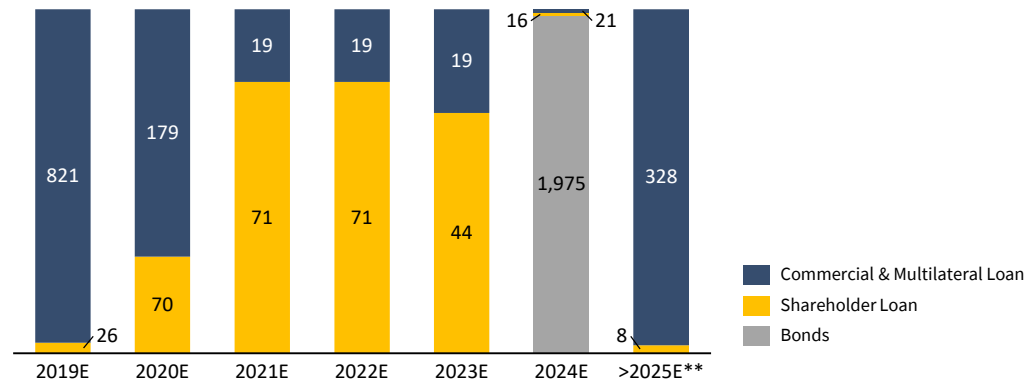
Financial Ratios	31 Dec 2018	30 Sep 2019
EBITDA Margin	26%	26%
EBITDA /Interest Expense (x)	6.7	5.7
Debt-to-Equity (x)	1.1	0.8
Net Debt/EBITDA (x)	2.1	2.5
Gross Debt/EBITDA (x)	3.4	3.8

# 9M-2019 Debt Profile

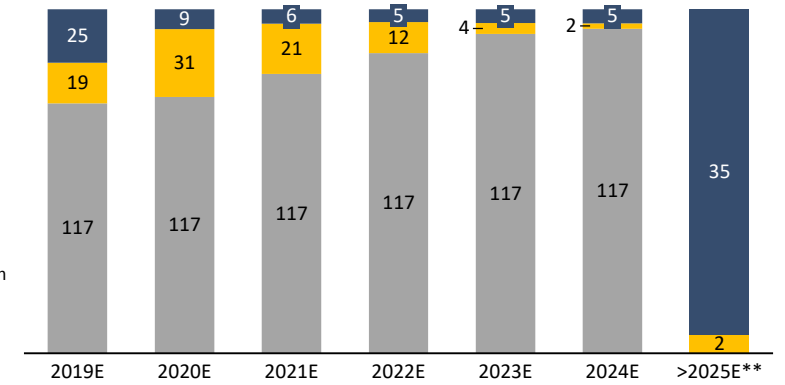
**Total Loan  
USD 2.76 Billion**  
Weighted Average Interest Rate 4.36%  
(Excl. Tax)



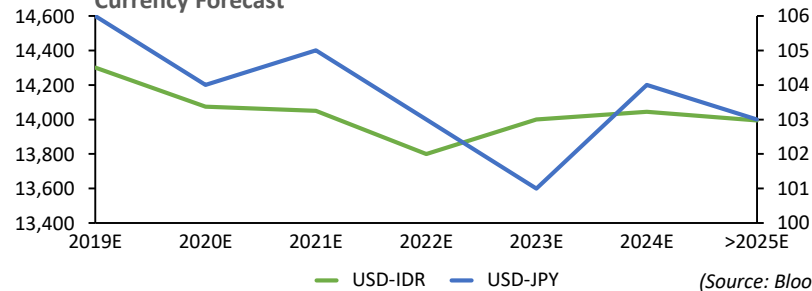
**Debt Maturity Profile\***  
(USD Million)



**Interest Payment\***  
(USD Million)

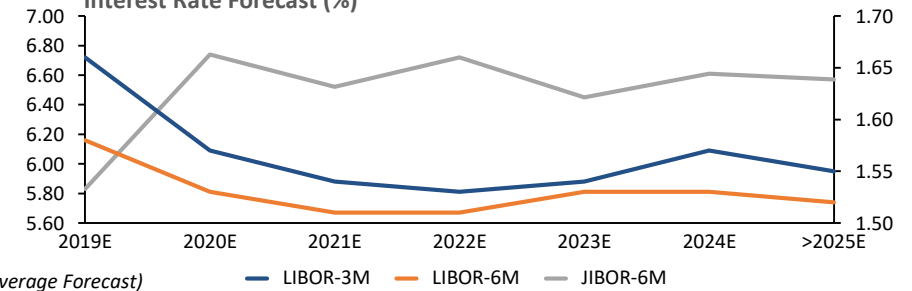


**Currency Forecast**



(Source: Bloomberg & Moving Average Forecast)

**Interest Rate Forecast (%)**



Entities	PGN					SAKA	Pertagas***	PGAS Solution
Lender	EIB	JBIC	IBRD	Bank Mandiri	Bond	Bond	SHL	Bank Mandiri
Loan Amount (USD)	70,000,000	JPY 49,088,000,000	69,381,312	350,000,000	1,350,000,000	625,000,000	549,106,589	7,055,171 (IDR 100,000,000,000)
Outstanding (USD)	4,750,674	346,520,470	31,848,896	150,000,000			246,207,747	7,055,171
Maturity	2020	2043	2026	2020	2024	2024	2028	2020

\* The amount stated above may differ due to loan prepayment and/or withdrawal, currency and rate volatility

\*\* PGN's Long Term Loan (JBIC, Maturity 2043), Pertamina Shareholder Loan (Maturity 2028)

\*\*\* Pertamina Shareholder Loan is lent by PT Pertamina (Persero)



## **HEADQUARTER**

Jl. K.H. Zainul Arifin No. 20, Jakarta, Indonesia

### **Investor Relations:**

PT Perusahaan Gas Negara Tbk  
Mid Tower Manhattan 26<sup>th</sup> Floor  
Jl. TB Simatupang Kav. 1-S, Jakarta, Indonesia  
Email: [investor.relations@pgn.co.id](mailto:investor.relations@pgn.co.id)  
Phone: +62 21 8064 1111

