

# Investor Presentation Consolidated 9M-2020 Update

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## 9M-2020

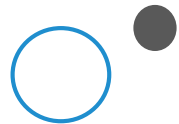
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# About PGAS

**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 10 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 |  
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# The Milestones

## 1998

- Completion of Grissik – Duri transmission pipeline
- Establishment of PT Transportasi Gas Indonesia (TGI) in 2002

## 2003

- Completion of Grissik-Batam-Singapore transmission pipeline
- Listed Company (“PGAS”)

## 2007

- Completion of SSWJ transmission pipeline
- Establishment of PT PGAS Telekomunikasi Nusantara (PGASCOM)

## 2010

Establishment of a JV between Pertamina and PGN: PT Nusantara Regas

## 2014

Operation of FSRU Lampung

## 2019

- Business Alignment of Sub-Holding Gas
- The Transfer of the LNG, SPBG and City Gas Business from Pertamina to PGN as sub-holding gas.

## 2018

Establishment of the Sub-Holding Gas

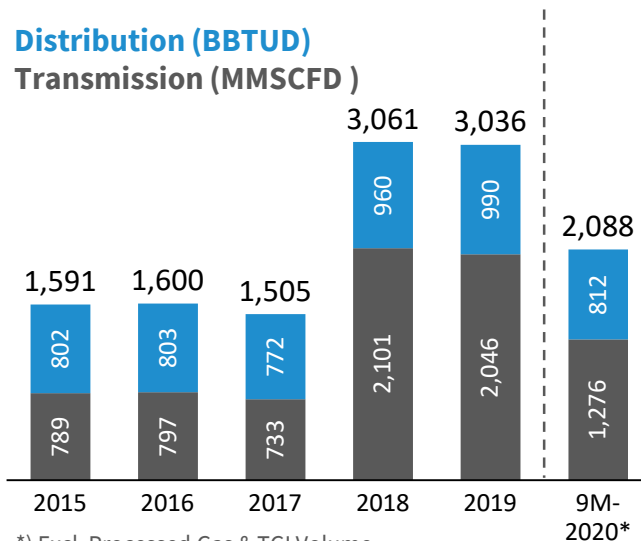
## 2016

Development of gas distribution pipeline in Musi Banyuasin, Bandar Lampung, DKI Jakarta and Mojokerto.

## 2015

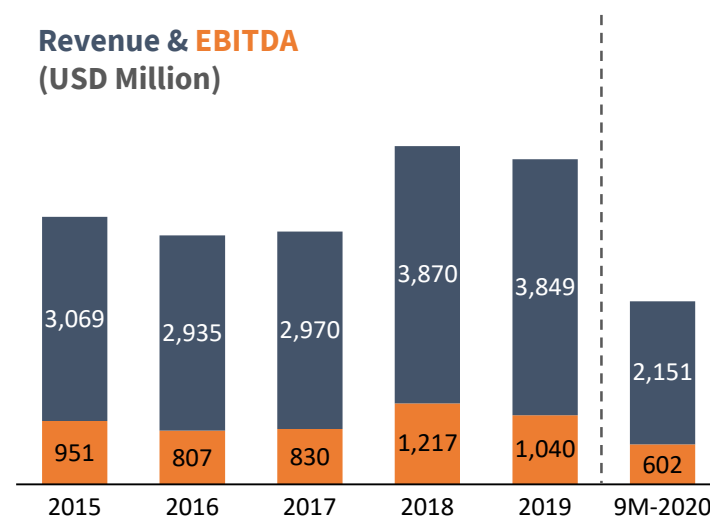
Completion of Kalija transmission pipeline by KJG

## Distribution (BBTUD) Transmission (MMSCFD)

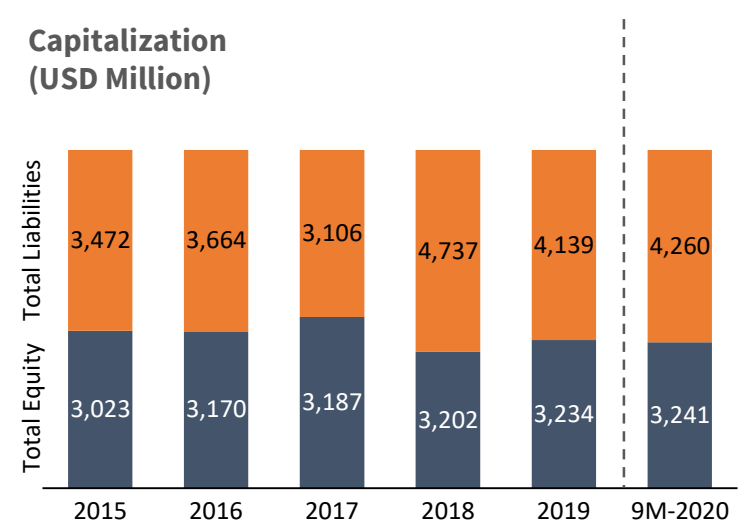


\*) Excl. Processed Gas & TGI Volume

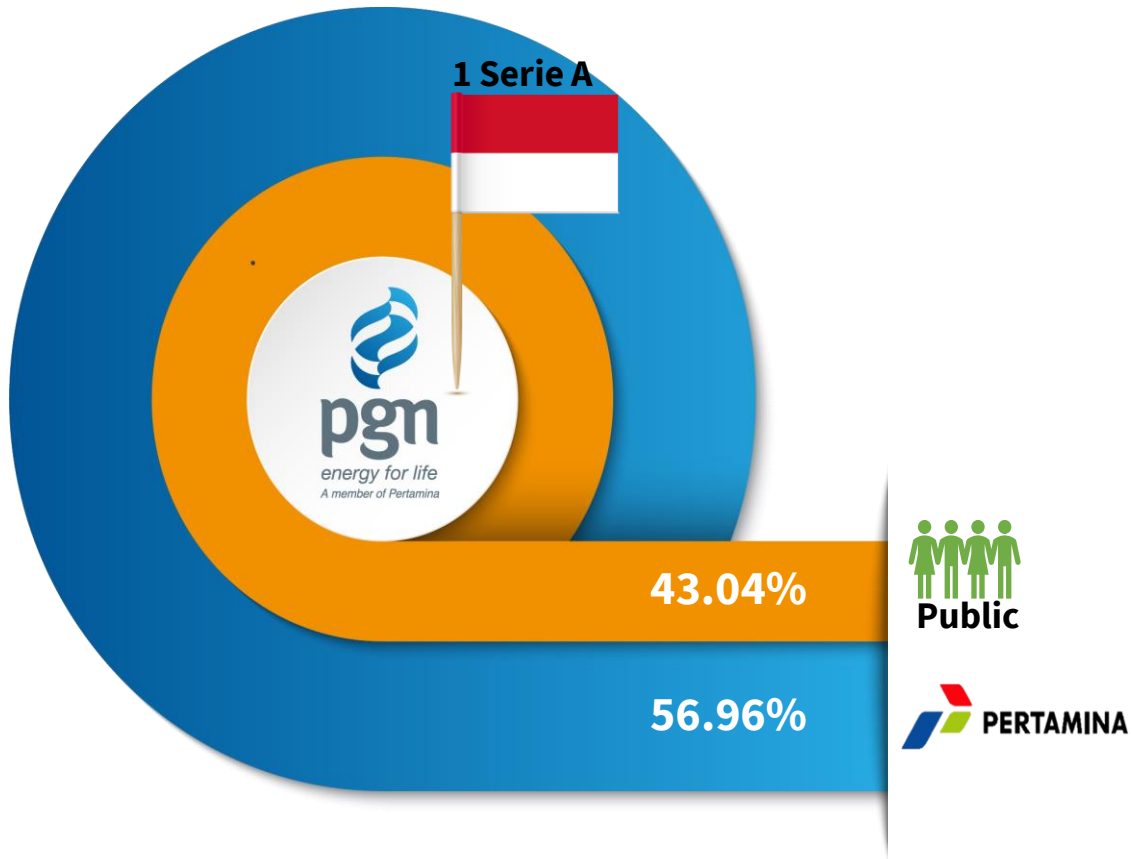
## Revenue & EBITDA (USD Million)



## Capitalization (USD Million)



# The Sub-Holding Co.



## 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.

# Board of Commissioners



Komisaris Utama  
**Arcandra Tahar**

- Master and Ph.D. of Ocean Engineering – Texas A&M University
- Having no affiliation with other members of the Board of Directors and the Board of Commissioners, as well as majority and/or controlling shareholders
- Previously served as Vice Minister Energy and Mineral Resources of Republic of Indonesia (2016 –2019)



Komisaris Independen  
**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



Komisaris Independen  
**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.



Komisaris Independen  
**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.



Komisaris  
**Warih Sardono**

- 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



Komisaris  
**Luky Alfirman**

- A Master of Law from University of Padjadjaran and Doctoral Degree from University of Airlangga
- Having an affiliation with the Republic of Indonesia as the controlling shareholder, in his position as Expert Advisor of Implementation of Strategic Policy in Ministry of State-Owned Entities (BUMN)

# Board of Directors



Direktur Utama  
**Suko Hartono**

- A Bachelor of Chemical Engineering from Institute of Technology, Bandung (ITB)
- Serves as President Director of PGN since May 15, 2020.
- Previously served as President Director of PT Pertamina Gas



Direktur Komersial  
**Faris Aziz**

- Master of Management from University of Sumatera Utara (USU).
- Serves as a Director of Commerce since May 15, 2020. Last position as as SVP Supply Distribution & Infrastructure PT Pertamina (Persero)



Direktur Infrastruktur & Teknologi  
**Redy Ferryanto**

- 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



Direktur Keuangan  
**Arie Nobelta Kaban**

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



Direktur SDM & Umum  
**Beni Syarif Hidayat**

- Bachelor of Social and Political Science from University of Padjadjaran, Bandung.
- Serves as HC and General Affairs Director of PGN since May 15, 2020. Last position as SVP Human Capital Management PT Pertamina (Persero)



Direktur Strategi & Pengembangan Bisnis  
**Syahrrial Mukhtar**

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



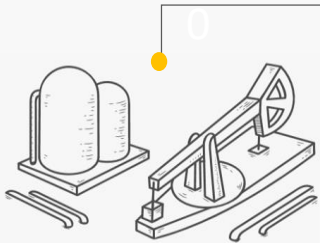
# Business Portfolio

## Sub Holding Gas

### UPSTREAM

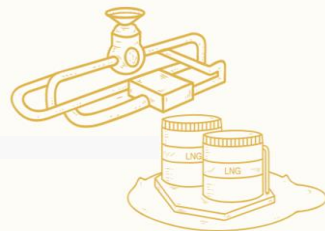
#### Oil and Gas Production

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

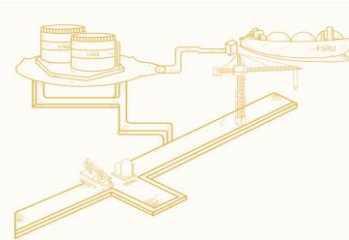


### MIDSTREAM

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

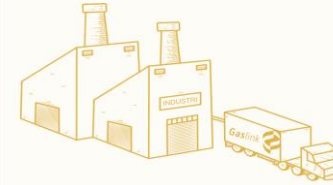


### DOWNSTREAM



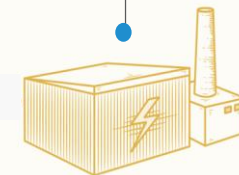
#### Gas Transport Module (Gas Link)

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 400,000 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

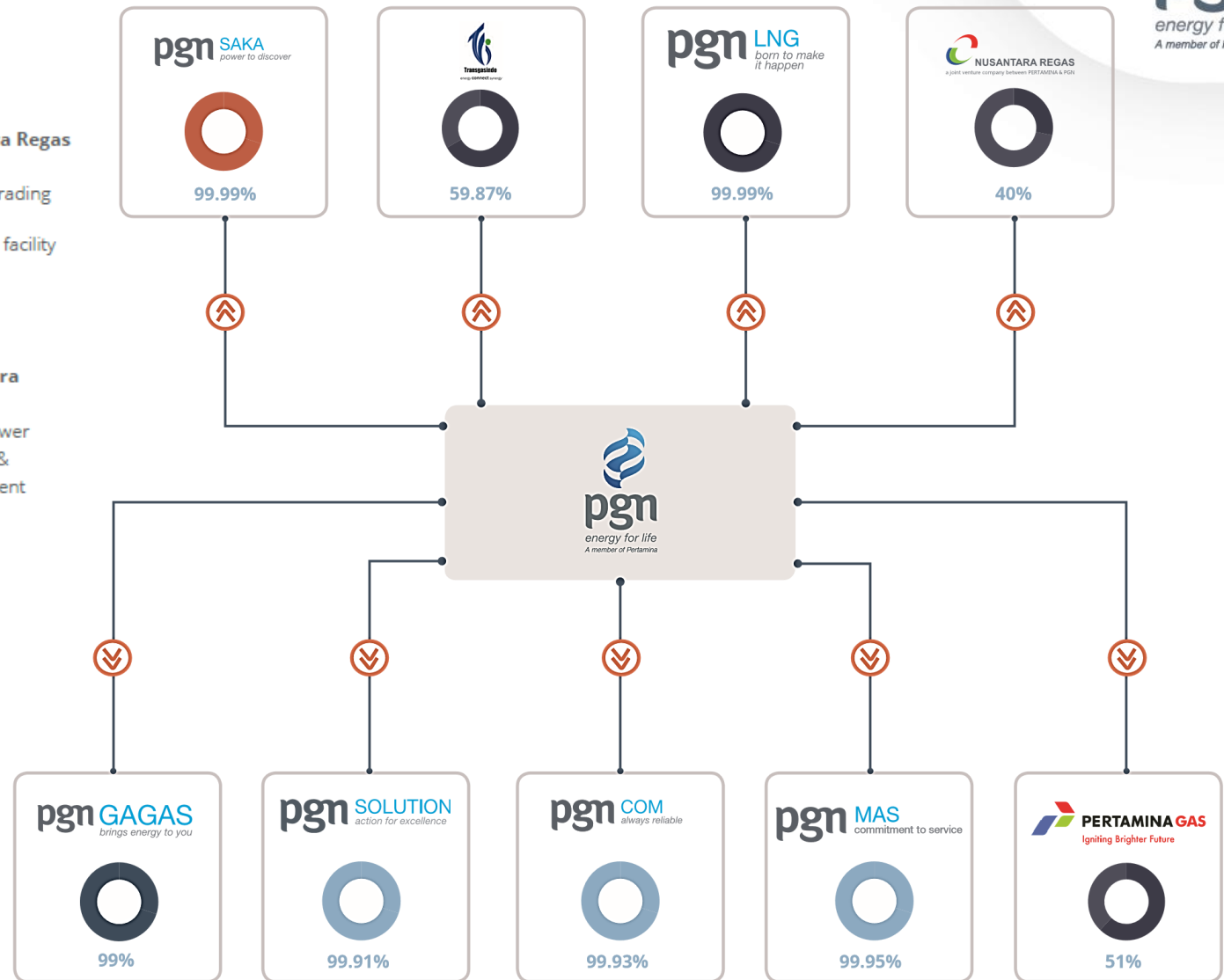
**PT Permata Graha Nusantara (PERMATA)**

Property, manpower Provider service & facility management

**PT Pertamina Gas**

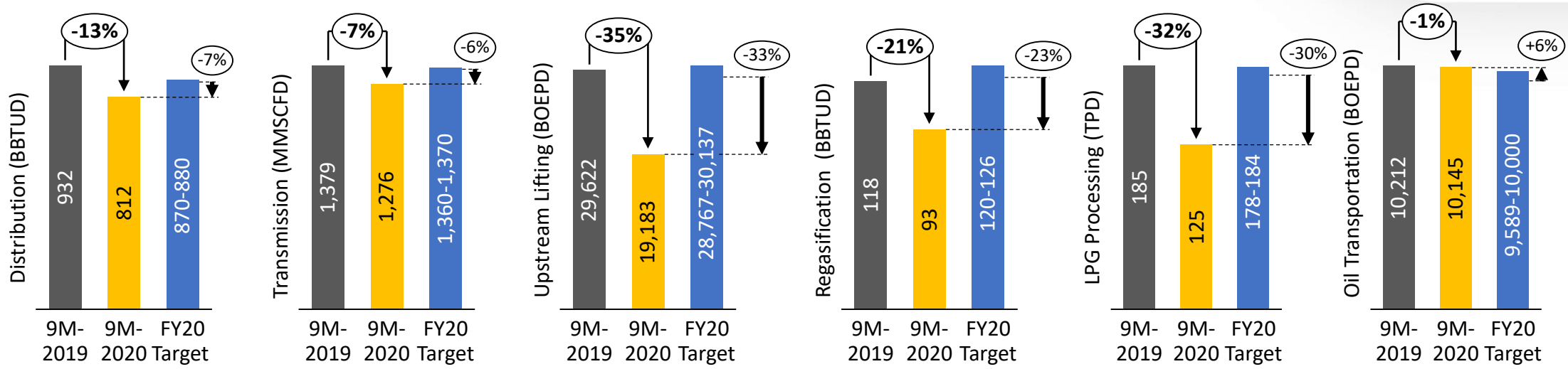
Natural gas trading And its derivatives transportation/ transmission, processing, storage of natural Gas and other business

○ Upstream  
 ○ Midstream  
 ○ Downstream  
 ○ Others



# 9M-2020 Highlights

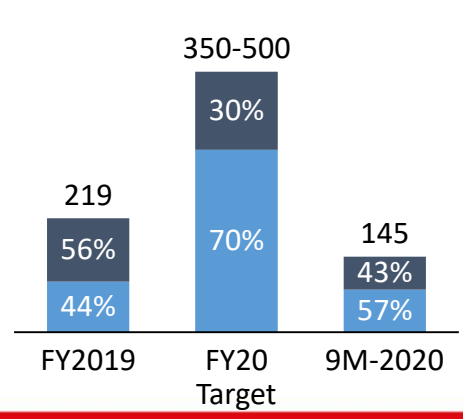
## OPERATING METRICS



## FINANCIAL INDICATORS (USD Million)

Revenue	2,151
EBITDA	602
Total Asset	7,501
Equity	3,241

## CAPEX (USD Million)



## Business Highlights

On-going challenging business environment in 9M20 due to the devastating global Covid-19 pandemic, low crude oil price and implementation of lower gas sales price policy in resulting the weakening operational performance across our business segments on a Y-o-Y basis

- Upstream
- Downstream, Midstream & Supporting

# 9M-2020

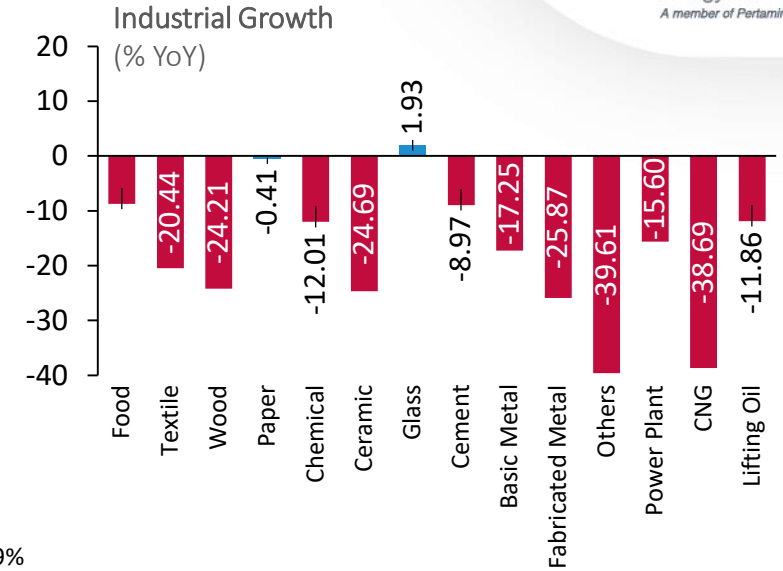
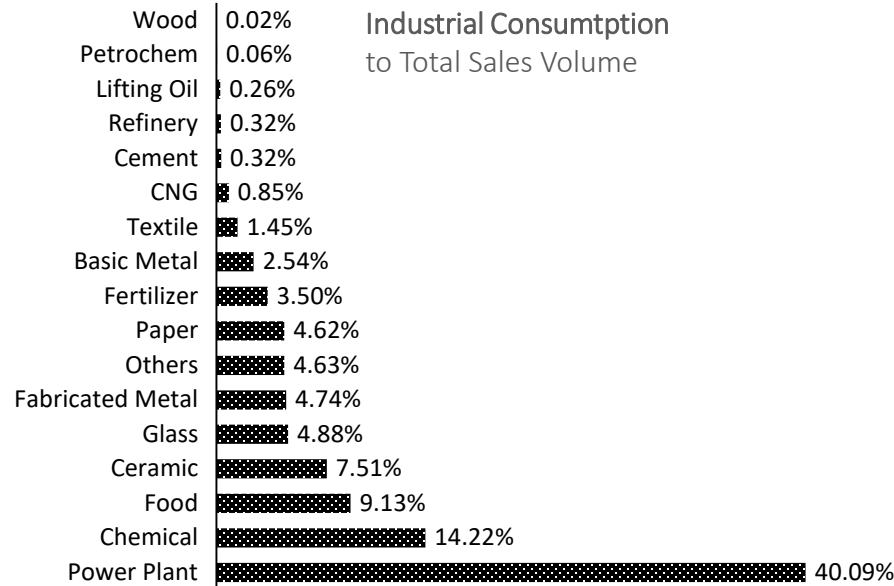
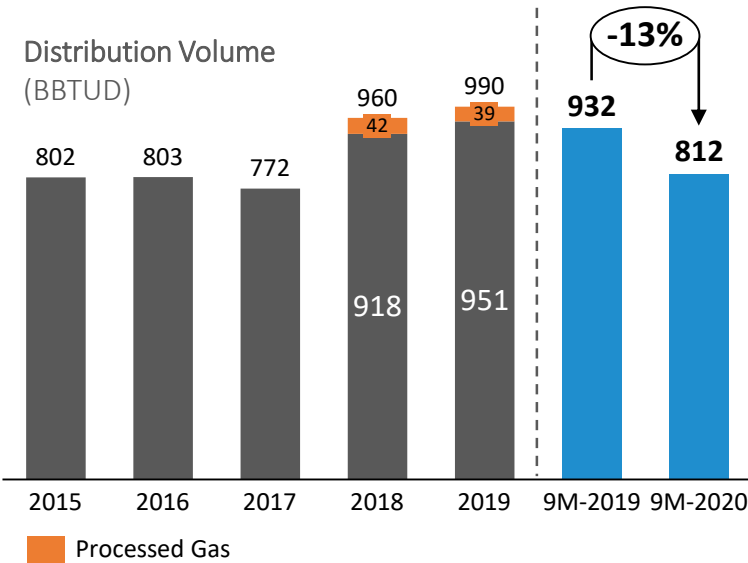
## Operational Performance

Distribution | Transmission |  
Other Downstream | Upstream Lifting



# Operational Highlights: Distribution

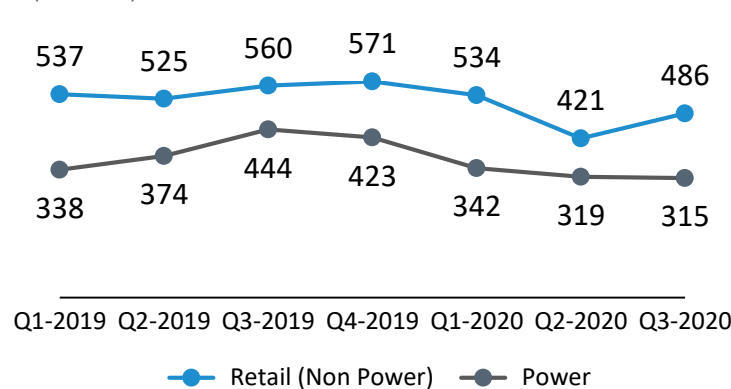
Distribution Volume (BBTUD)



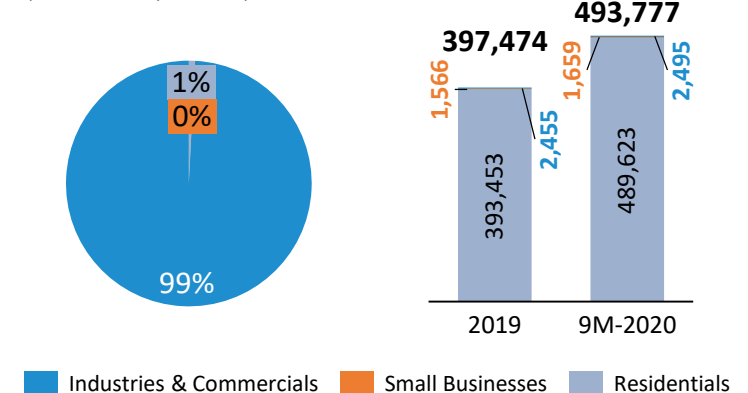
## Business Updates

- Consolidated distribution volume on year-on-year basis mostly impacted by the weakening gas consumption due to the on-going pandemic which particularly occurred during 2Q-2020.
- Improvements in demand on 3Q-2020 indicates consumption recovery from our customers.
- Number of customers increased in all segment.

Trend of Industrial Consumption (BBTUD)

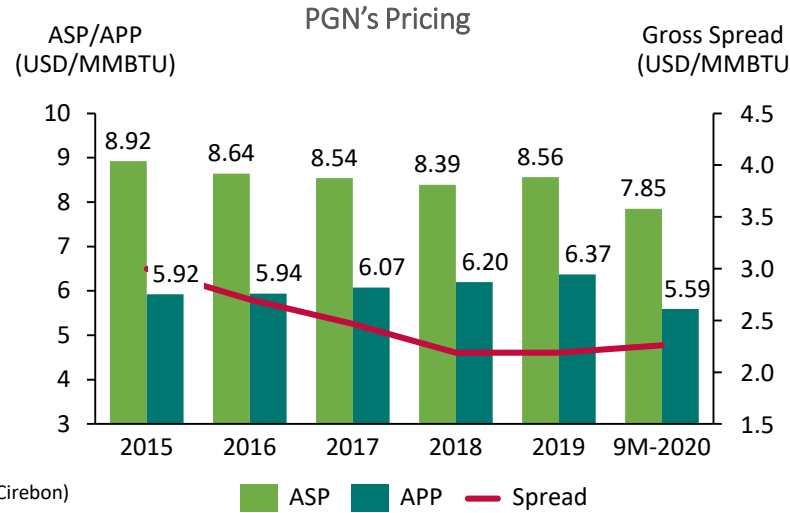
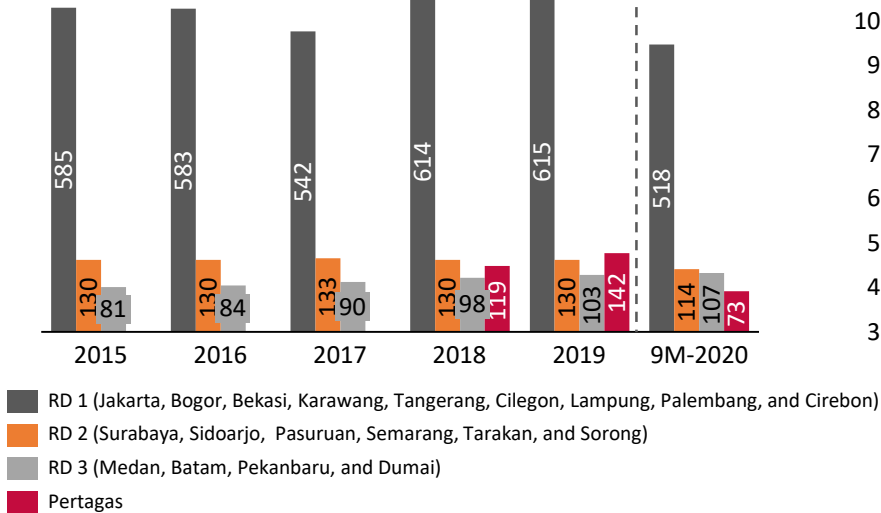


Customers Consumption (as of 30 Sept 2020)

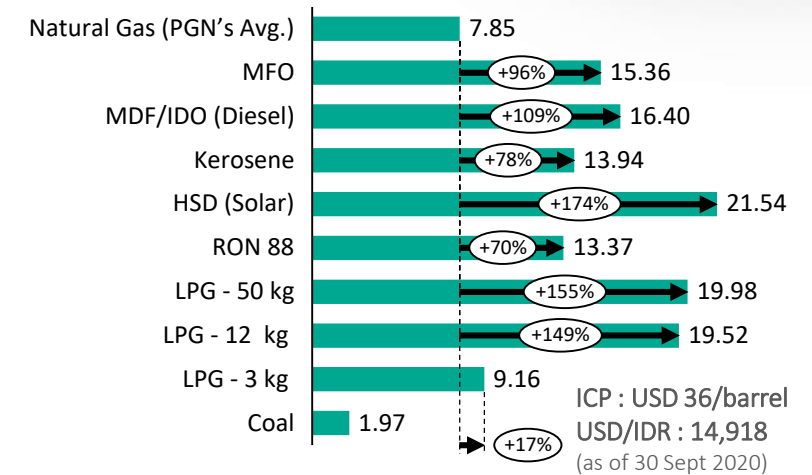


# Operational Highlights: Distribution

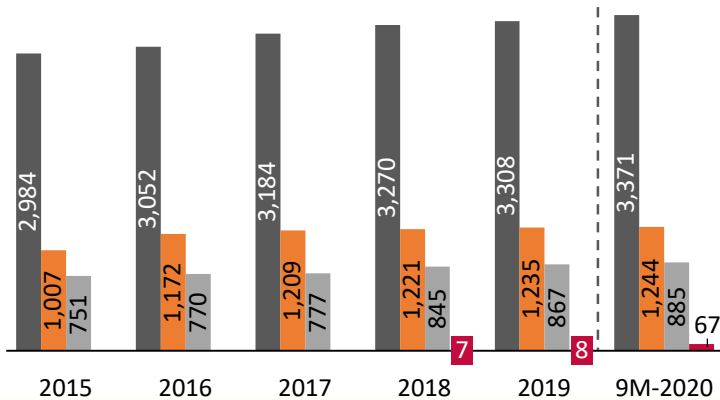
Distribution Volume (BBTUD)  
Per Regional



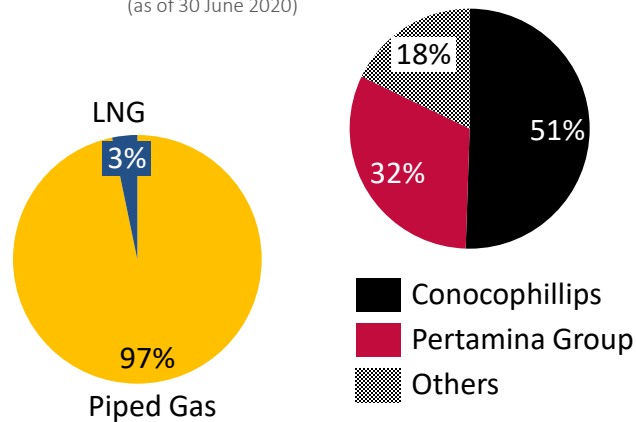
PGN's ASP vs Other Energy



Length of Distribution Pipeline 9M-2020 : ±5,567 KM



Gas Sources  
(as of 30 June 2020)

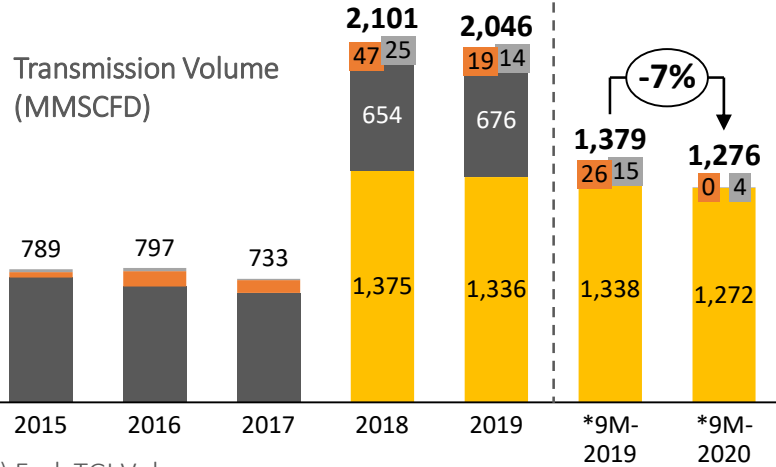


## Business Updates

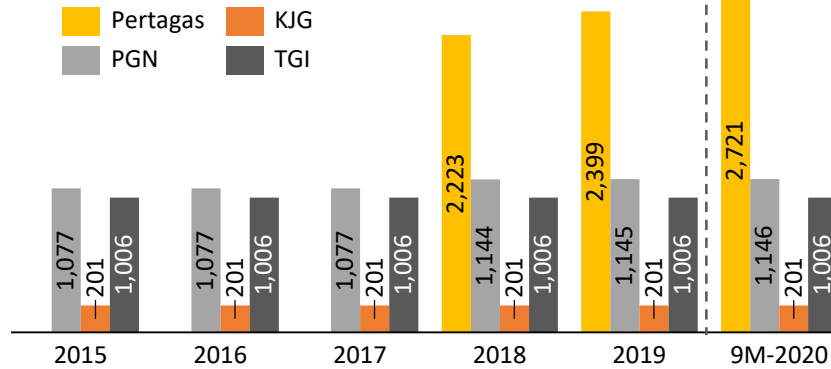
- Our ASP and APP reflect the impact of lower gas sales price policy starting from April 13, 2020.
- Natural gas remain competitive compared to oil related fuel.
- We manage to increase the utilization of LNG in our supply portfolio by 23% compare to the same period last year

## 9M-2020

# Operational Highlights: Transmission



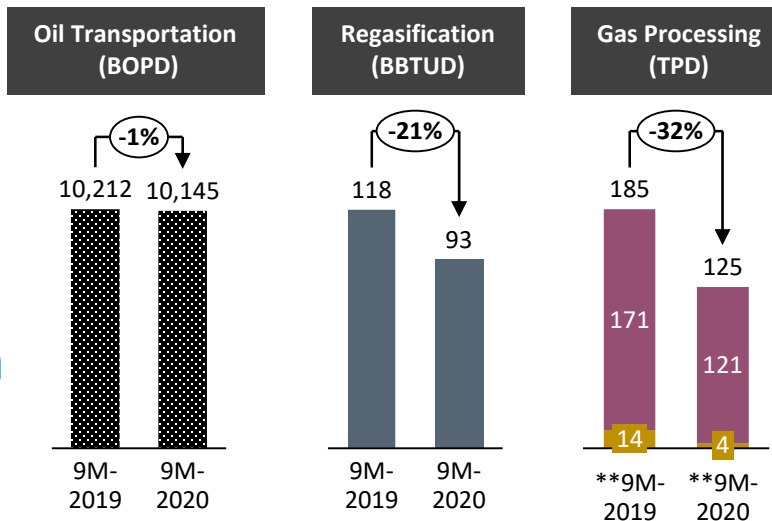
Length of Transmission Pipeline 9M-2020 : ±5,073 KM



Pertagas	PGN	KJG
<ul style="list-style-type: none"> <li>Total Length: ± 2,721 km</li> <li>Transmission Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Total Length: ±1,146 km (incl. SSWJ)</li> <li>Off-taker: PLN, BBG</li> <li>Transmission Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Total Length: ±201 km</li> <li>Off-taker : PLN</li> <li>Finance Lease Revenue</li> </ul>

## 9M-2020

# Operational Highlights Other Downstream



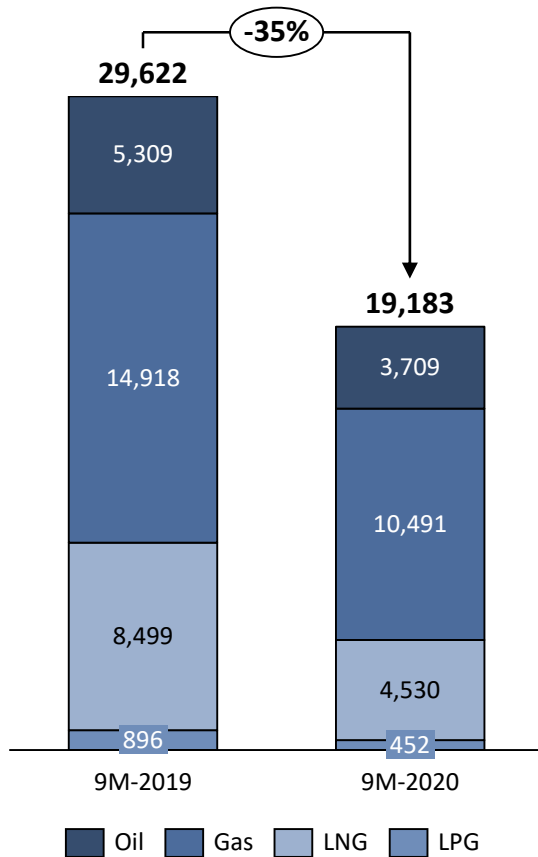
## Business Updates

- Gas transportation through Pertagas transmission pipeline primarily contributes to lower transmission volume YoY.
- Oil transportation volume was relatively flat on YoY basis.
- Downward trends seen in Regasification and LPG processing due to weakening demand.

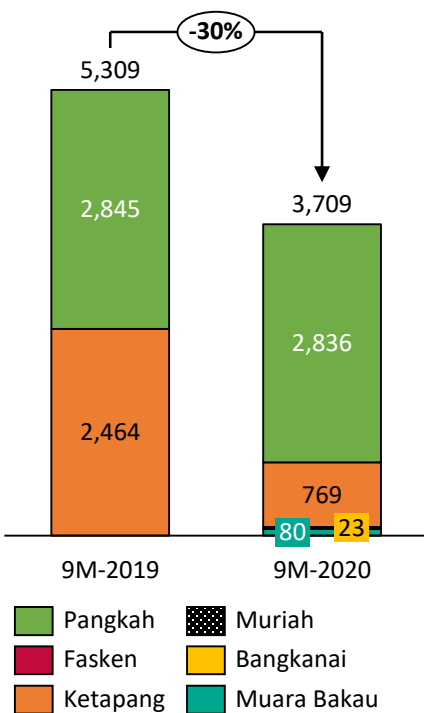
9M-2020

# Operational Highlights: Upstream Lifting

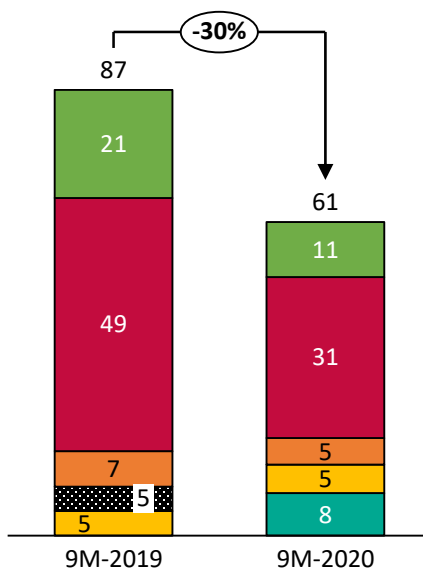
**Oil Gas Lifting (BOEPD)**



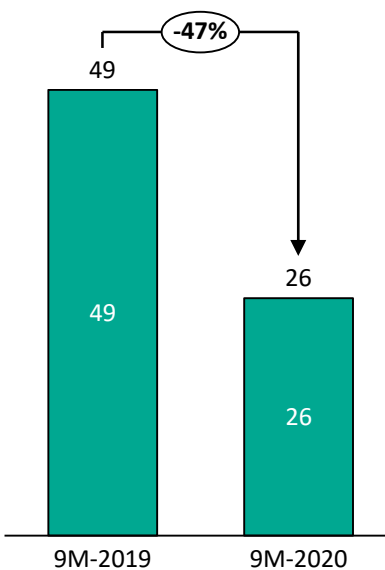
**Crude Oil (BOEPD)**



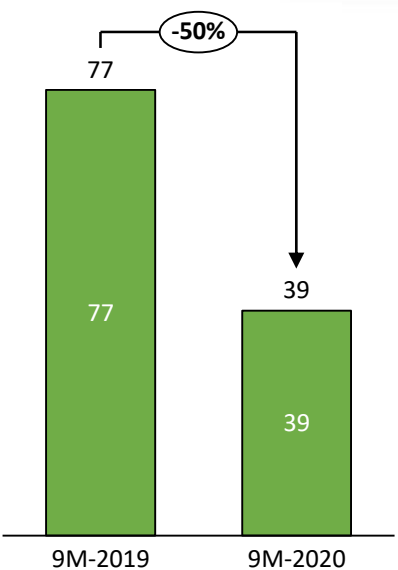
**Gas (BBTUD)**



**LNG (BBTUD)**



**LPG (MTPD)**



## Business Updates

- Weakening global oil and LNG demand as well as low oil prices impacted the production activities that translates to lower lifting volume YoY
- Pangkah PSC has additional upside for near term production and reserve growth potentials through West Pangkah and Sidayu development



# 9M-2020

## Financial Performance

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



# 9M-2020

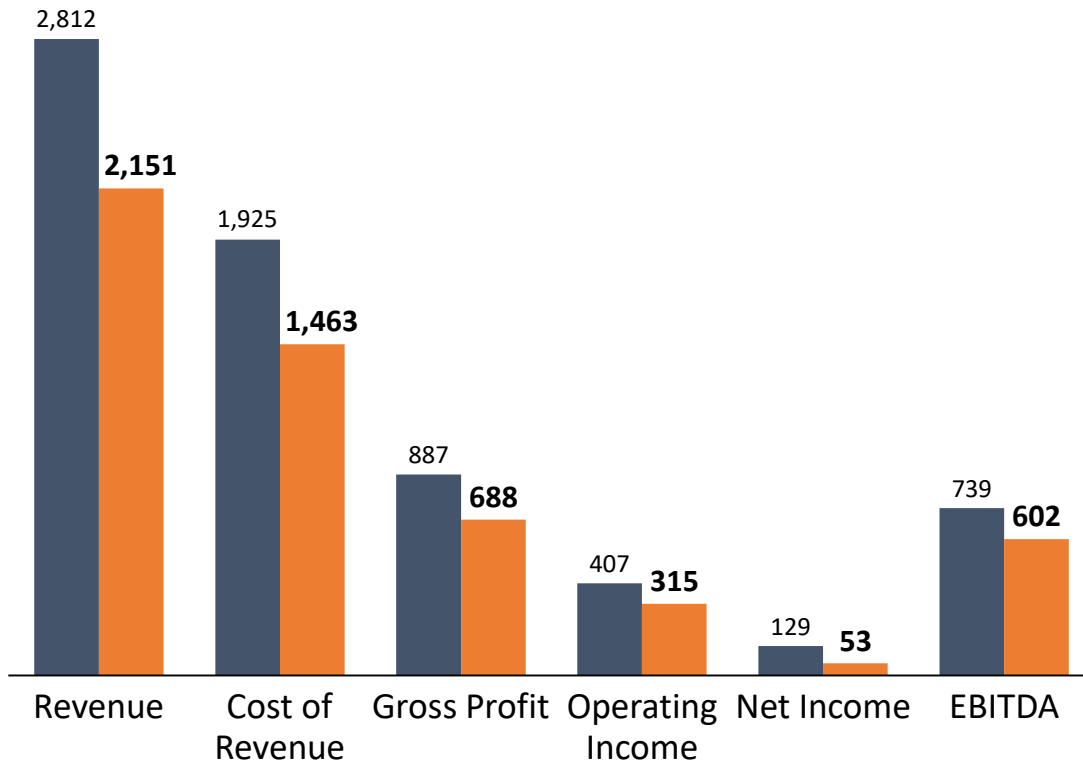
## Financial Highlights:

### Consolidated Income Statement

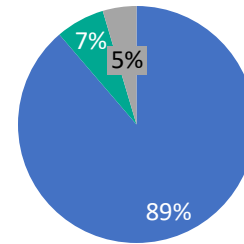
- **Consolidated Revenue** driven by lower contribution primarily from distribution segments due to the implementation of MEMR 89 and 91 as well as the impact of Covid-19 on energy demand and prices to other business segments.
- **Realized Net Income** primarily effected by the lower generated revenue combined with the impairment charges from upstream asset (incurred in 2Q-20)
- **Consolidated EBITDA** mainly contributed from lower operating income as well as lower depreciation of Saka and PGN's distribution & transmission expenses

■ 30-Sep-19  
■ 30-Sep-20

(USD Million)

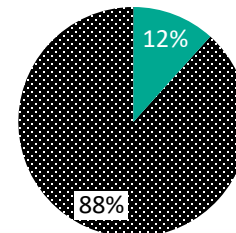


Revenue Contribution



■ Distribution & Transmission  
■ Upstream  
■ Others  
■ Distribution, Transmission & Others

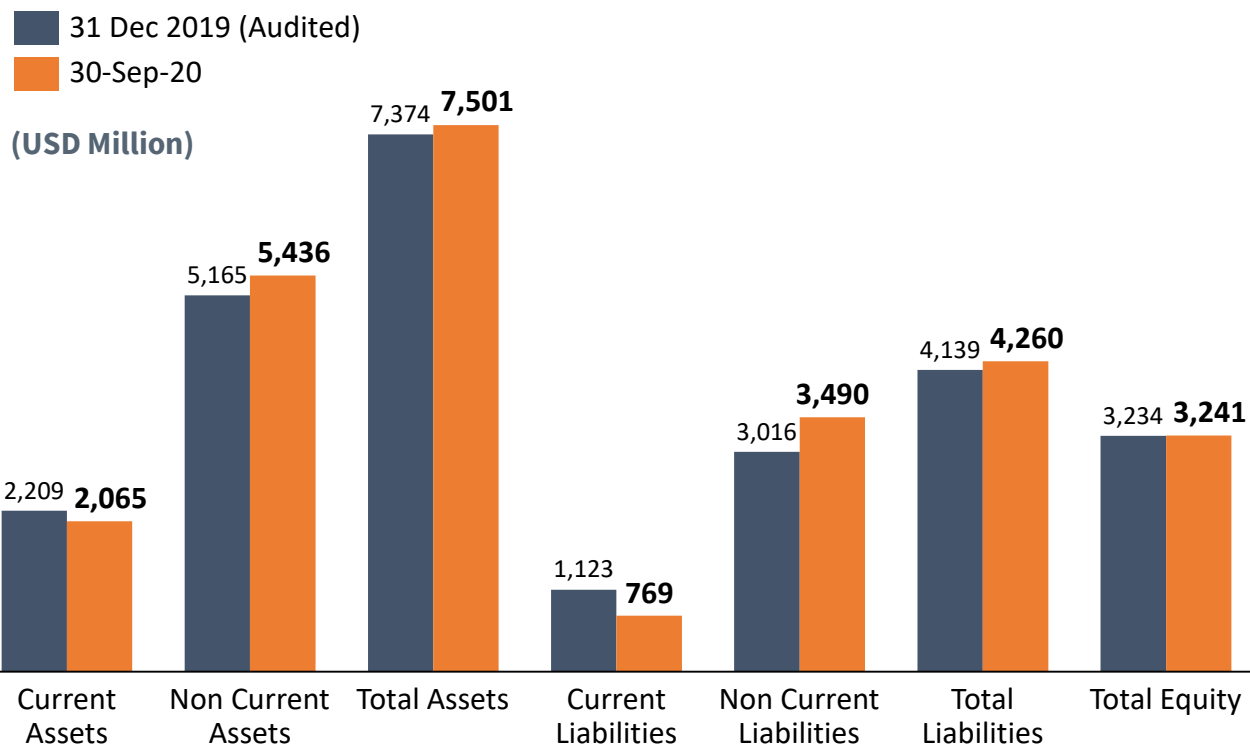
EBITDA Contribution



Revenue (USD Million)	30 Sept 2019	30 Sept 2020
Gas Distribution	2,182	1,746
Gas Transmission	181	162
Oil Transportation	15	13
E&P	292	144
Fiber Optic	12	13
Finance Lease	16	-
Gas Processing	81	62
Others	32	11
<b>Total</b>	<b>2,812</b>	<b>2,151</b>

9M-2020

## Financial Highlights: Consolidated Balance Sheet



- **Increasing Total Assets** reflecting the impact of the implementation new accounting standard PSAK 73 to the increasing fixed asset
- **Higher Total Liabilities** mainly driven by the impact of implementation PSAK 73 recognized in lease payables of FSRU Lampung.

## Consolidated Cashflow

Cash Flow (USD Million)	30 Sept 2019	30 Sept 2020
Beginning Balance	1,315	1,040
Cash flow from operating	867	376
Cash flow from investment	(879)	105
Cash flow from financing	(345)	(308)
Foreign Exchange Impact	5	(20)
Ending Balance	964	1,195

**Consolidated cash flow** reflecting positive operating cash despite the impact of pandemic and lower price regulation on our sales and higher cash inflows related to withdrawal of short-term investment

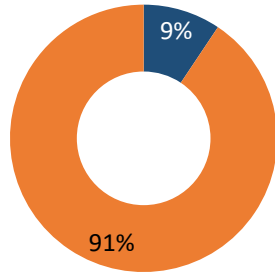
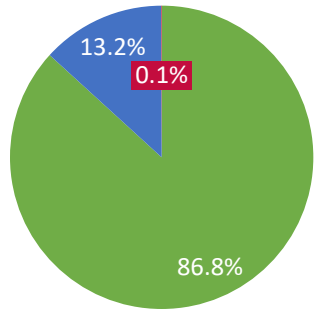
Financial Ratios	30 Sept 2019	30 Sept 2020
EBITDA Margin	26%	28%
EBITDA /Interest Expense (x)	5.8	4.9
Debt-to-Equity (x)	0.8	0.7

9M-2020

# Debt Profile

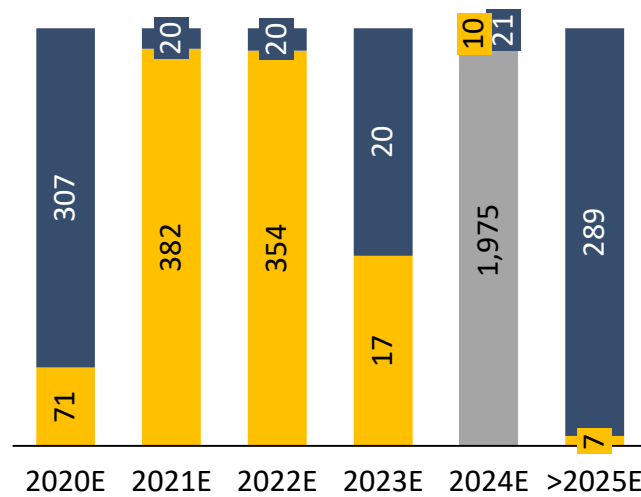


**Total Loan  
USD 2.57 Billion**  
Weighted Average Interest Rate 4.42%  
(Excl. Tax)

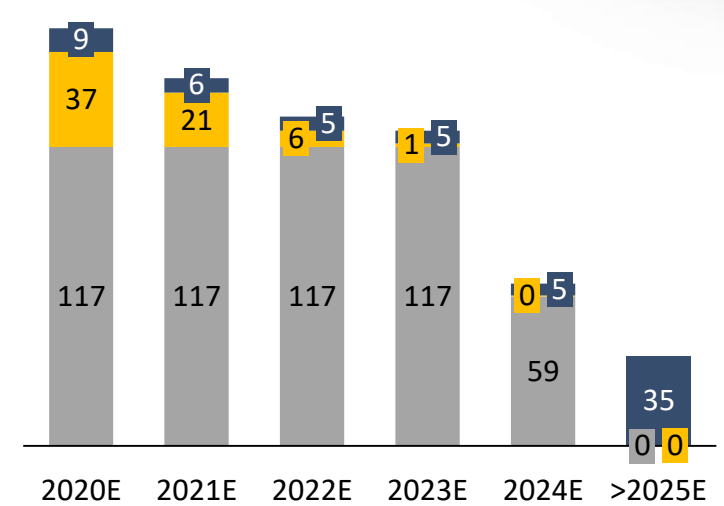


■ USD   
 ■ JPY   
 ■ IDR   
 ■ Float Rate   
 ■ Fixed Rate

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



**Interest Payment\***  
(Juta USD)



■ Commercial & Multilateral Loan   
 ■ Shareholder Loan   
 ■ Bonds

Entities	PGN				SAKA	Pertagas**	PGAS Com
Lender	JBIC (JPY)	IBRD (USD)	SMBC (USD)	Bond (USD)	Bond (USD)	Pertamina SHL (USD)	DBS (IDR)
Outstanding	35,800,155,000	27,507,560	20,000,000	1,350,000,000	625,000,000	210,577,308	24,000,000,000
Maturity	2043	2026	2020	2024	2024	2022 - 2028	2020

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

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

# Strategic Projects & Investment Updates

(as of 30 September 2020)



# Oil Transportation Pipeline

## Rokan Oil Pipeline



### PROJECT

**BALAM-BANGKO-DUMAI AND MINAS-DURI-DUMAI CORRIDORS CRUDE OIL PIPELINE REPLACEMENT PROJECT**

### OBJECTIVES

- TO STRENGTHEN OIL AND GAS TRANSPORTATION PORTFOLIO AND REVENUE
- TO SUPPORT INCREASE OF ROKAN BLOCK OIL LIFTING VOLUME (1/3 OF NATIONAL OIL LIFTING)

### DESIGN

**LENGTH: 367 KM, PIPE DIAMETER 4" – 24"**  
**POTENTIAL TRANSPORTATION VOLUME: 265.000 BOPD**

### SCOPE

- 12 PIPELINE SEGMENTS
- 3 STATIONS (DURI PUMPING STA, DUMAI METERING STA, BATANG MANIFOLD STA)

### TARGET ON-STREAM

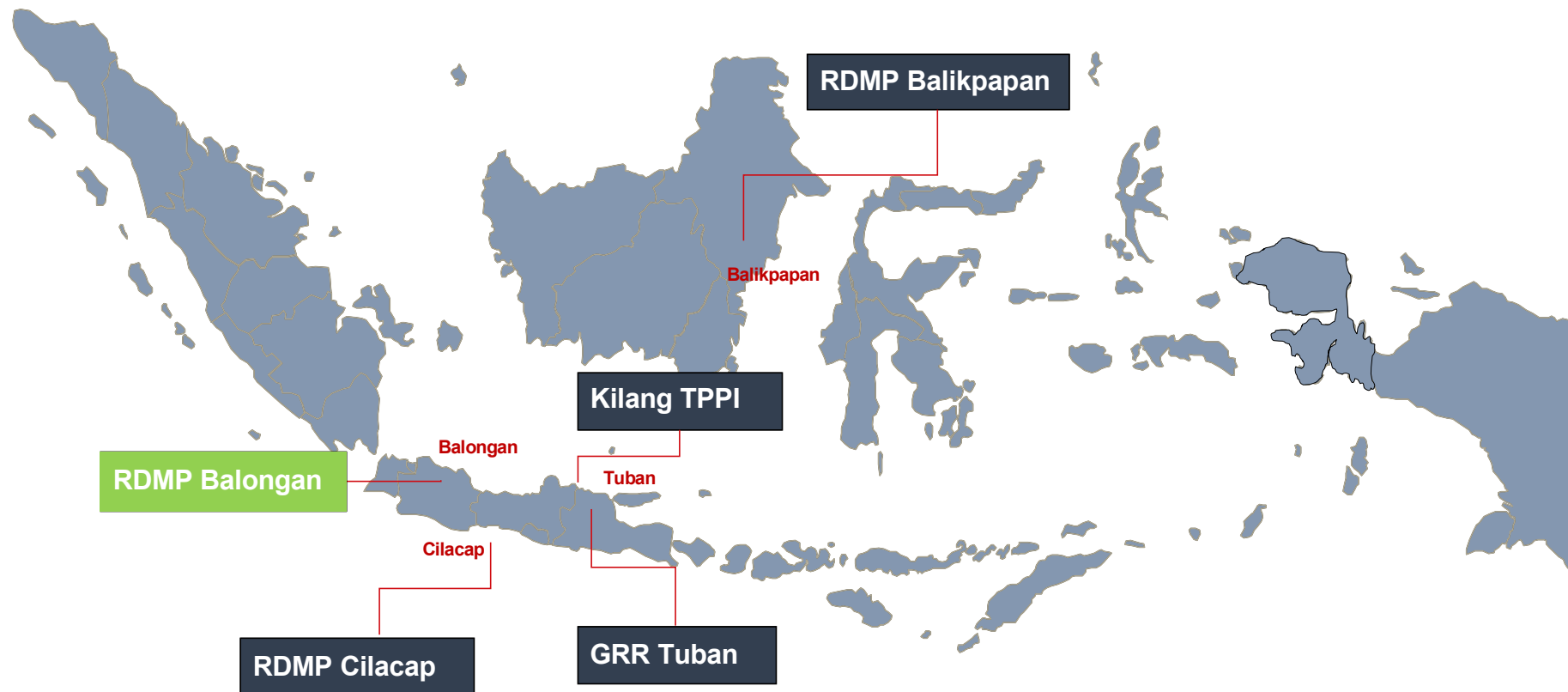
- NORTH SEGMENTS (BALAM-BANGKO-DUMAI AND DURI-DUMAI): AUGUST 2021
- SOUTH SEGMENTS (MINAS-DURI): JANUARY 2022

### PROGRESS

- LINEPIPE HRC (HOT-ROLLED COIL) PRODUCTION: 98%
- LINEPIPE TOOLING & COATING: 43%
- EPC CONTRACTOR: 3%

# Downstream Infrastructure Projects

## Oil to Gas Conversion for Refineries



**Potential Volume :  $\pm 90$  BBTUD  $\approx \pm 16.4$  thousand BOEPD**

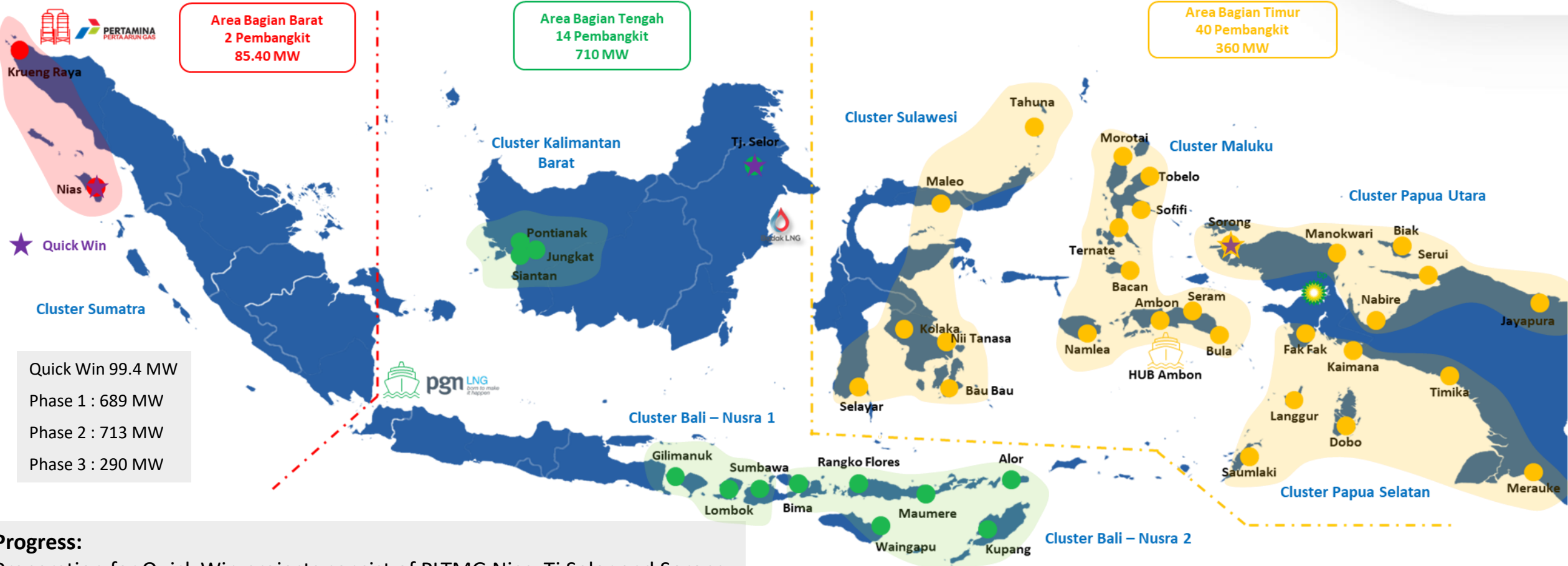
### Progress :

- Balongan refinery has been supplied with gas since the fourth quarter of 2019 with a volume of 8 BBTUD.
- RU IV Cilacap : advanced study stage
- RU V Balikpapan: advanced study stage

# Downstream Infrastructure Projects

## Oil to Gas Conversion for Power Plants

56 HSD Power Plants (Capacity 1.8 GW)



Quick Win 99.4 MW  
 Phase 1 : 689 MW  
 Phase 2 : 713 MW  
 Phase 3 : 290 MW

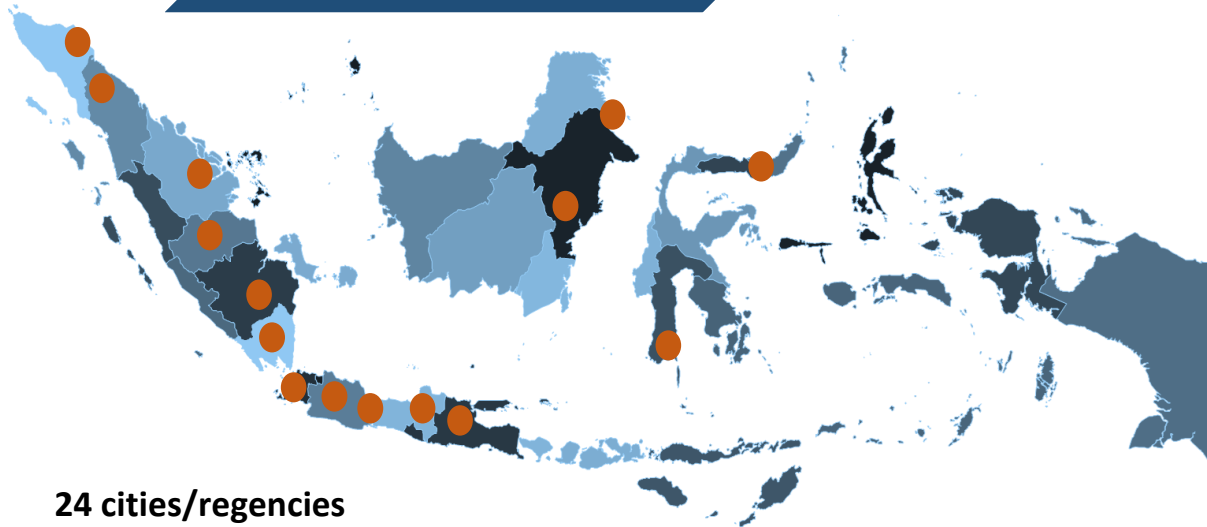
**Progress:**  
 Preparation for Quick Win projects consist of PLTMG Nias, Tj Selor and Sorong

- Nias & Tj Selor : On progress discussion with PLN;
- Sorong : preparation for execution



# City Gas Project

APBN 2020 : 129.861 SR\*

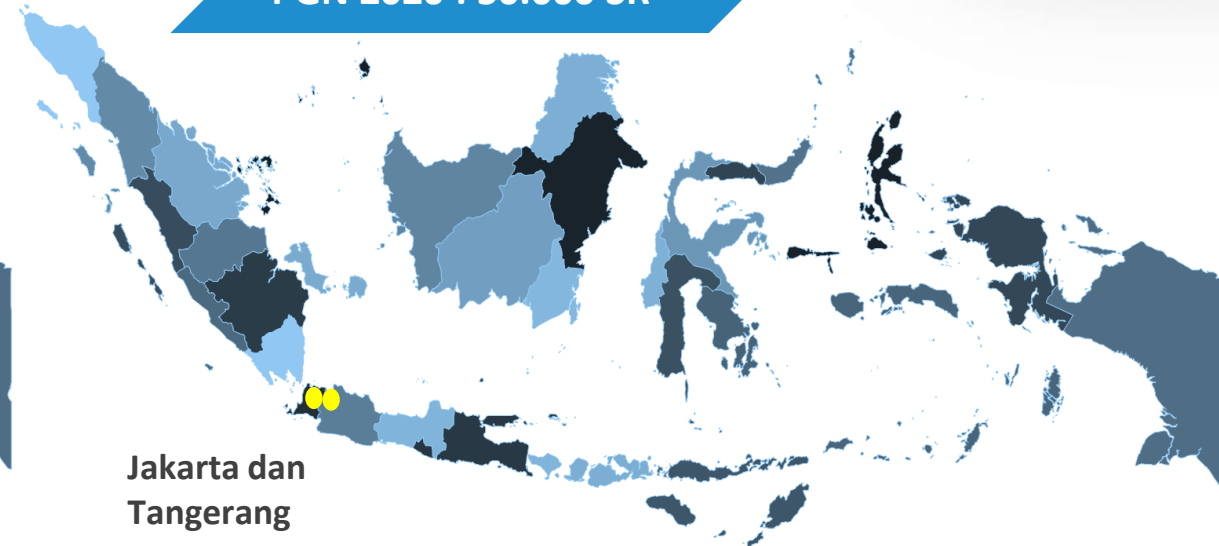


Progress:

Phase : 24 cities/regencies  
Progress : Construction 82,64 %

\*Adjustment to the City Gas Project APBN 2020 due to efficiency policy from Government, originally 266.070 household connections in 2020 divided into 127.864 in 2020 and 138.206 in 2021.

PGN 2020 : 50.000 SR



Progress:

Feasibility Study, FEED-DEDC  
Initial Business Proposal

## HEADQUARTER

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