



# Investor Presentation Consolidated FY2019 Update



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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 |  
Leadership | Business Portfolio |  
Business Structure | Gas Infrastructure |  
FY2019 Highlights

# 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
- Batam Distribution Network in 2004
- Listed Company (“PGAS”)

**2007**

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

**2009**

Establishment of O&M subsidiary, PT PGAS Solution

**2010**

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

**2011**

Establishment of upstream subsidiary, PT Saka Energi Indonesia and downstream subsidiary PT Gagas Energi Indonesia

**2018**

Establishment Sub-Holding Gas

**2017**

Muara Bakau Block started production and meet the target of natural gas lifting of 580 MMscfd to increase domestic gas supply

**2016**

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

**2015**

Completion of Kalija transmission pipeline by KJG

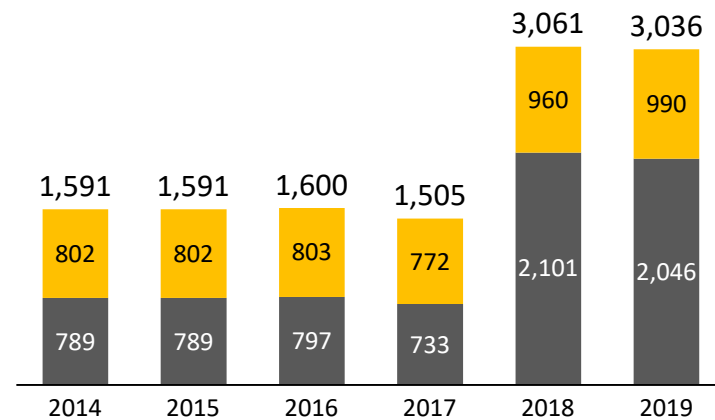
**2014**

- Establishment of PT Permata Graha Nusantara, a subsidiary in property
- Operation of FSRU Lampung

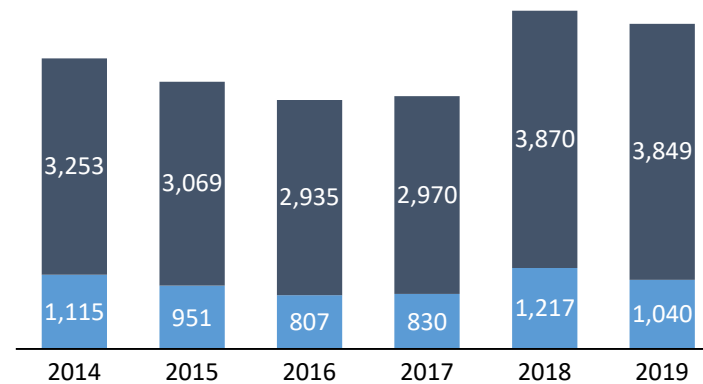
**2012**

Establishment of PT PGN LNG Indonesia

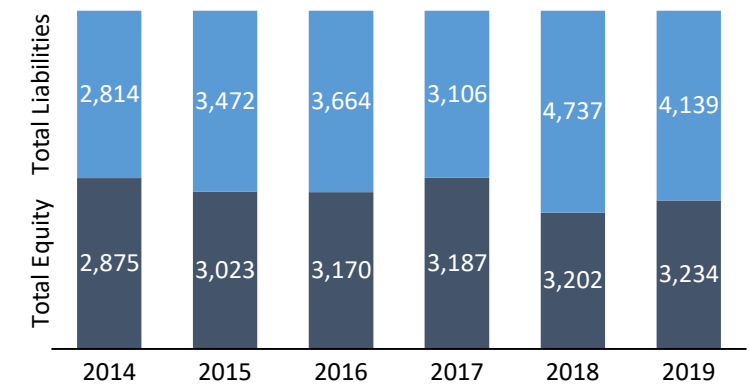
**Distribution (BBTUD)  
Transmission (MMSCFD)**



**Revenue & EBITDA  
(USD Million)**

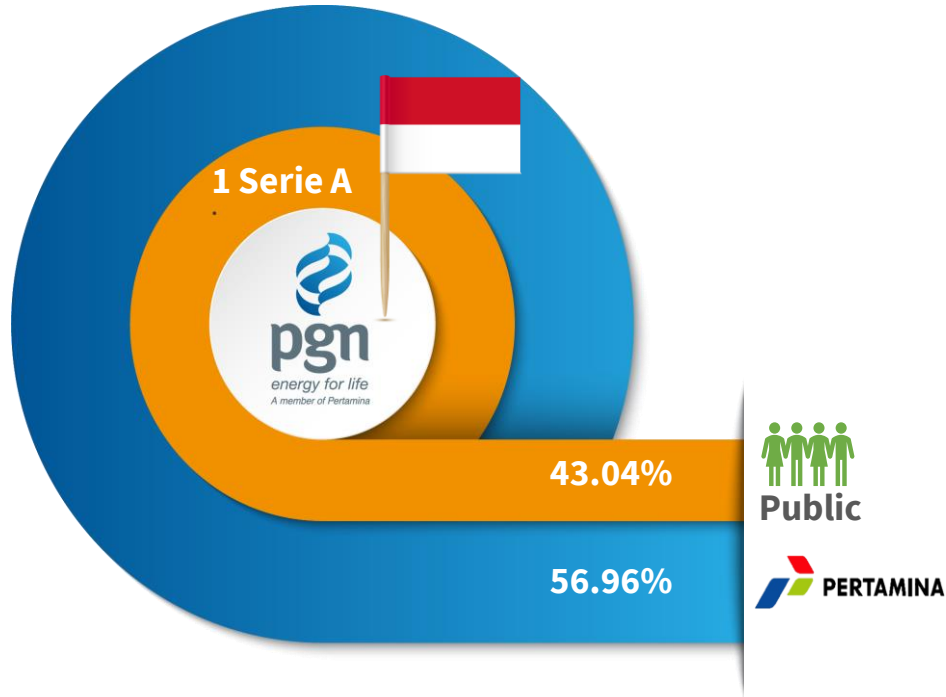


**Capitalization  
(USD Million)**





# 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.

## Board of Commissioners



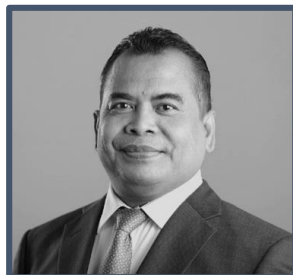
**President Commissioners**  
**Arcandra Tahar**

- 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)



**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

## Board of Directors



**President Director**  
**Gighi Prakoso**

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



**Director of Finance**  
**Arie Nobelta Kaban**

- 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**

- 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**

- 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**

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

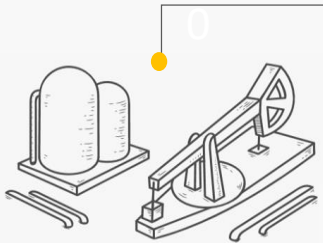
# Business Portfolio

## Sub Holding Gas

### UPSTREAM

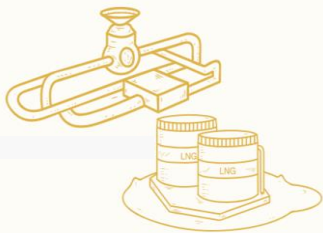
#### Oil and Gas Production

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

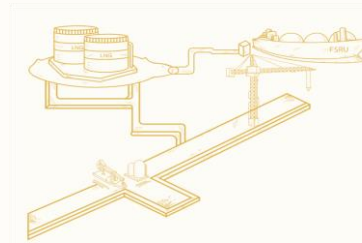


### MIDSTREAM

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



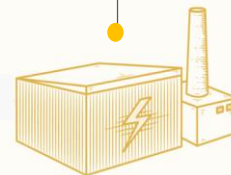
#### Gas Transport Module (Gas Link)

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



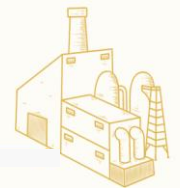
#### Household Customer

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



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

Subsidiary, Gas 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 Indonesia

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

### PT PGAS Telekomunikasi Nusantara





Technology, Communication & information technology

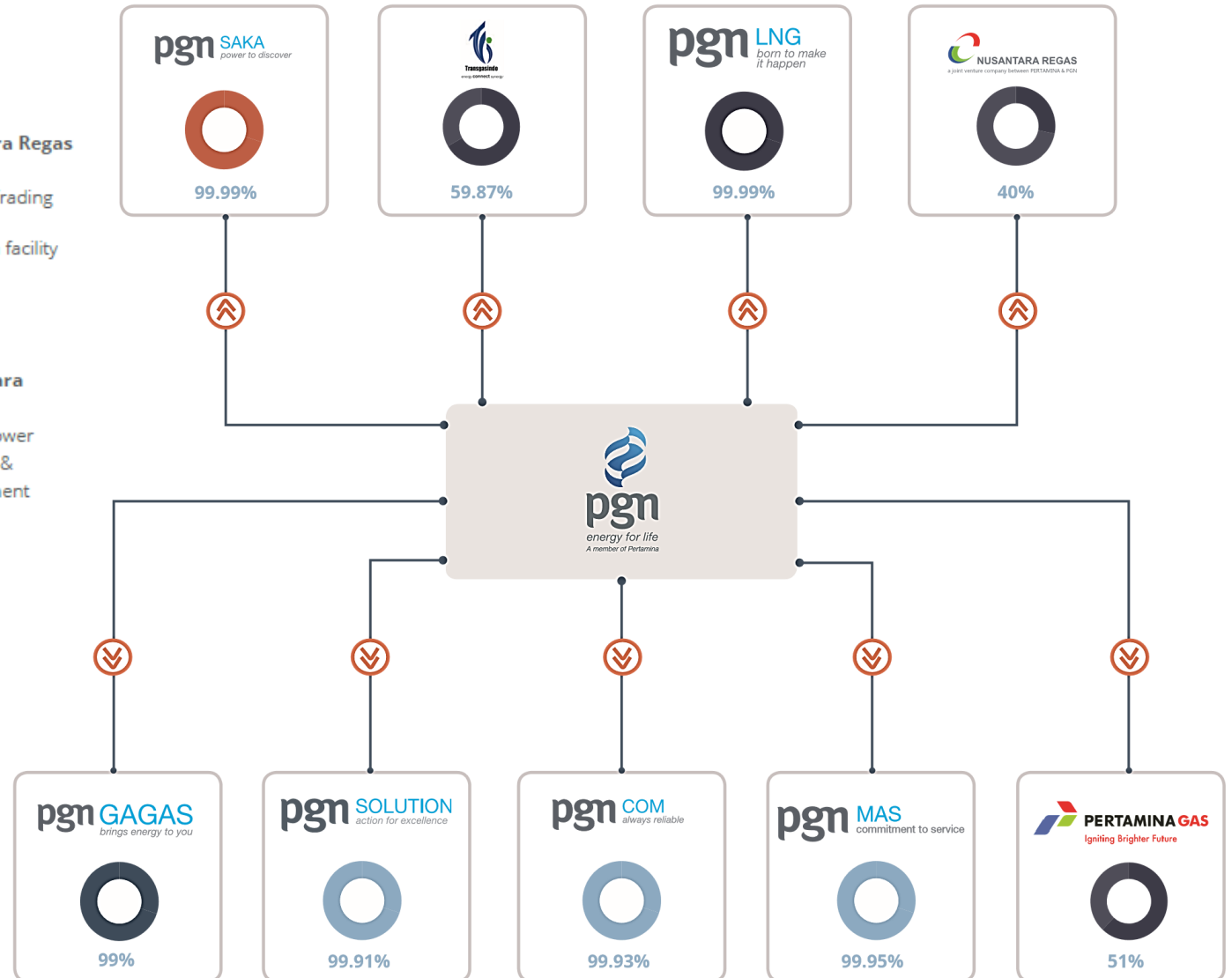
### PT Permata Graha Nusantara (PERMATA)

Property, manpower Provider service & facility management

### PT Pertamina Gas

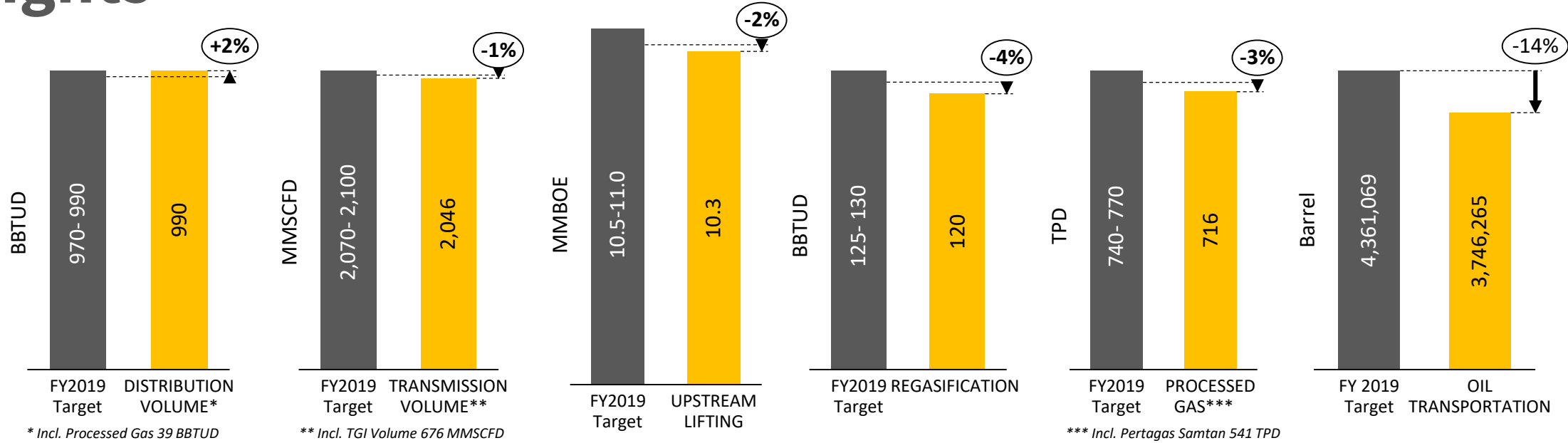
Natural gas trading And its derivatives transportation/ transmission, processing, storage of natural Gas and other business

 Upstream
  Midstream
  Downstream
  Others

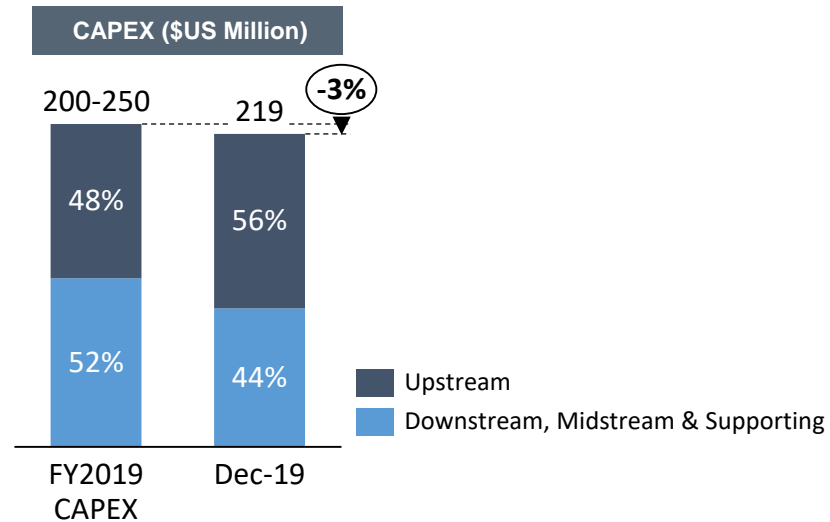


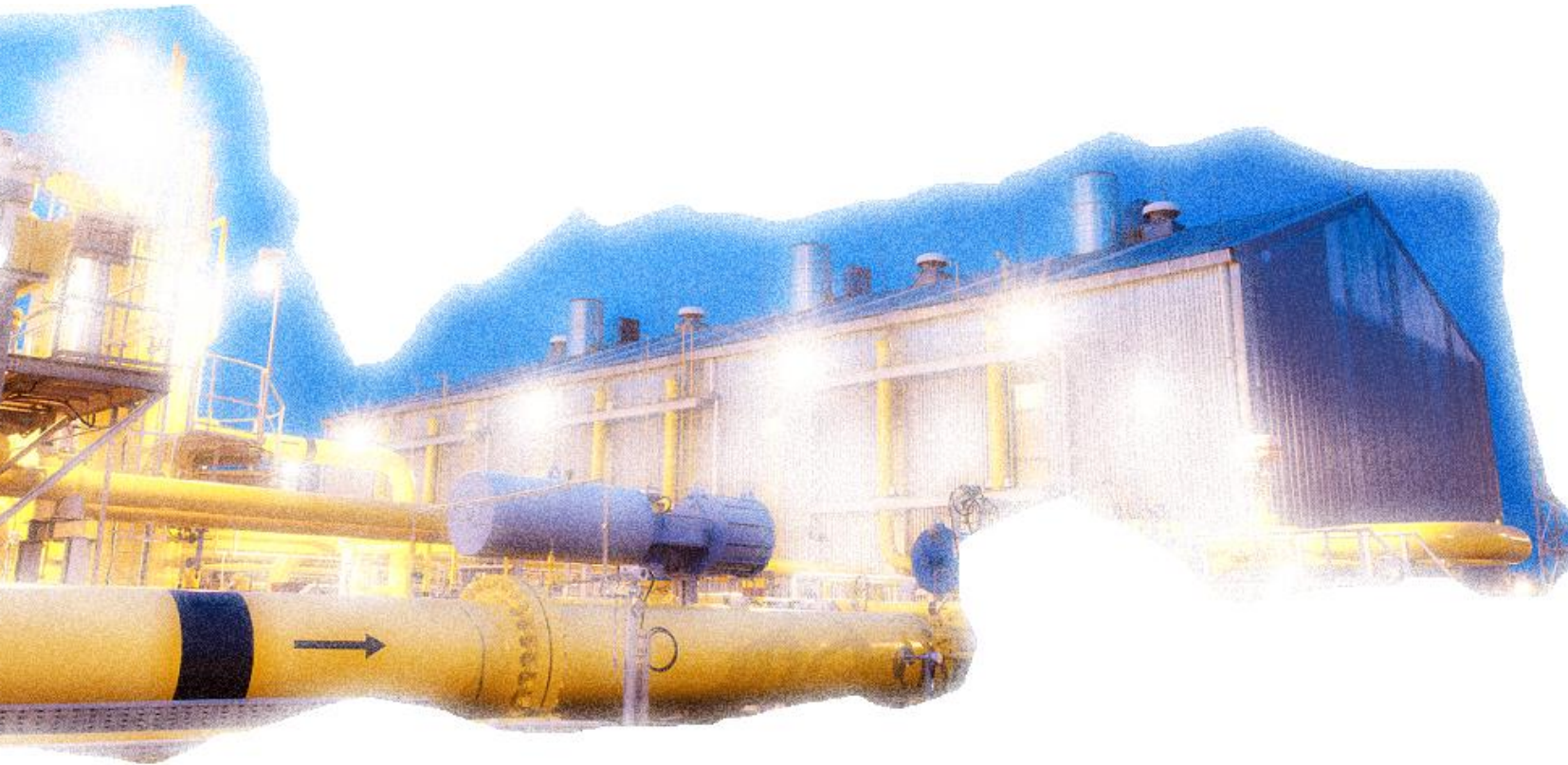
FY2019

# Highlights



Revenue	3,849
EBITDA	1,040
Total Asset	7,374
Equity	3,234





## **12M-2019**

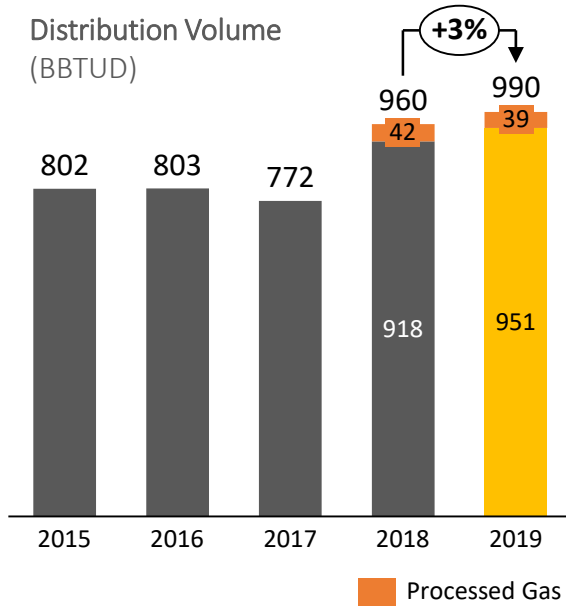
# **Operational Performance**

Distribution | Transmission |  
Other Downstream | Upstream Lifting

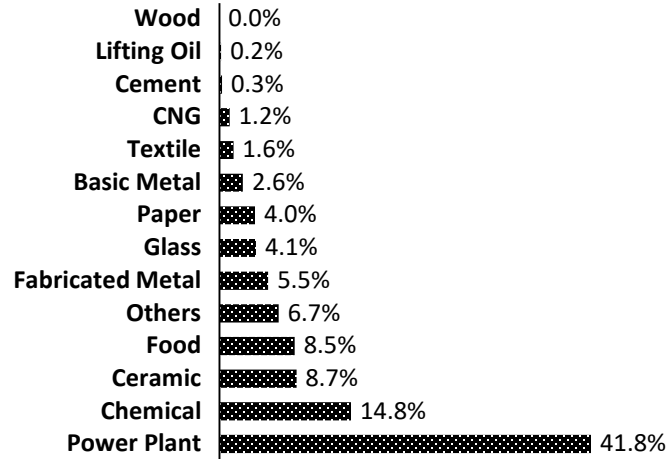
12M-2019

# Operational Highlights: Distribution

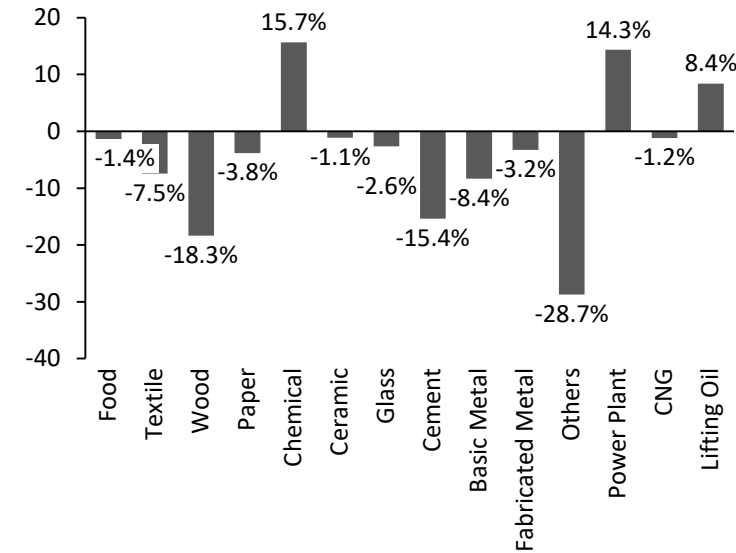
Distribution Volume  
(BBTUD)



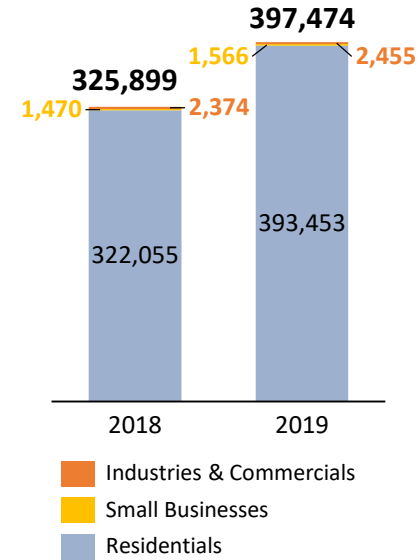
Industrial Consumption  
to Total Sales Volume



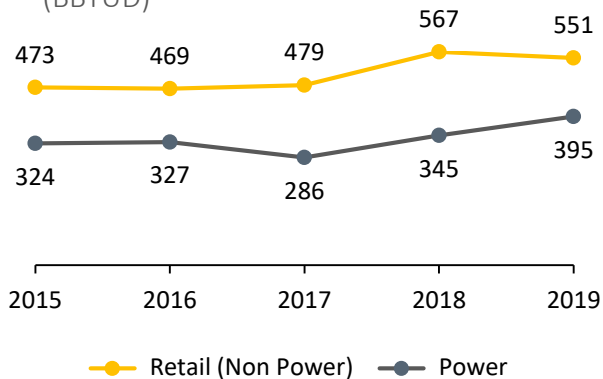
Industrial Growth  
(% YoY)



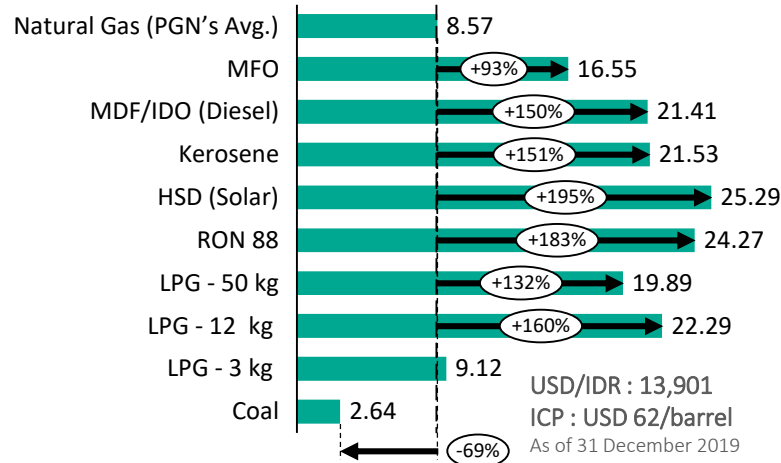
Number of Customers



Trend of Industrial Consumption  
(BBTUD)



PGN's ASP vs Other Energy



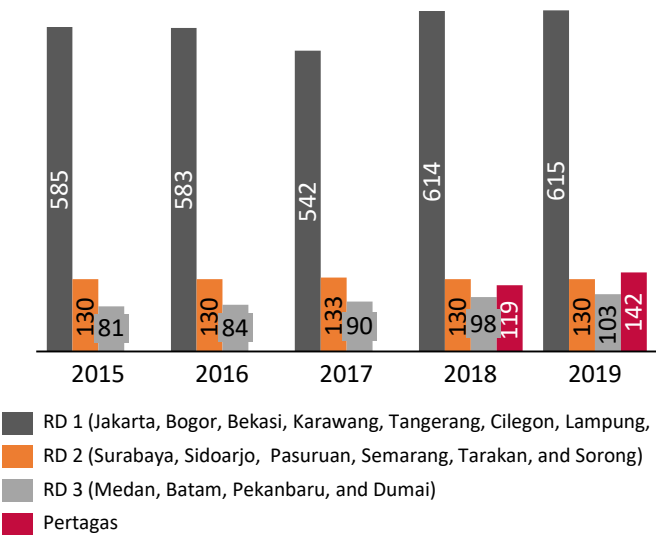
## Business Updates

- Consolidated distribution volume grew by 3% YoY, mainly driven by higher consumption from power sector
- Chemical sectors contribute highest consumption in industrial segment
- Natural gas price remain competitive compared to oil related fuel
- Number of customers increased in all segment

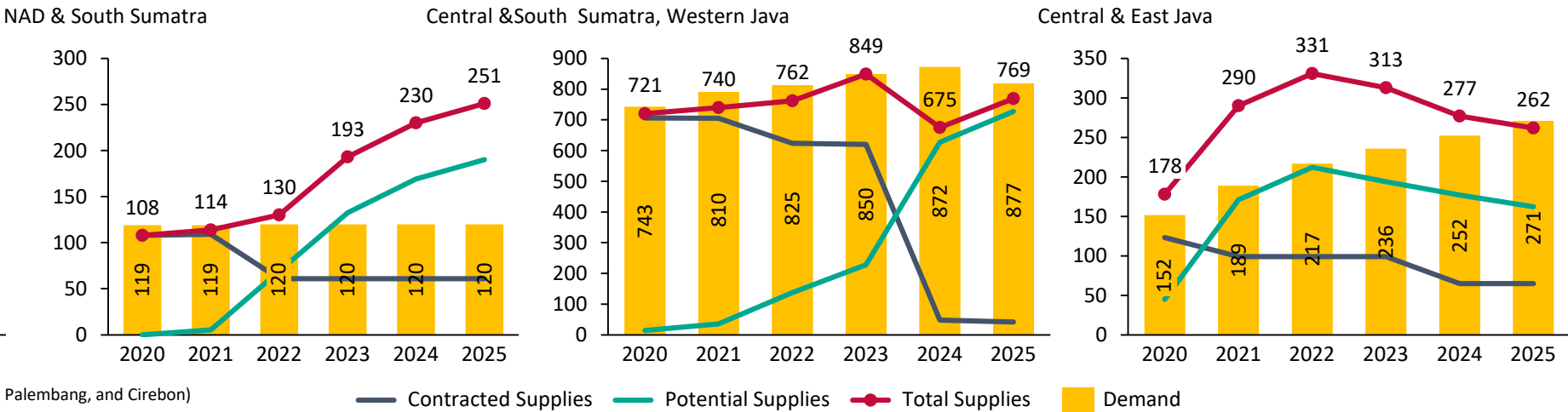
# Operational Highlights:

## Distribution

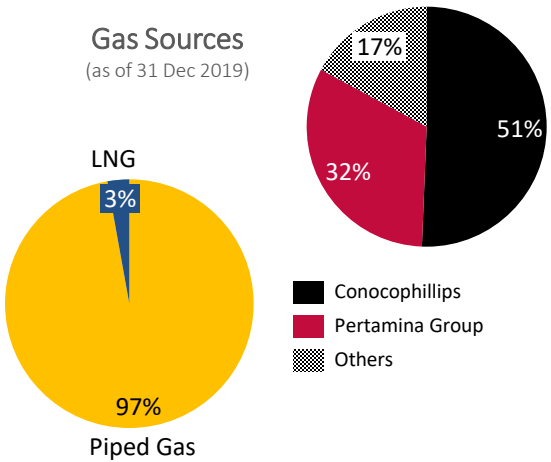
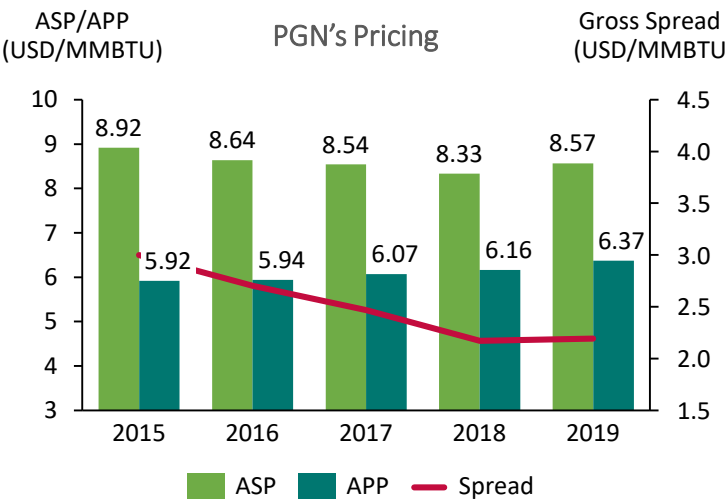
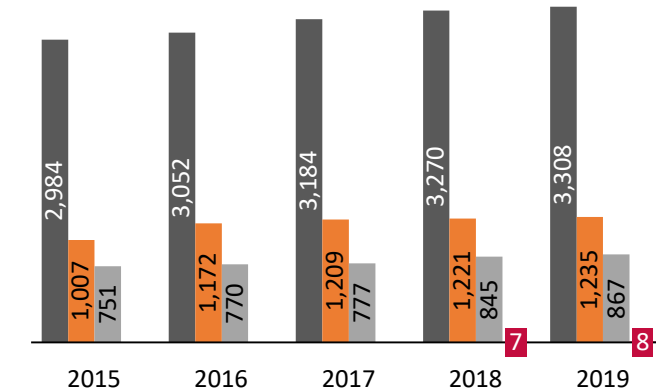
Distribution Volume (BBTUD)  
Per Regional



Projected Supply – Demand (BBTUD)



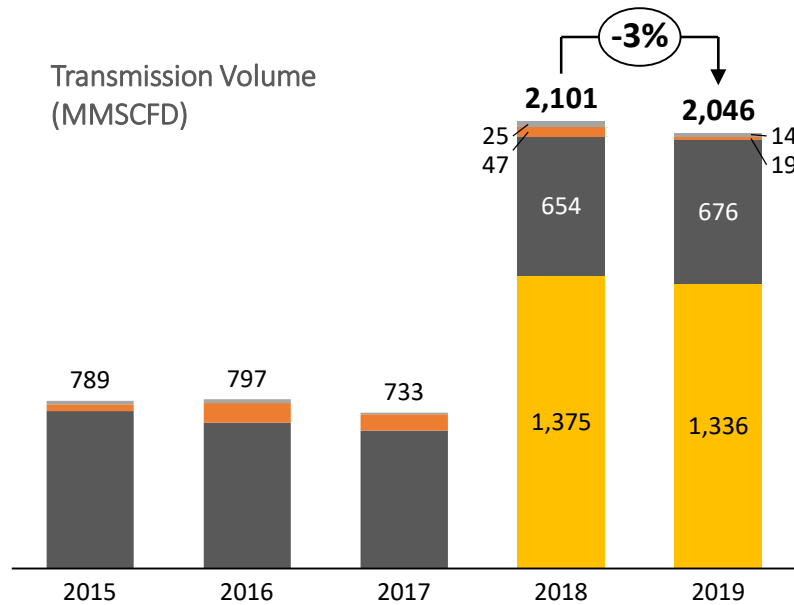
Length of Distribution Pipeline 2019 : ±5,411 KM



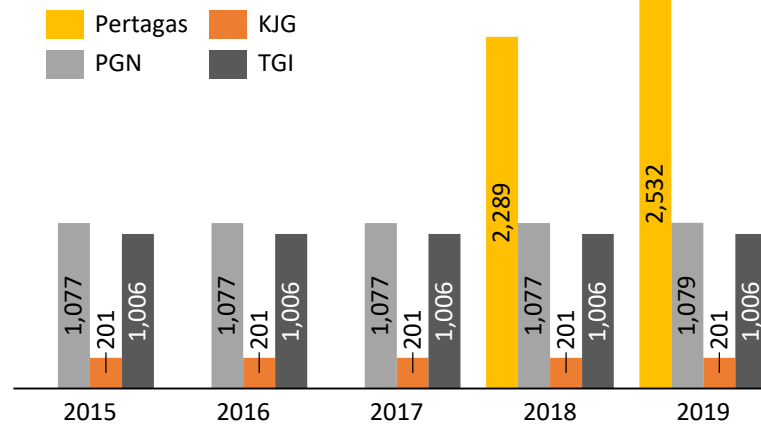


12M-2019

## Operational Highlights: Transmission

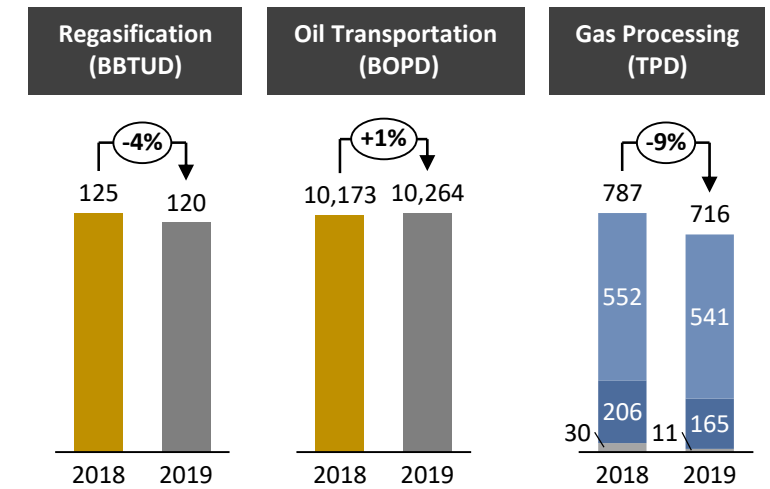
Transmission Volume  
(MMSCFD)

Length of Transmission Pipeline 2019: ±4,818 KM



12M-2019

## Operational Highlights: Other Downstream



LPG Perta Samtan (66%)  
LPG MKS (60%)  
LPG Pondok Tengah

### Business Updates

- Both PGN and Pertamina transported less gas on a year-on-year basis due to lower consumption from the customer.
- Muriah block stopped flowing gas via the KJG transmission pipelines on Sept 2019 which resulting impairment for the pipelines.
- Less consumption from PLN translates to lower regasification volume YoY
- Lower oil delivery from Pertamina EP oil field in Central Ramba (South Sumatra) to Plaju refinery unit ii South Sumatra
- Temporary and unplanned shutdown from LPG Pondok Tengah and LPG MKS, on top of additional maintenance works in Perta Samtan plant contributes to lowering LPG volume on YoY basis

### Non-pipeline Infrastructures

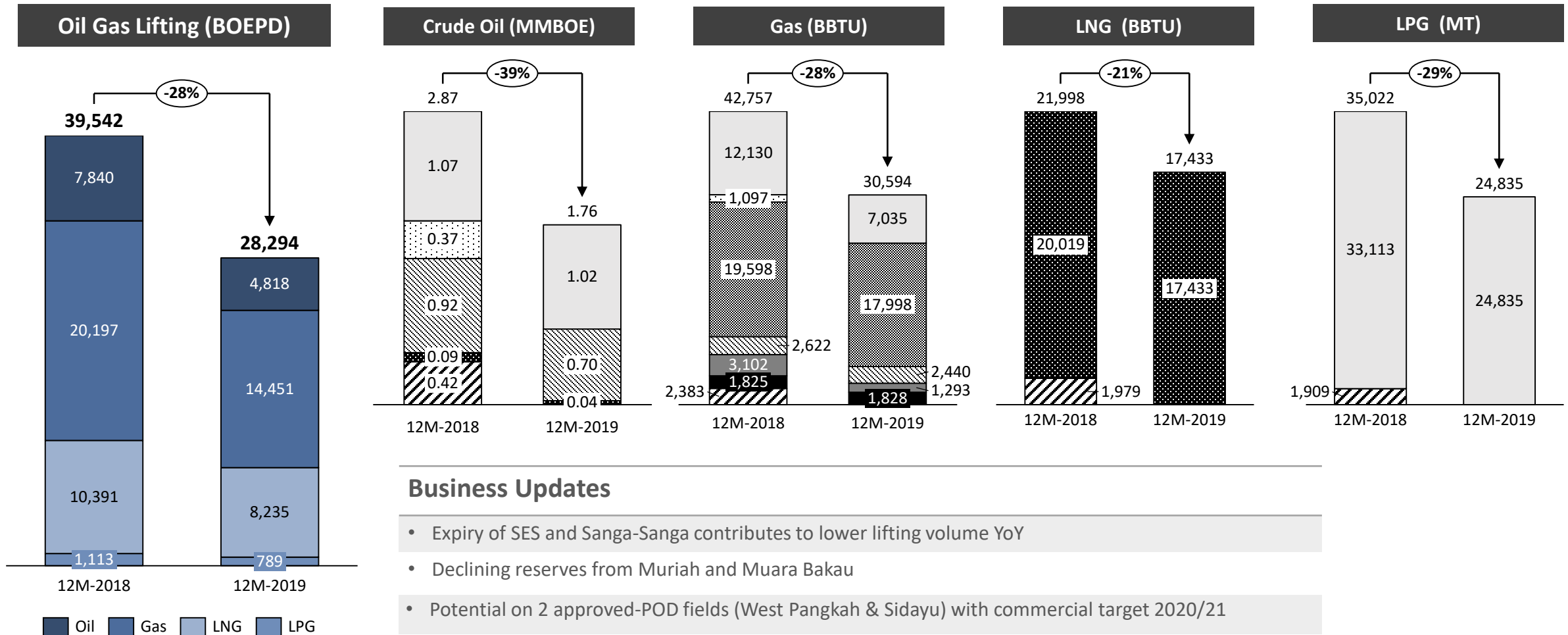
- LNG Infrastructure  
**2 FSRUs, 1 Land-based Regas Facility**
- CNG Infrastructure  
**12 SPBG, 4 MRUs**
- LPG Infrastructure  
**3 Processing Plants**

Pertagas	PGN
<ul style="list-style-type: none"> <li>Total Length: ± 2,532 km</li> <li>Transmission Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Total Length: ±1,079 km (incl. SSWJ)</li> <li>Off-taker: PLN, BBG</li> <li>Transmission Revenue</li> </ul>
KJG	TGI
<ul style="list-style-type: none"> <li>Total Length: ±201 km</li> <li>Off-taker : PLN</li> <li>Finance Lease Revenue</li> </ul>	<ul style="list-style-type: none"> <li>Total Length: ±1,006 km</li> <li>Off-taker: CPI, Gas Supply Pvt. Ltd., PGN, PLN</li> <li>Profit from JV</li> </ul>

12M-2019

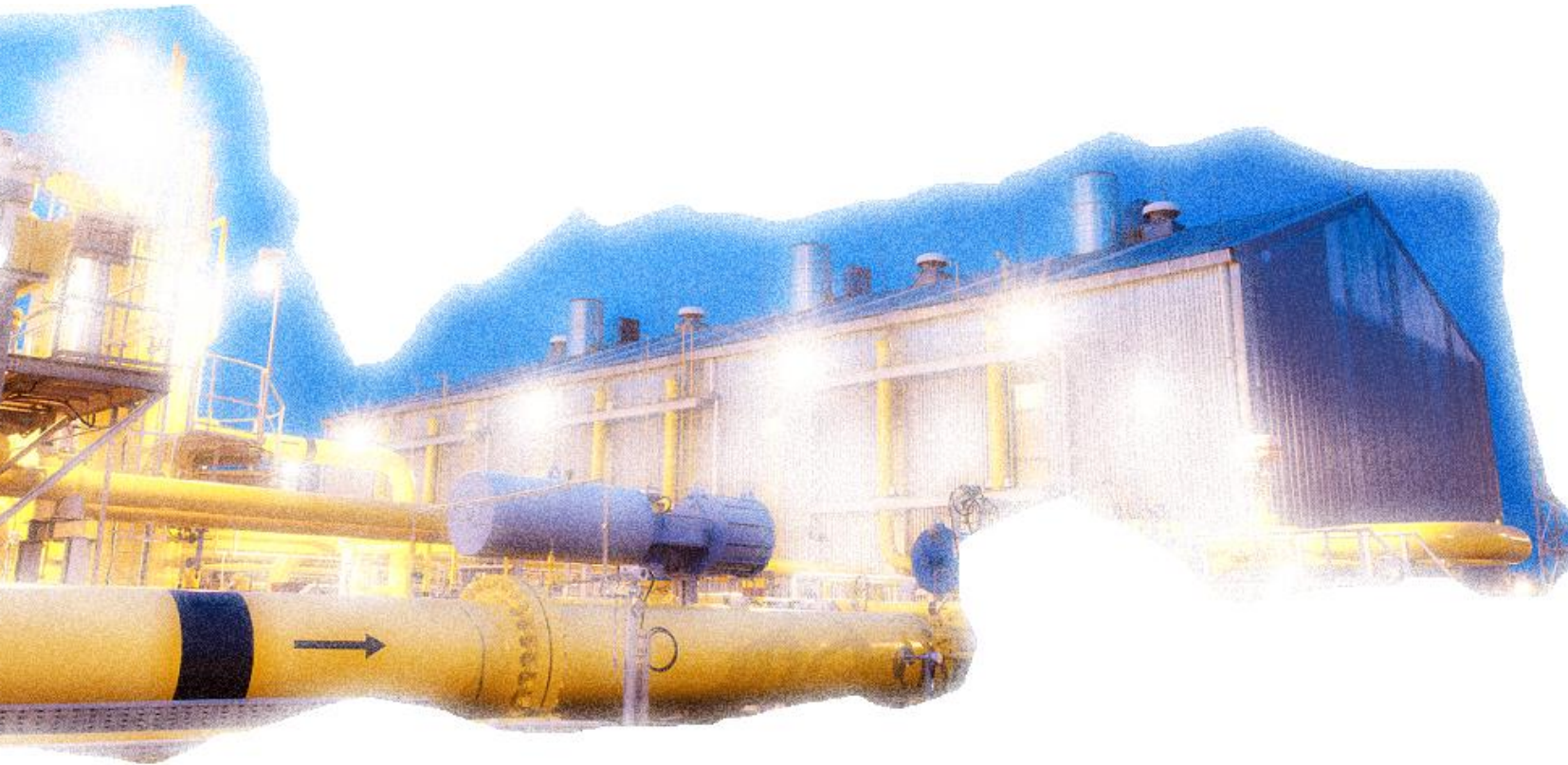
## Operational Highlights:

### Upstream Lifting



### Business Updates

- Expiry of SES and Sanga-Sanga contributes to lower lifting volume YoY
- Declining reserves from Muriah and Muara Bakau
- Potential on 2 approved-POD fields (West Pangkah & Sidayu) with commercial target 2020/21
- The 20-year extension of Pangkah on 2019 is a very important milestone that enable Saka to launch its drilling campaign and proposed programs to further develop the block until 2046.



# **12M-2019**

## **Financial Performance**

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

12M-2019

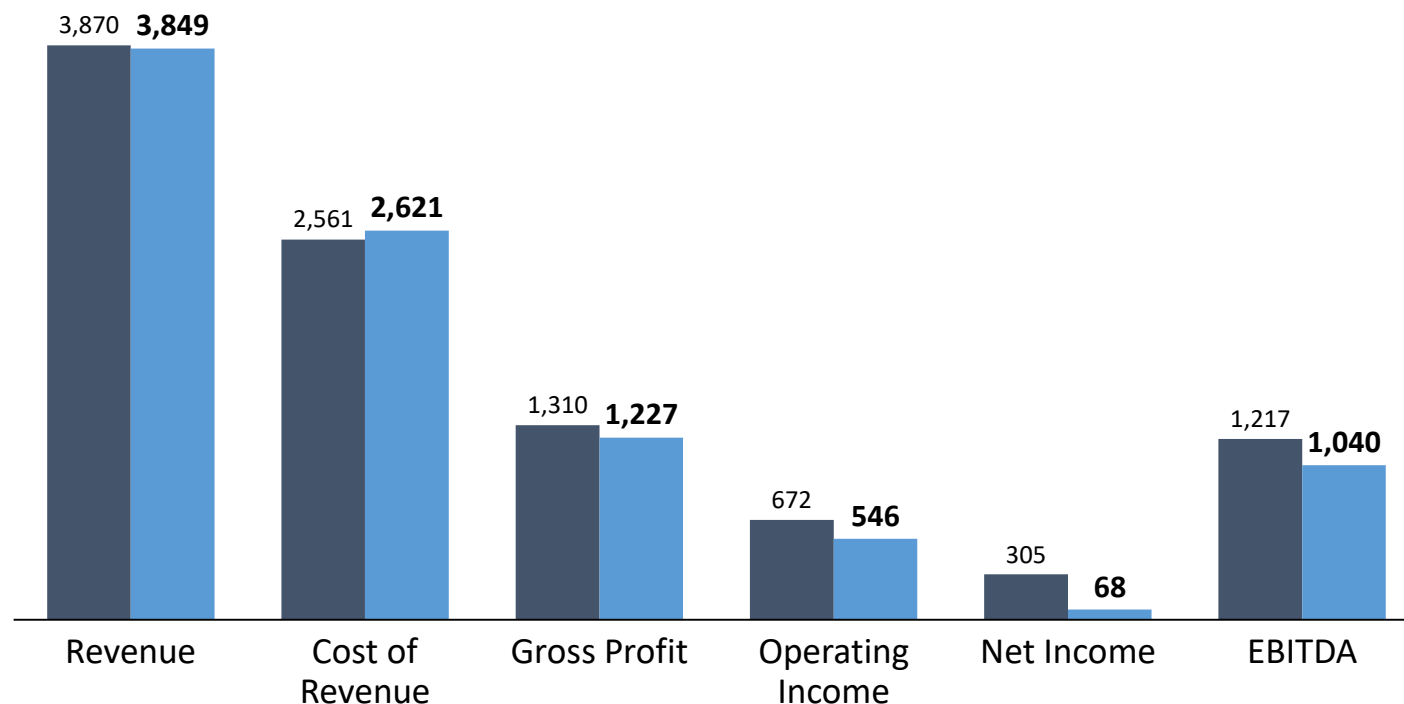
# Financial Highlights:

## Consolidated Income Statement

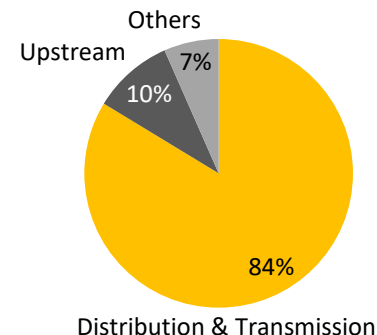
31 Dec 2018 (As restated)

31 Dec 2019 (Audited)

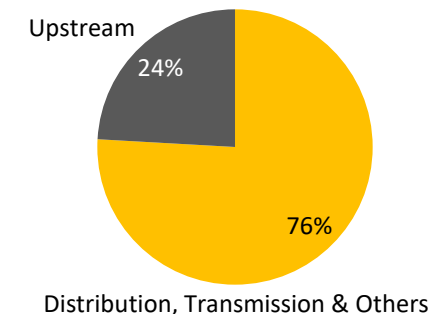
(USD Million)



### Revenue Contribution



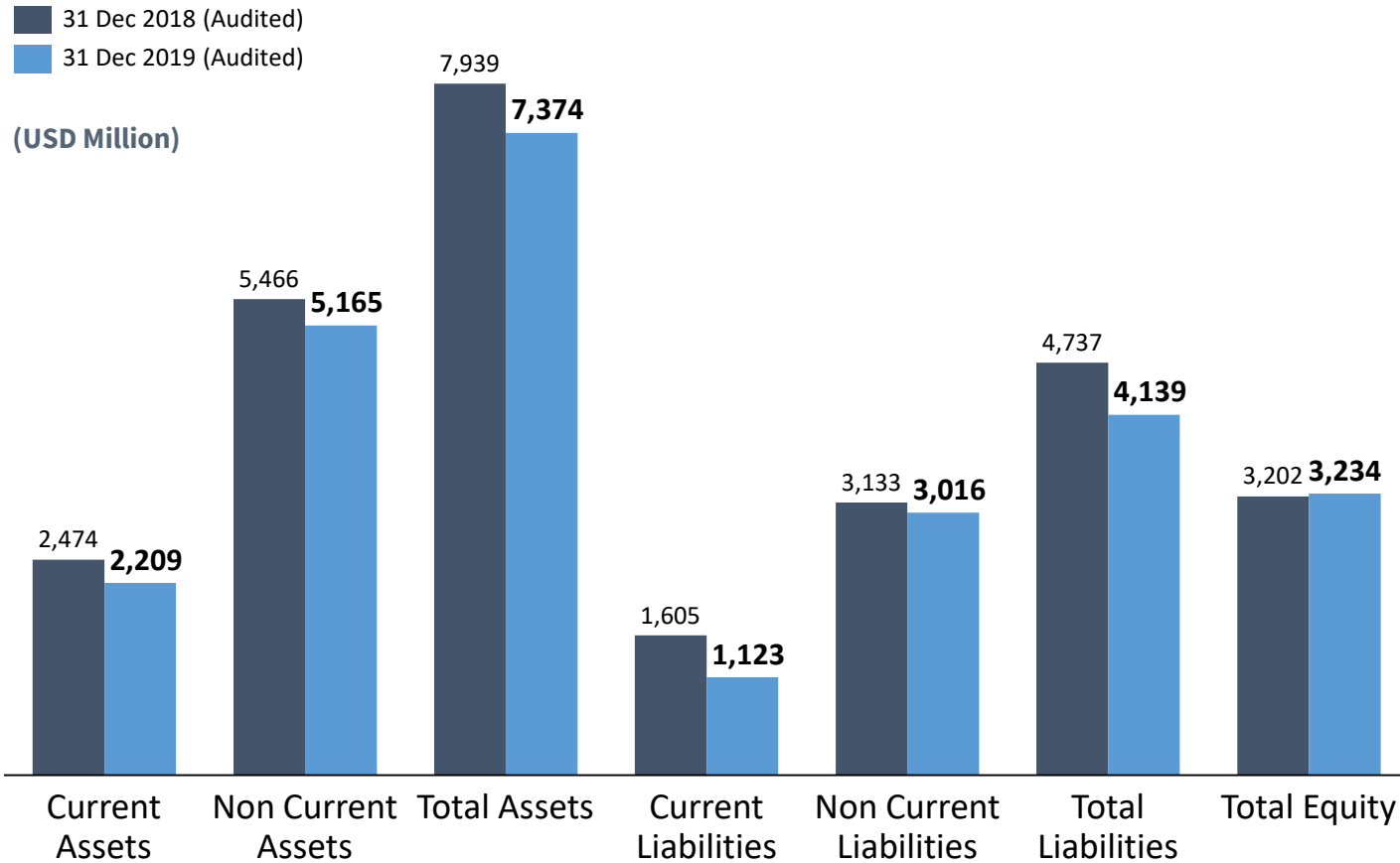
### EBITDA Contribution



Revenue (USD Million)	31 Dec 2018	31 Dec 2019
Gas Distribution	2,791	2,974
Gas Transmission	249	246
Oil Transportation	25	20
E&P	586	374
Fiber Optic	14	18
Finance Lease	39	18
Gas Processing	132	115
Regasification	11	24
Others	25	59
<b>Total</b>	<b>3,870</b>	<b>3,849</b>

12M-2019

## Financial Highlights: Consolidated Balance Sheet



## Consolidated Cashflow

Cash Flow (USD Million)	31 Dec 2018 (As restated)	31 Dec 2019
Beginning Balance	1,140	1,315
Cash flow from operating	919	811
Cash flow from investment	(724)	(940)
Cash flow from financing	(11)	(155)
Foreign Exchange Impact	(10)	9
Ending Balance	1,315	1,040

Financial Ratios	31 Dec 2018	31 Dec 2019
EBITDA Margin	31%	27%
EBITDA /Interest Expense (x)	7.9	6.0
Debt-to-Equity (x)	1.1	0.9
Net Debt/EBITDA (x)	1.8	1.6
Gross Debt/EBITDA (x)	2.9	2.6

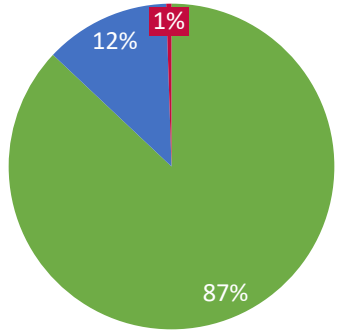


12M-2019

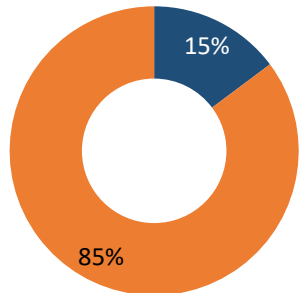
## Debt Profile

Total Loan  
**USD 2.76 Billion**

Weighted Average Interest Rate 4.40%  
(Excl. Tax)

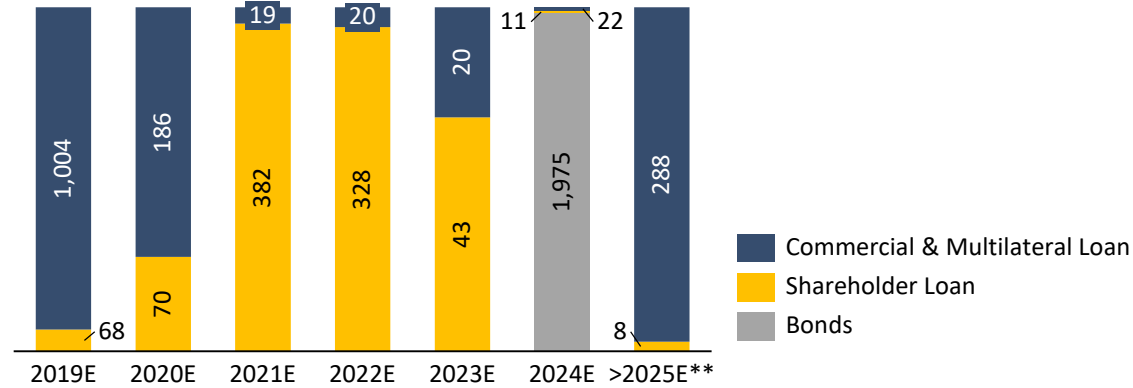


USD JPY IDR

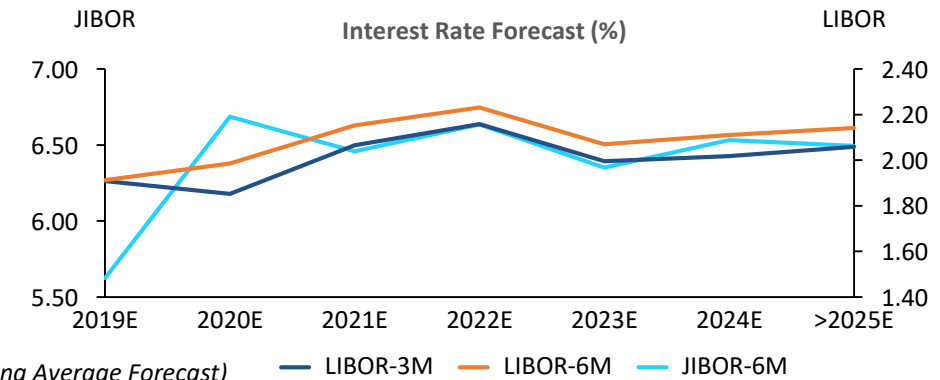
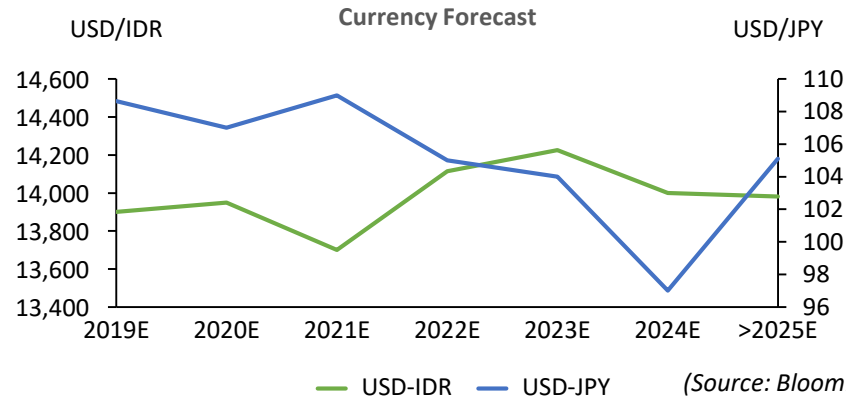
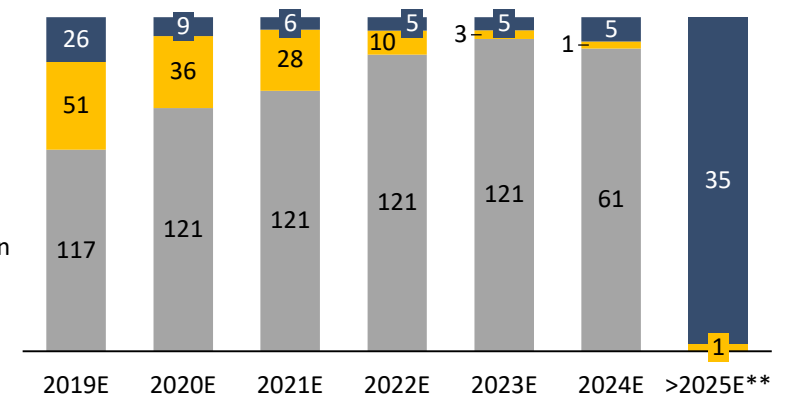


Float Rate  
Fixed Rate

Debt Maturity Profile\*  
(USD Million)



Interest Payment\*  
(USD Million)



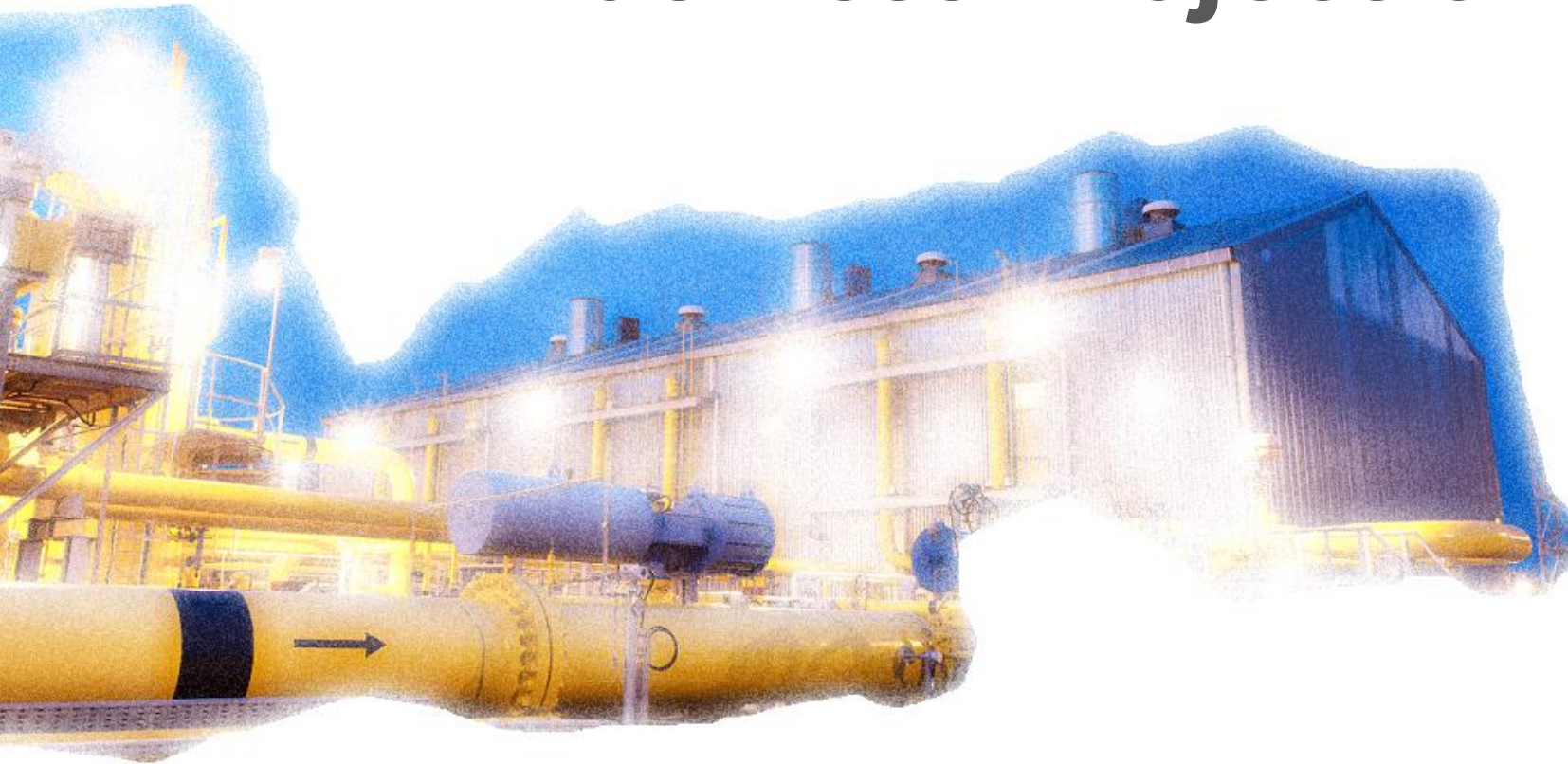
Entities	PGN					SAKA	Pertagas***	PGAS Solution
Lender	EIB	JBIC	IBRD	Bank Mandiri	Bond	Bond	SHL	Bank Mandiri
Loan Amount	70,000,000	JPY 49,088,000,000	69,381,312	350,000,000	1,350,000,000	625,000,000	549,106,589	IDR 1,000,000,000,000
Outstanding (USD)	2,375,337	344,207,780	31,848,896	150,000,000			246,207,747	14,387,449
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)

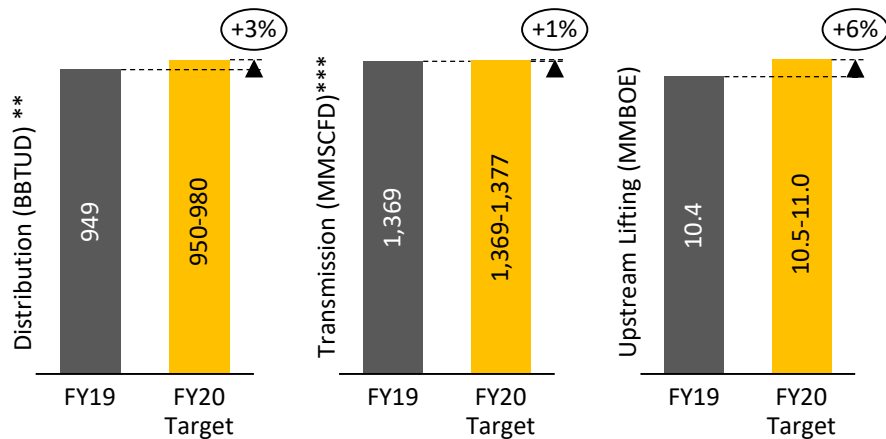
# Business Projections 2020



# Business Projections 2020\*

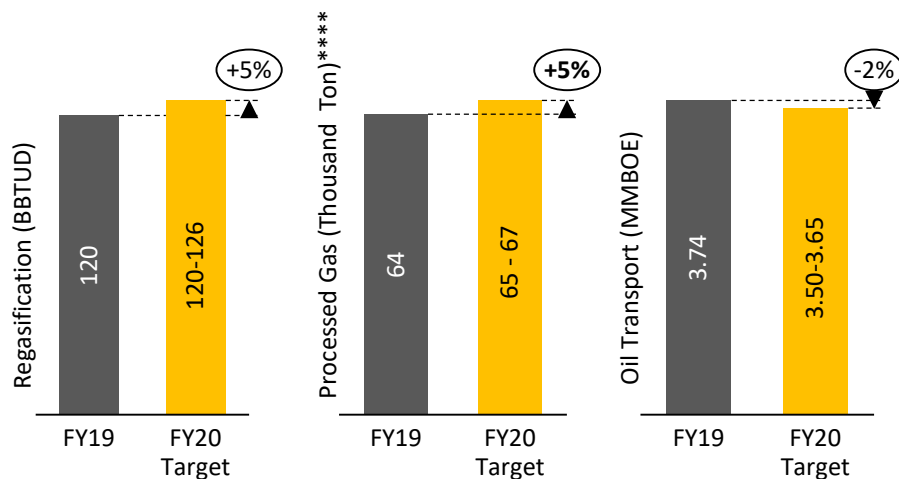
## Refocusing Core Business

### Operating Metrics



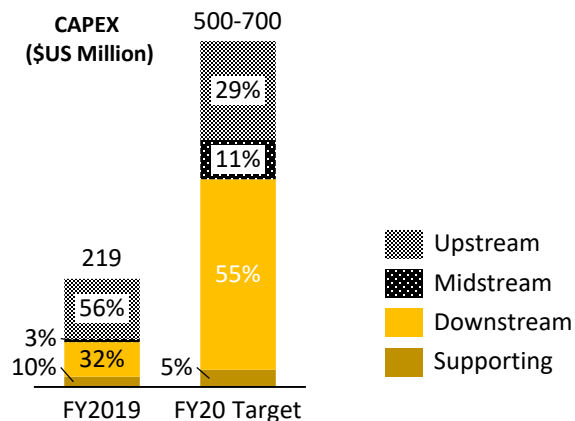
\*\* Excl. Processed Gas

\*\*\* Excl. TGI & KJG



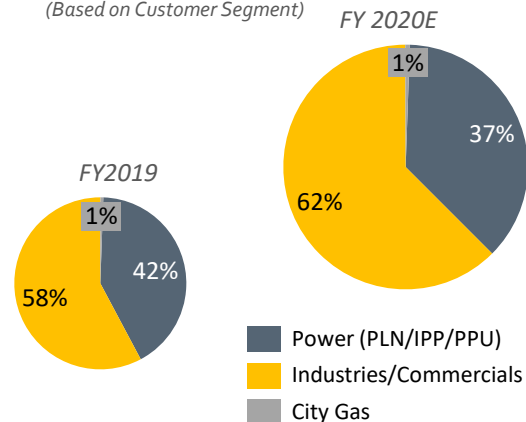
\*\*\*\* Excl. Perta Samtan

### Financial Indicator



### Sales Volume Target

(Based on Customer Segment)



CAPEX PLAN (\$US Million)		Projects/Programs	Years
Upstream	~200	Developing Pangkah, Muara Bakau and Ketapang	2020-2021
Midstream	~80	LNG Infrastructures • LNG Carrier/Vessel • LNG Trucking • Revitalised Arun Tank	2020-2021
Downstream	~360	• Java & Sumatra Distribution • Customer Attachment • Gresik – Semarang Transmission • Rokan Oil Pipeline	2020-2021
Supporting	~35		2020

### Macro Impacts

- Weakening US Dollar against Rupiah
- Lower electricity & industries consumption
- Tightening Government Policy

### Key Assumptions

- Exchange Rate USD/IDR : 14,400
- Inflation : 3.1%
- Oil Price (ICP): USD 63/barrel
- Industries Growth 2% - 3%
- Stable Power Consumption

### Business Focus

#### Development of Infrastructures:

- Distribution Pipeline in Java and Sumatra
- Completion of Gas Transmission pipeline
- Oil Transportation pipeline

#### Distribution expansion in key markets:

- Greater Medan Area
- Dumai-Riau
- Java (Centra Java, East Java, & West Java)

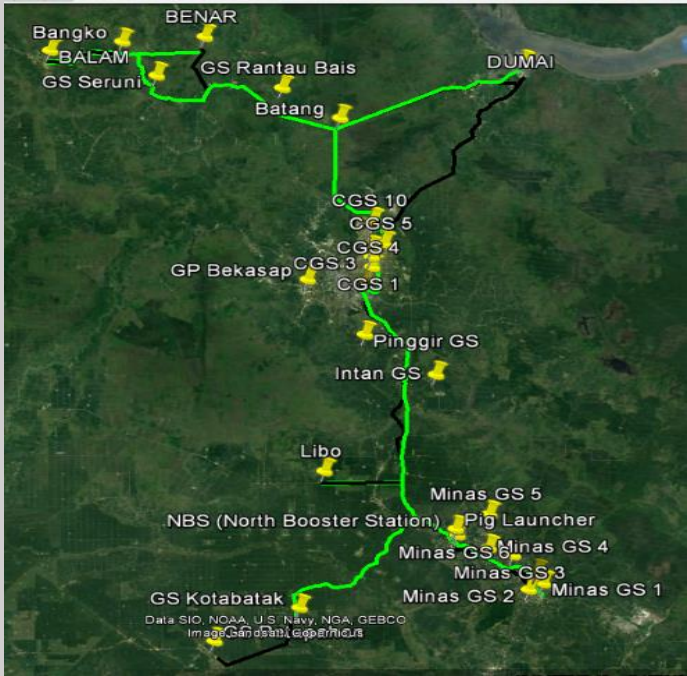
#### Notes:

\* May be reviewed in anticipation of implementing new industrial gas pricing

# Downstream Infrastructure Projects

## Rokan Oil Pipeline

LOCATION (Dumai, Riau Province)



### PROJECT

**OIL TRANSMISSION PIPELINE :**

- MINAS – DURI – DUMAI DAN
- BALAM – BANGKO – DUMAI

### DESIGN

- Length : 367 km, dia. 4” – 24”
- Volume : ±203.519 BPOD

### CAPEX

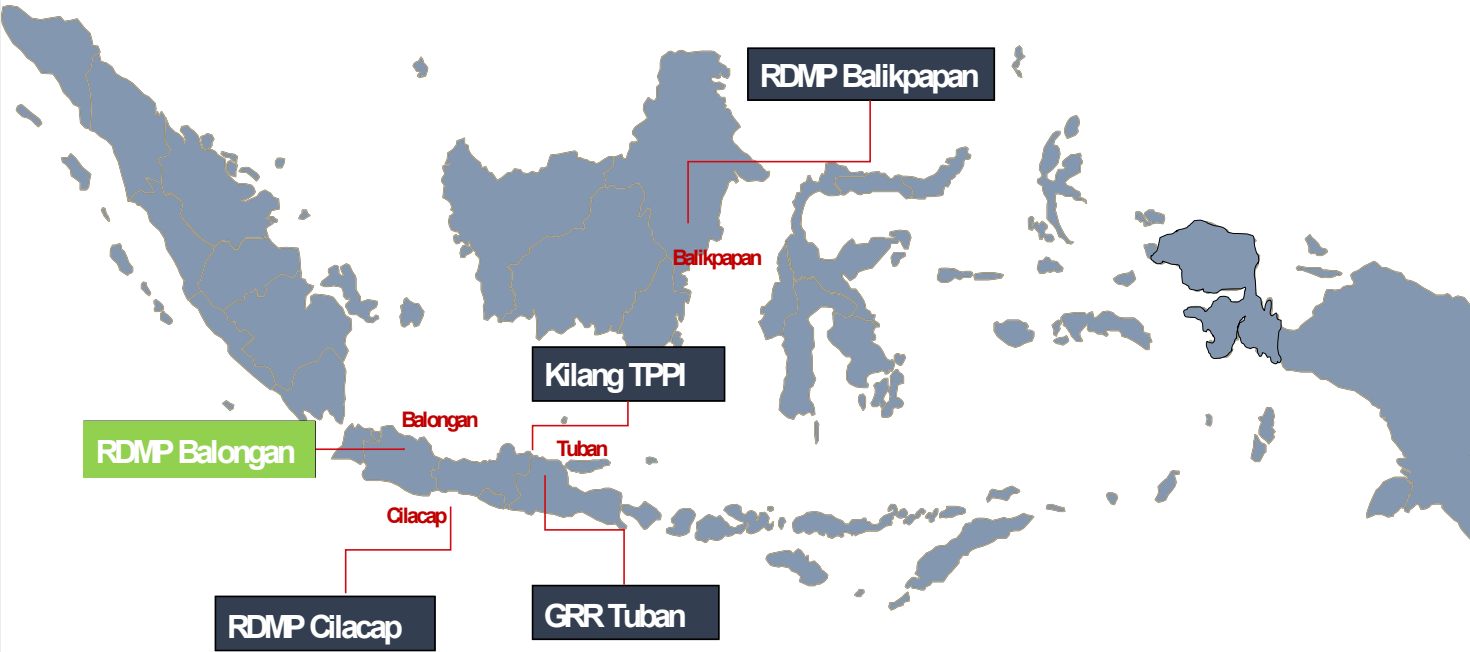
- ± USD 445 Million :
- 2020 : ± USD 200 Million
  - 2021 : ± USD 245 Million

### PROGRESS

- FEED
- Target : 2H - 2021

# Downstream Infrastructure Projects

## Gas Conversion Refineries

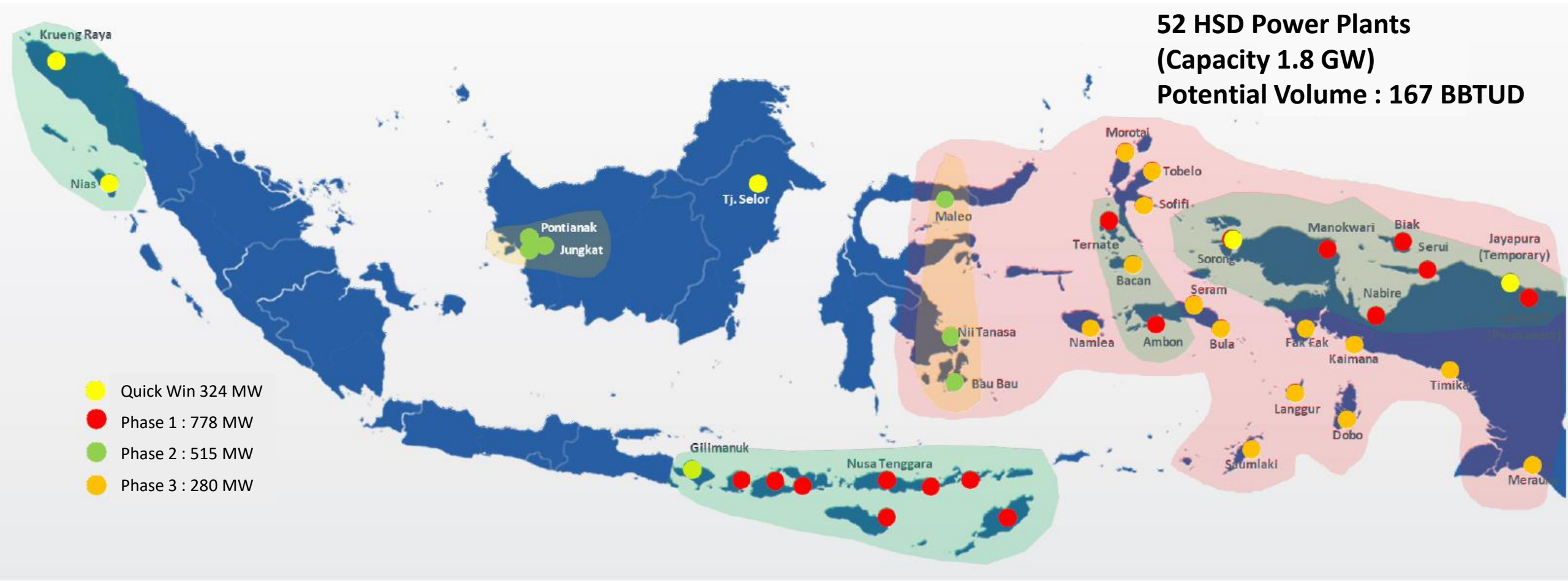


Potential Volume : ± 90 BBTUD ≈ ± 16.4 thousand BOEPD



## Downstream Infrastructure Projects

### Gas Conversion HSD Power Plants







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