

OUR VALUE CREATING BUSINESS MODEL

Our business model is structured around four strategic business units that actively collaborate and integrate, ensuring optimal resource utilisation. This approach facilitates agile decision-making, focused execution, and sustainable growth, enabling us to deliver value to both PETRONAS Group and our stakeholders.

OUR VALUE PROPOSITION

- Leading Gas Infrastructure Owner**
- Robust Balance Sheet**
- World-Class Operational Performance**
- Stable Earnings**
- Sustainable Returns to Shareholders**

OUR SIX CAPITALS	CORE BUSINESS & KEY PROCESS	OUTPUT/OUTCOME	ACTIONS TO ENHANCE OUTCOMES	TRADE OFFS	
F FINANCIAL Equity funding (%): 2023: 81.4 2024: 88.5 Debt funding (%): 2023: 18.6 2024: 11.5 WACC (from Bloomberg) (%): 2023: 8.6 2024: 7.4 Interest gained from investment (RM mil): 2023: 149.2 2024: 123.4 Interest expense paid (RM mil): 2023: 169.2 2024: 102.3 Market capitalisation (RM bil): 2023: 34.4 2024: 35.0	<p>Various processes such as gas processing, gas transportation, regasification and utilities to convert natural resources utilising all other key inputs into valuable products and output.</p>	F Operating profit (RM bil): 2023: 2.3 2024: 2.3 Cash from operating activities (RM bil): 2023: 3.0 2024: 3.2 EBITDA (RM bil): 2023: 3.3 2024: 3.4 Earnings per share (sen): 2023: 92.0 2024: 92.8 Dividend per share (sen): 2023: 72.0 2024: 72.0	Enhancing financial capital efficiency <ul style="list-style-type: none"> Adopting technology and innovative solutions to optimise unit costs and operating expenses. Ensuring timely contract renewals and engaging closely with regulators to achieve mutually favourable terms for long-term agreements. Ensuring sustainable returns for shareholders in accordance with industry benchmarks. Implementing optimal hedging strategies to mitigate potential forex exposure. 	By strategically investing financial capital in maintaining our plants and managing ageing assets, we strive to uphold operational excellence while enhancing value across our manufactured, human, intellectual, and social and relationship capitals.	
N NATURE Natural gas processed (mmscfd): 2023: 1,873 2024: 1,977 Freshwater withdrawal (mil m ³): 2023: 8.3 2024: 8.0 Land area (hectares): 2023: 5,103 2024: 5,145		N GHG emissions (tCO ₂ e): Scope 1 2023: 5,859,402 2024: 6,074,946 Scope 2 2023: 49,165 2024: 51,319 Scope 3 2023: 2,249 (Category 6) 2024: 5,055 (Category 6 & 7) Energy Index: 2023: 93.9 2024: 92.8 Waste generated (MT): 2023: 3,266 2024: 2,505 Waste recycled (MT): 2023: 2,104 2024: 1,799	Managing natural resources <ul style="list-style-type: none"> Investing in research, development, and technologies to enhance energy efficiency, reduce negative impacts on natural elements, minimise pollution, and promote water stewardship. Setting annual targets for reducing waste disposal and greenhouse gas (GHG) emissions. Investing in initiatives to meet clean air regulation requirements. 	Our business processes and emissions impact natural resources. To address and minimise this effect, we leverage our financial, asset, and human capital.	
M MANUFACTURED Plant OEE (%): 2023: 99.7 2024: 99.6 Peninsular Gas Utilisation reliability (%): 2023: 99.9 2024: 99.9 Salesgas PDR (%): 2023: 100 2024: 100 Utilities PDR (%): 2023: 99.5 2024: 99.1		M Salesgas delivered (mmscfd): 2023: 2,187 2024: 2,455 Ethane delivered (MT/hr): 2023: 136 2024: 133 Electricity generated (GWh): 2023: 1,568 2024: 1,680 Steam produced (kMT): 2023: 4,565 2024: 4,499 Industrial gases delivered (mil Nm ³): 2023: 606 2024: 696	Elevating asset performance <ul style="list-style-type: none"> Focusing on PGB Strategic Agenda (G5dot5) progress in sustaining operational excellence while pursuing business growth and elevating project and commercial excellence. Leveraging digital initiatives in supporting business requirements by providing solutions based on the latest technology to enhance operational efficiency and innovation while creating value. 	In the short-term, we utilise and deplete our financial capital to enhance asset performance. However, in the long term, this contributes positively to our financial, natural, human, and social and relationship capitals.	
I INTELLECTUAL <ul style="list-style-type: none"> Brand Innovation Intellectual property management System and processes 		I Key results areas (G5dot5): Number of KRAs: 2023: 90 2024: 60 Value Creation (RM mil): 2023: 259.3 2024: 131.2 Organizational Excellence Management System enhancement.	<ul style="list-style-type: none"> Enhanced project governance and delivery to cater for power and step-out projects via PGB Project Management System. Multiple awards received in HSSE and innovation front. 	Leveraging intellectual capital <ul style="list-style-type: none"> Standardisation of processes to eliminate errors, enhance quality and free resources for more value-added tasks. The establishment of Change Order Committee for overall control on Joint-Venture project change management. 	When we invest in intellectual capital, this reduces our financial capital for the short-term. Nevertheless, over the longer term, our financial, natural, human as well as social and relationship capitals will all be strengthened.
H HUMAN CAPITAL Total employees: 2023: 1,821 2024: 1,868 Average training days per employee: 2023: 13.1 2024: 13.3 Employee cost (RM mil): 2023: 493.4 2024: 517.9 Investment in training per employee (RM '000): 2023: 7.4 2024: 8.7		H Total employees: 1,868 Achieved 97.7% manning strength Average training days per employee: 13.3 Increased by 1.5% Employee cost (RM mil): RM517.9 Increased by 3% Investment in training per employee (RM '000): RM8.7 Increased by 17%	Nurturing people <ul style="list-style-type: none"> Accelerate capability building by introducing enhanced tailored programmes to strengthen leadership and technical expertise, while developing emerging skill sets to support the execution of growth-related projects. Fostering a culture of continuous learning through workshops, e-learning platforms, and on-the-job training. 	While investing in learning and development may initially impact operational expenditures, it is expected to deliver long-term benefits. These include enhanced productivity and the sustained performance of the organisation.	
SR SOCIAL & RELATIONSHIP a) Investor and Funding Institutions b) Customers c) Business Partners d) Suppliers and Vendors e) Employees and Unions f) Government Agencies and Authorities g) Communities h) Non-governmental organisations i) Media		SR <ul style="list-style-type: none"> PETRONAS Vendor Development Programme Safety toolbox talk sessions with contractors PETRONAS Powering Knowledge Programme with school children PETRONAS Uplifting Lives Programme with communities in need PETRONAS Planting Tomorrow Programme Contractor HSSE Mentoring and Coaching Programme 	Engaging stakeholders <ul style="list-style-type: none"> Continuously promote gas as a cleaner energy source and advocating its role as the best clean fuel in the energy transition. Leveraging technical expertise for potential business opportunities. Supporting government initiatives, including the NETR and sustainability events like Hari Alam Sekitar Negara and local council engagements. Adopting a proactive, strategic approach to engaging ministries, authorities, and policymakers. Collaborating with NGOs to leverage their platforms and enhance sustainability programme outcomes. 	We invest in our social and relationship capital for long-term financial capital growth. Investing in social and relationships is a long-term initiative and will be done on a continuous basis to ensure positive outcomes. PGB has invested in a dedicated stakeholder management team to ensure comprehensive engagement plans and implementation.	

Material Matters

Sustainable Value Creation	Biodiversity Impacts	Supplier Social Impacts
Mitigating Climate Change	Occupational Safety and Health	Equal Opportunity, Diversity and Inclusion
Environmental Management	Talent Management	Community Engagement
Ensuring Water Security	Human Rights	Business Ethics and Transparency
		Cybersecurity and Data Privacy

Operating Landscape

Competitive Market	Volatility of Forex Rate
Incentive Based Regulation	Impact From COVID-19 Pandemic
Increase in Fuel Gas Price	Heightened Sustainability Requirements