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Petronas Gas net profit slips to RM425.82m in Q3 FY2022

KUALA LUMPUR, Nov 14 — Lower gross profit, coupled with the impact of unfavourable foreign exchange movement saw Petronas Gas Bhd's (PetGas) net profit reduced to RM425.82 million in the third quarter ended September 30, 2022 (Q3 FY2022) from RM580.84 million in the same period last year.

The lower gross profit of 18.8 per cent was due to lower contributions from all segments following the higher operating costs, mainly fuel gas and internal gas consumption.

Its revenue, however, grew to RM1.56 billion from RM1.43 billion, contributed by the utilities segment due to higher product prices in line with higher fuel gas prices, it said in a filing with Bursa Malaysia today.

PetGas said the utilities segment revenue grew by 37.7 per cent mainly attributable to higher product prices in line with the increase in fuel gas price, based on Malaysia Reference Price (MRP).

Nevertheless, the segment results declined by 27.4 per cent amid tighter margins due to higher fuel gas costs.

The revenue of the group's gas processing division slightly increased by 1.8 per cent against the corresponding quarter following the higher internal gas consumption incentive achieved.

Conversely, the segment results declined by 6.2 per cent due to higher operating costs.

Overall, the gas processing plants maintained their world-class operational performance, recording close to 100 per cent reliability.

Meanwhile, the gas transportation business revenue was comparable at RM293.8 million, while the segment results decreased by 14.9 per cent due to higher operating costs, mainly internal gas consumption cost in tandem with higher fuel gas prices.

The group's pipeline network achieved 100 per cent reliability during the quarter under review.

PetGas said the regasification division revenue was comparable at RM357 million, while the segment results declined by 30.8 per cent as a result of higher operating costs, mainly internal gas consumption (IGC).

The IGC cost was lower in the corresponding quarter due to adjustment post finalisation of the new IGC charging mechanism.

It said its liquefied natural gas regasification terminals in Sg Udang, Melaka (RGTSU) and Pengerang, Johor (RGTP) sustained their strong reliability performance at close to 100 per cent in Q3.

For Q3, the group announced an interim single-tier dividend of 18 sen per ordinary share.

As for prospects, PetGas believes that the gas and utilities demand will improve as the country is transitioning into the endemic phase of Covid-19.

“PetGas expects assets utilisation to improve in line with the economic recovery. The group’s performance in 2022 is expected to remain resilient on the back of long-term contracts which ensure steady revenue streams, particularly for gas processing, gas transportation and regasification business segments,” it said.

The group added that it has renewed several long-term utilities contracts, which improved the segment margin for Q3 performance and consequently help to partly mitigate the adverse impact of higher fuel gas costs.

Nevertheless, the rise in MRP, further weakening trend of the ringgit against the US dollar and imposition of Prosperity Tax will continue to impact the overall group’s performance.
— Bernama