

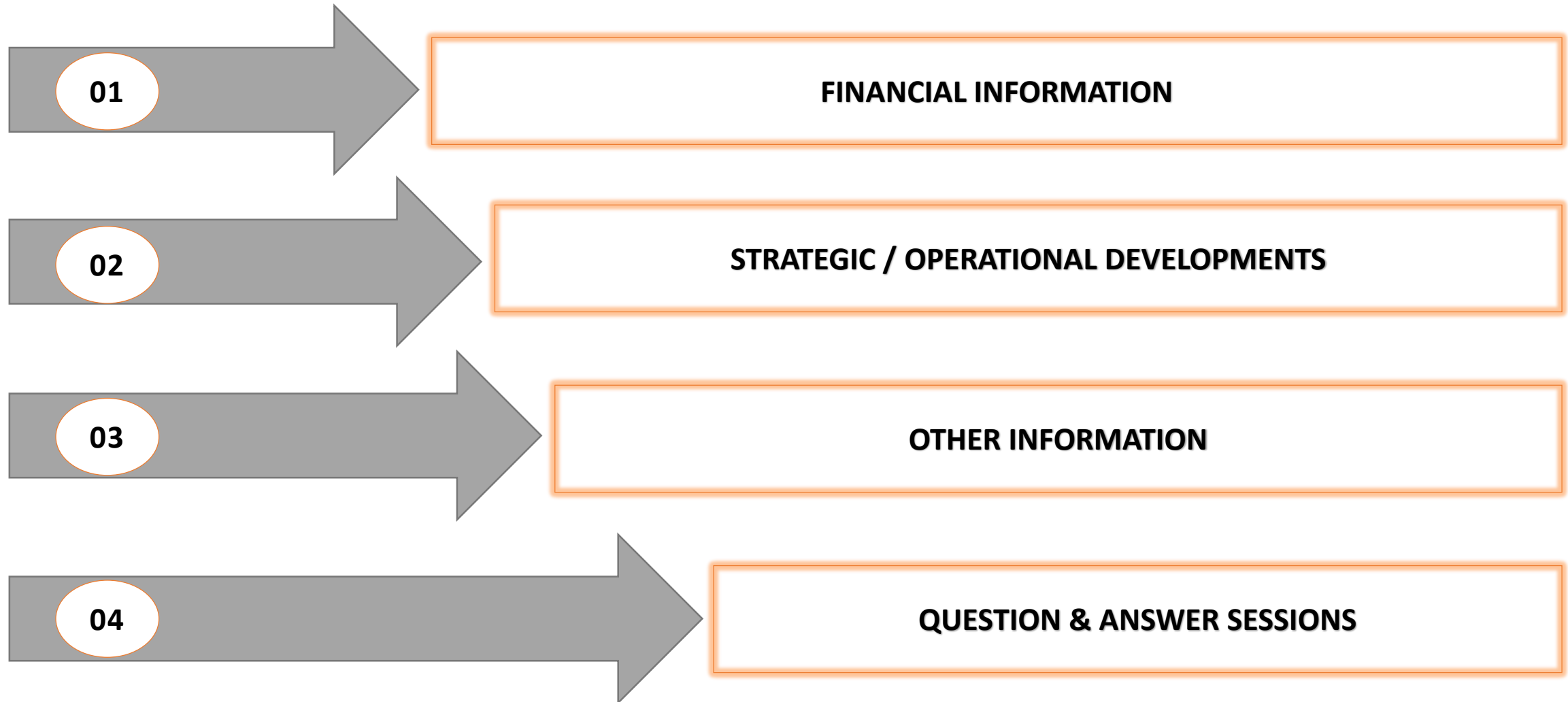


**A SYMBOL OF
ROBUSTNESS**

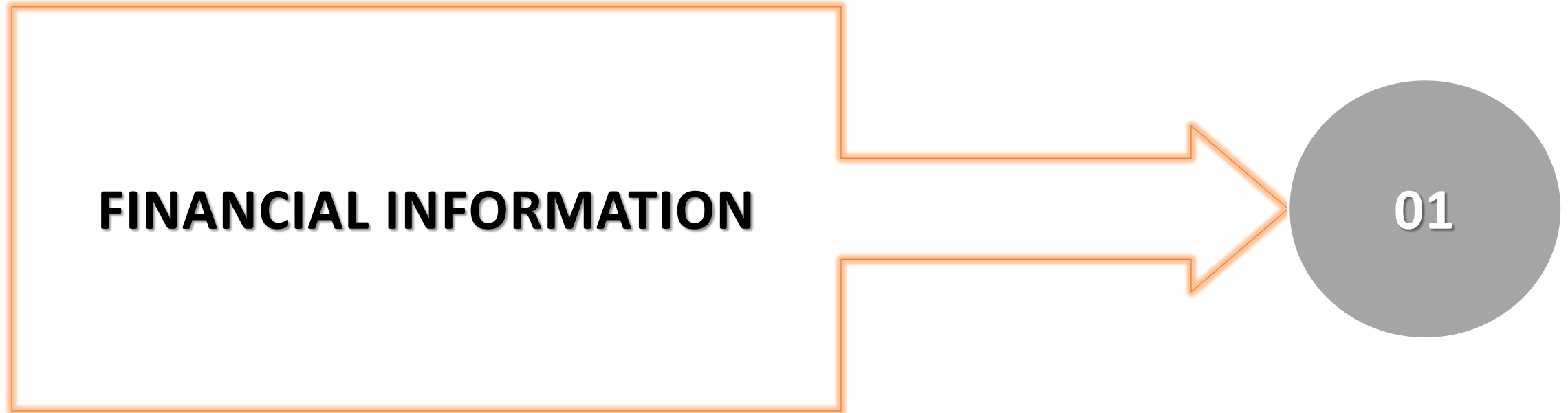
CORPORATE BRIEFING

**AIMING
HIGHER**

CORPORATE BRIEFING



CORPORATE BRIEFING



OUR FINANCIALS – SNAPSHOT FY 2020-21

Profit / (Loss) after Tax:

2021: PKR 1,956 million

2020: PKR (21,393) million



109%
Growth YoY

Earning per Share:

2021: PKR 2.2

2020: PKR (24.28)



109%
Growth YoY

Turnover:

2021: PKR 271,487 million

2020: PKR 251,800 million



7.8%
Growth YoY

Unaccounted for Gas:

2021: 15.31%

2020: 17.25%



2% UFG
Reduction YoY (11%)

Working Capital



1.2 times
Reduction
YoY

2021: PKR (5,431)
million

2020: PKR 27,050
million

Bank Loans



2%
Growth
YoY

2021: PKR 53,091 million

2020: PKR 52,154 million

Capitalization:

2021: PKR 11,319 million

2020 : PKR 9,598 million



18%
Growth YoY

OUR FINANCIALS – SNAPSHOT-Q1 – FY 2021-22

Profit / (Loss) after tax:

Q1 FY 2022: PKR 736 million
Q1 FY 2021: PKR (721) million

 202%
Growth YoY

Earning per Share:

Q1 FY 2022: PKR 0.84
Q1 FY 2021: PKR (0.82)

 202%
Growth YoY


Turnover:

Q1 FY 2022: PKR 79,995 million
Q1 FY 2021: PKR 63,162 million


 27%
Growth YoY

Unaccounted for Gas:

Q1 FY 2022: 13.75%
Q1 FY 2021: 14.02%


 0.27%
Reduction YoY

Working Capital

 1.36 times
Increase YoY


Q1 FY 2022:
PKR 3,685 million
Q1 FY 2021:
PKR(10,351) million

Bank Loans

 17%
Reduction YoY

Q1 FY 2022:
PKR 50,796 million
Q1 FY 2021:
PKR 60,872 million

Capitalization:

Q1 FY 2022: PKR 902 million
Q1 FY 2021: PKR 1,242 million
 27%
Reduction YoY

GROWTH

2022

Trans. (KMs): 4,143
Dist. (KMs): 49,098

No. of Consumer
(million): 3.2+

2021

Trans. (KMs): 4,143
Dist. (KMs): 48,449

No. of Consumer
(million): 3.2+

2020

Trans. (KMs): 4,126
Dist. (KMs): 47,520

No. of Consumer
(million): 3.1+

2019

Trans. (KMs): 4,054
Dist. (KMs): 46,993

No. of Consumer
(million): 3.0+

2018

Trans. (KMs): 4,030
Dist. (KMs): 46,210

No. of Consumer
(million): 2.9+

2017

Trans. (KMs): 3,973
Dist. (KMs): 45,521

No. of Consumer
(million): 2.8+

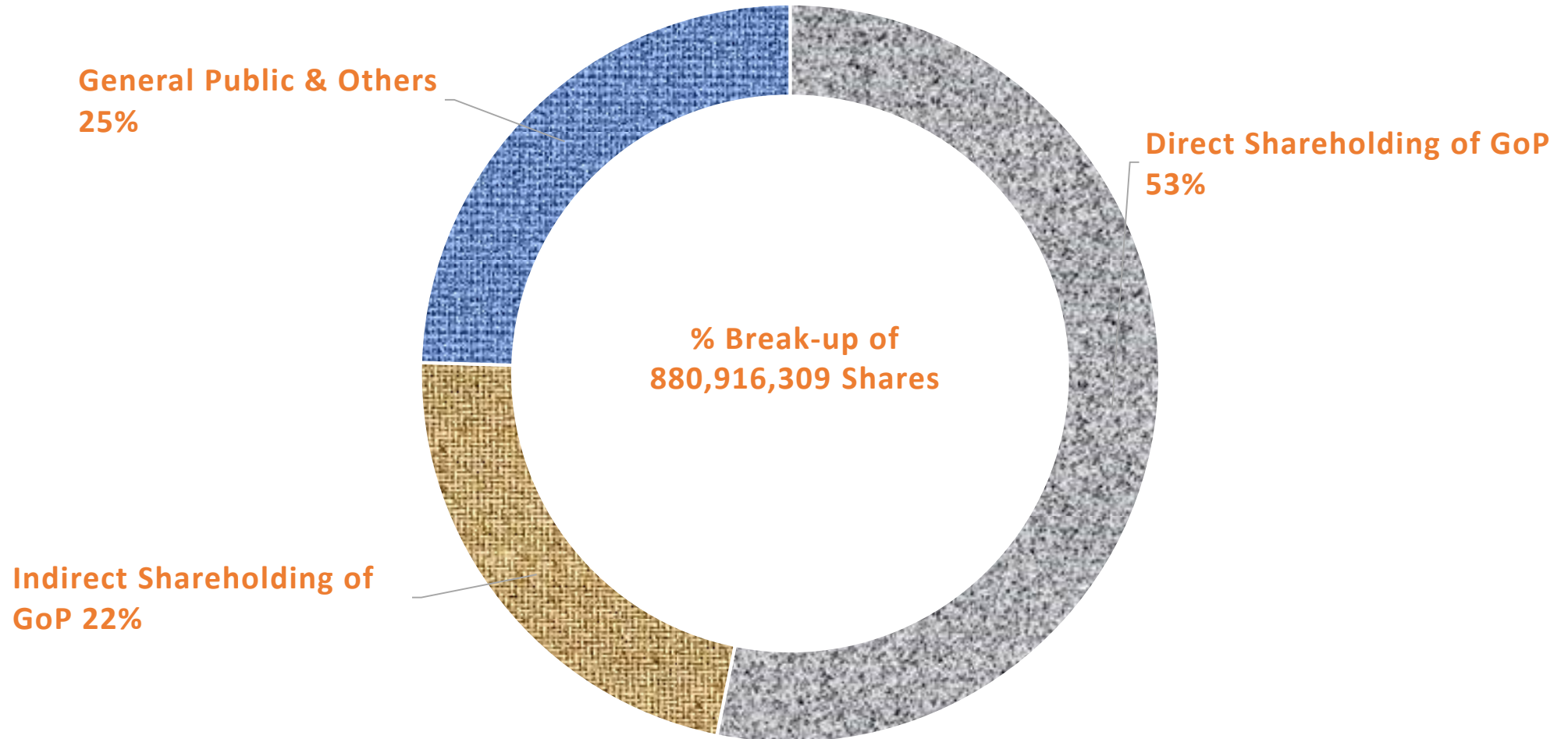
Legend:

Trans. (KMs): Transmission Network in Kilometres

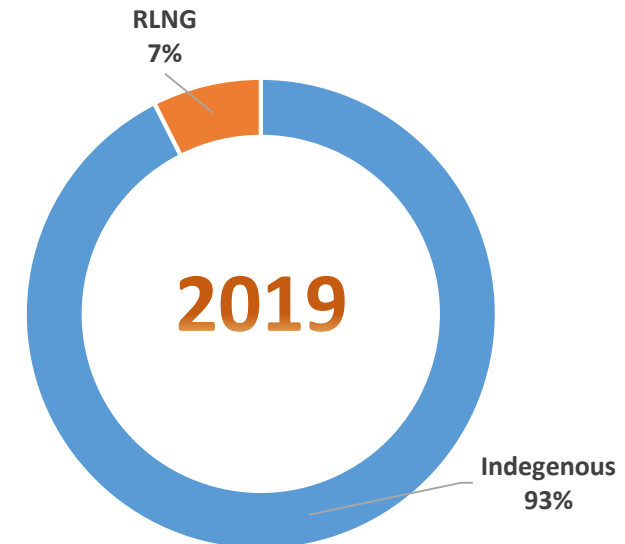
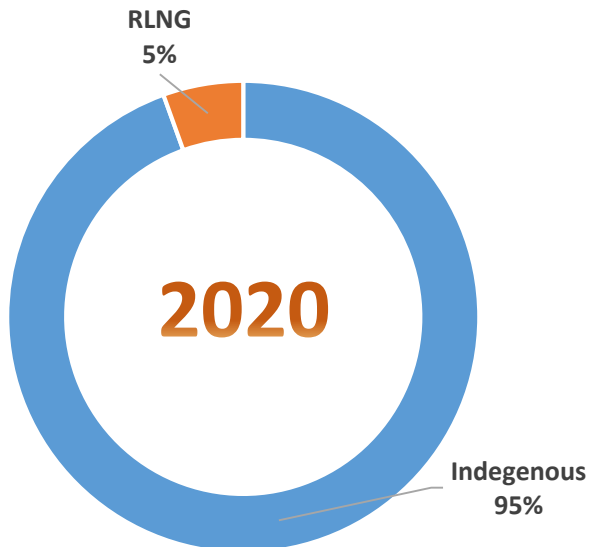
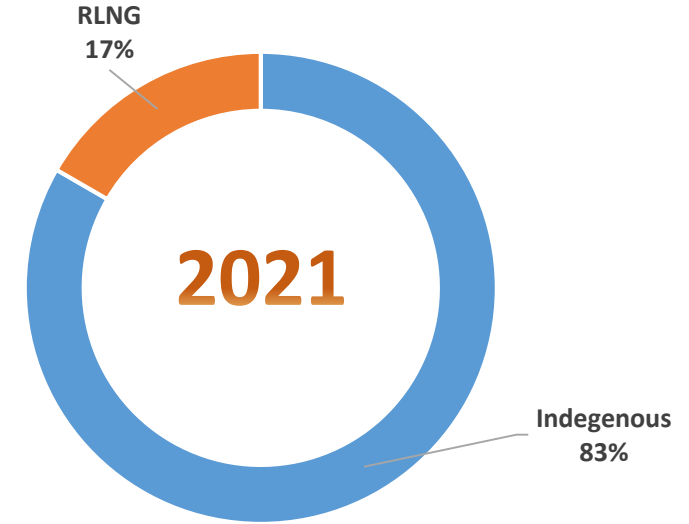
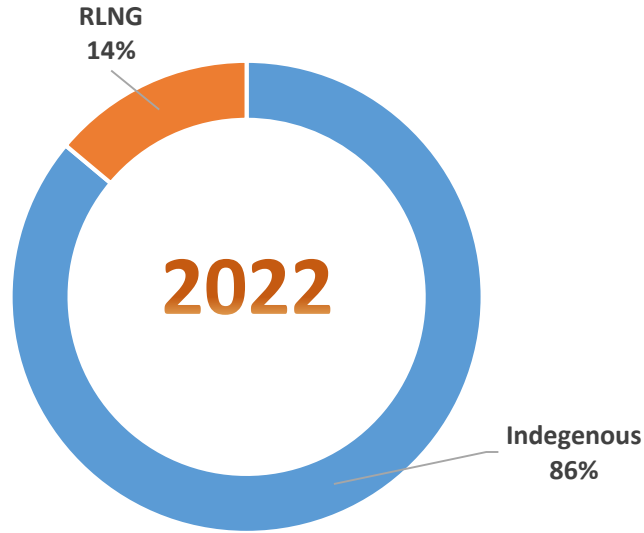
Dist. (KMs): Distribution Network in Kilometres

No. of Consumers (million): Industrial, Commercial and Domestic consumers

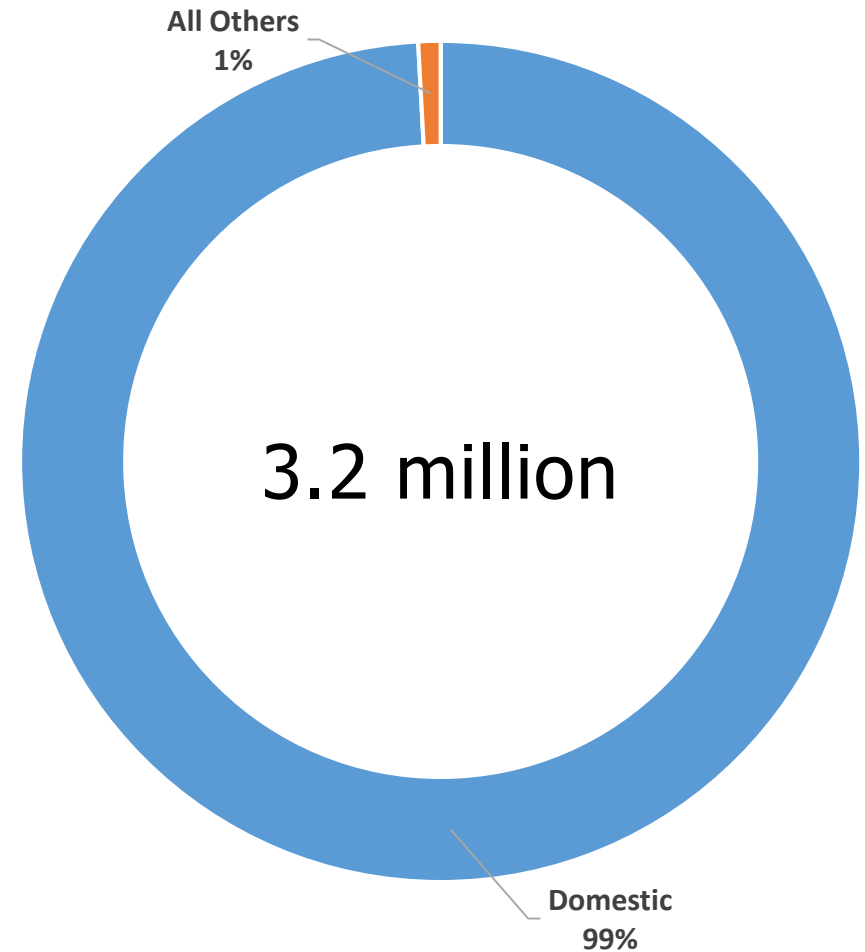
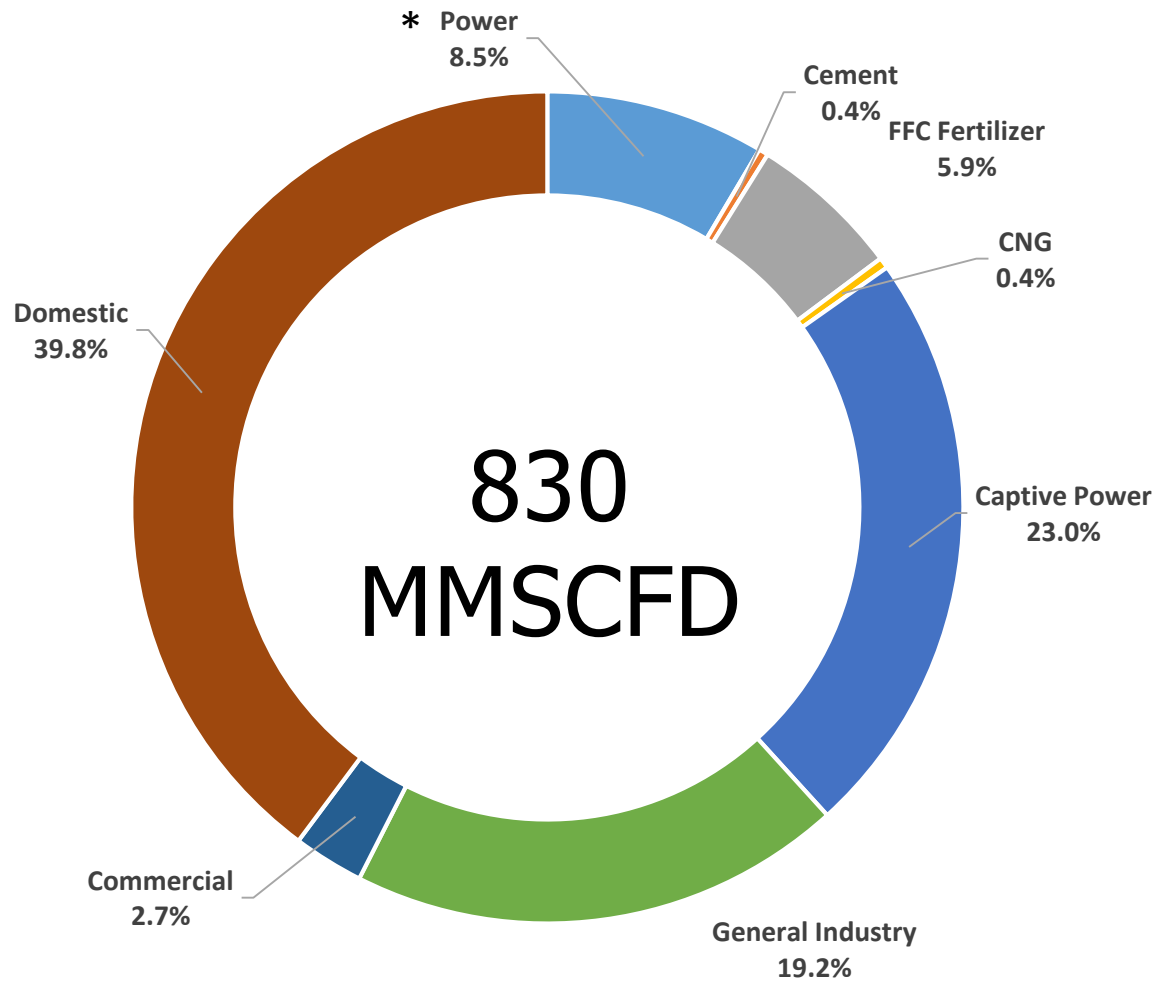
SHAREHOLDING STRUCTURE



SERVING THE COUNTRY



SERVING THE COUNTRY – SALES MIX (2023-9M)



* Power, CNG and few industrial & commercial customers partially consume RLNG.

CORPORATE BRIEFING

**STRATEGIC / OPERATIONAL
DEVELOPMENTS**

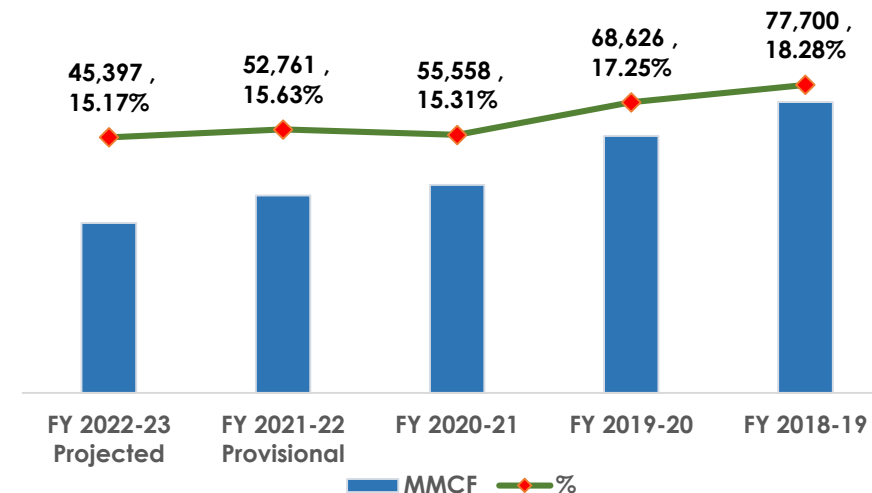
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REDUCTION IN UNACCOUNTED FOR GAS (UFG)

UFG is planned to be reduced to **45 BCF** by the end of FY 2022-23. **UFG has been drastically reduced from 78 BCF to 52 BCF in last 5 years (up to FY 2021-22)** due to rigorous implementation of UFG reduction plan as follows:

- ❖ **Network management** in Karachi through establishment of 22 zones;
- ❖ **TBS Automation project** is in full-swing;
- ❖ **Unauthorized users** are being brought under unauthorized gas claim framework. As of date, raised claims worth **PKR 1 Billion**;
- ❖ **Right-sizing, metering-accuracy and EVC installation** for large scale industrial consumers is being pursued on-priority through adequate progress on the monthly and quarterly plans;
- ❖ **Engagement of Third Party Contractor for pressure surveys** of high rise buildings. This would bring **saving of around 500 MMCF in UFG**; and
- ❖ In Quetta, **door-to-door survey** is being conducted to collect **evidence of parameters impacting monthly billing** which has resulted in UFG saving of 5 BCF.

Company Wide UFG



IMPACT OF BALOCHISTAN

Region	FY. 2020-21		FY. 2019-20	
	UFG Vol.	UFG %	UFG Vol.	UFG %
Karachi	21,302	*9.6%	36,106	14.0%
Interior Sindh	10,688	15.1%	11,794	15.5%
Trans. Gain	(729)	-	(4,320)	-
UFG W/o Balochistan	31,261	12.0%	43,580	14.9%

Balochistan	24,297	51.3%	25,056	49.8%
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UFG with Balochistan	55,557	15.3%	68,626	17.2%
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* Since Oct 2022, UFG in Karachi is at 8%.

CIRCULAR DEBT - RECENT DEVELOPMENTS

PAKISTAN STEEL MILLS CORPORATION (PRIVATE) LIMITED

- ❖ On directions of MoE (Petroleum Division), settlement of admitted liabilities of PSML of Rs. 48 billion i.e. Principal and admitted LPS has been agreed between SSGC and PSML.
- ❖ For settlement, SSGC agreed for allocation of PSML Land of same value in lieu of PSML liabilities towards SSGC on lease basis for 60 years.
- ❖ Currently, the matter is in mature stages and after its finalization SSGC will amend its legal suit against PSML and provide NOC to PSML only to the extent of 1229 acres of land and Core Operating Assets in lieu of settlement of SSGC receivables.
- ❖ Accordingly, LPS will be accounted in the Financial Statements for which coordination is being made with OGRA to allow LPS as non-operating income.
- ❖ OGRA to allow Return on Land is also one of the options.

K-ELECTRIC LIMITED

- ❖ In June 2022, a Task Force was constituted by the Prime Minister under the Chairmanship of Mr. Shahid Khaqan Abbasi to resolve issues / disputes related to K-Electric;
- ❖ Task Force decided to enter into a multi-party Mediation Agreement in order to resolve KE's receivables and payables issues between all the stakeholders;
- ❖ Mediation Agreement has been shared by Ministry of Energy (MoE) with all stakeholders;
- ❖ SSGC after having a legal opinion on Mediation Agreement and Board in-principal approval, given consent for going ahead with Mediation Agreement.

MATTERS PENDING WITH OGRA

RLNG VOLUME HANDLING

- ❖ The Company has a claim of Rs. 81 Billion on account of RLNG Volume handling claim up to FY 2021-22. This claim is in accordance with ECC Guideline to OGRA and pending OGRA appointed Consultant Report
- ❖ Economic Coordination Committee of the Cabinet (ECC) in its meeting dated May 11, 2018 approved the summary submitted by the Petroleum Division under which the Company was allowed UFG based on RLNG handling basis (volumetric basis) in the Sale Price of RLNG in the form of Distribution loss due to swapping arrangements.
- ❖ To sort out this issue, ECC constituted a Committee comprising of Secretaries of Petroleum & Finance. In line with Committee recommendations and having an independent view as requested by the Company, OGRA hired the services of International Technical, Commercial and Management Auditors for determining actual UFG of Gas Companies in respect of indigenous gas as well as imported RLNG.

REALIZABILITY OF RECEIVABLES FROM SNGPL BASED ON OGRA CONSULTANT REPORT

- ❖ OGRA has appointed a Consultant to determine the inter-enterprise liabilities of both Sui Companies before June 2020, the report of which is yet to be received.

TARIFF ADJUSTMENTS

- ❖ As at June 30, 2021, receivable on account of Tariff adjustment against Indigenous Gas stands at Rs. 208 Billion which is to be realized on increase in customer tariffs by OGRA.

METER MANUFACTURING PLANT

- ❖ SSGC owns and operates the only Domestic Gas Meters Manufacturing Plant in Pakistan with substantial vertical integration in-house.
- ❖ The plant is based on state of the art technology and is **capable for producing up to 1 million units annually, on single shift basis.**

Milestone Achieved:

- ❖ Recently, SSGC has achieved a major milestone on account of technology transfer to locally produce the Measuring Unit for G-4 gas meters which was being imported earlier for 3rd Gen of G-4 Domestic Gas Meters.
- ❖ The first batch of fully locally assembled as aforesaid has passed the quality standards and meet the European standards **ANSI 109.1, BS EN 1359:2017 and OIML-R137-1-2-e12.c**



G-1.6 Gas Meter



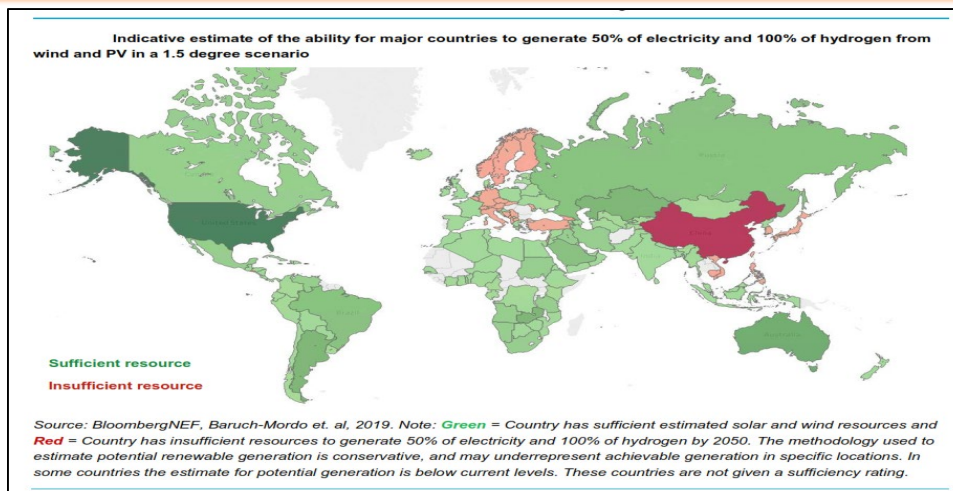
AMR enabled G-4 Gas Meter



G-6 Gas Meter (Next Target)

SSGC AE – New Venture

- ❖ Bringing Unallocated Gases to consumers on competitive terms
- ❖ Nitrogen Production for optimization of gas specifications in exchange of natural gas for intelligent utilization
- ❖ Purchase of Biogas/ Biomethane (RNG) – BOO Model
- ❖ Power Generation at SMSs – Pressure Harnessing Method
- ❖ Production & Sale of Renewable Hydrogen – Green Fuel
- ❖ Power Generation from Waste – WHRS Method
- ❖ Coal to Gas (C2G) and Coal to Liquid (C2L)



ACCOMPLISHMENTS

- ❖ SLL started its own imports in February 2020 and has grown its volumes in terms of imports
- ❖ **Net Equity has increased three times in last Five Years**
- ❖ In last nine months specially in winters SLL has shown a significant growth in terms of imports and has become the leading LPG importer in Pakistan
- ❖ **Market Share – Led the Terminal business with 64% share and improved the LPG sale market from 2.5% to 7 %**
- ❖ SLL, in Dec 2022, opened a Brand Shop in DHA Karachi to showcase different sizes of cylinders and Safety literature that can help consumer to use it safely. This shop will also be an avenue to take orders from the walk-in customers; Established 2 warehouses and arranged 6 delivery vans for Home Delivery (HD) in Karachi
- ❖ SSGC's help line has been used 24/7 to take orders in addition to the SLL website/app where the orders can directly be placed
- ❖ Social media presence enhanced thru LinkedIn, FB, Instagram
- ❖ SLL has signed an agreement with SNGPL for supply of 100,000 cylinders and LPG at various bottling plants in SNGPL's franchise area on Ministry's instructions. 59,003 cylinders filled with LPG already provided in last 4 months

- ❖ HD thru the above efforts has already increased the sale from 100 MT (2022) to 250 MT (HY2023)
- ❖ Established foot print in Quetta for the first time.
- ❖ **SLL imported Pakistan's largest ever LPG Vessel that brings 9,500 tons of LPG thru a new supplier**
- ❖ Pre-selling concept introduced to generate cash flows and to create ullage for frequent larger Vessels handling
- ❖ SLL approached PPRA thru Ministry of Petroleum and was able to secure exemptions from certain PPRA rules (for winter season) which has eased and sped up the procurement process in a highly volatile pricing environment. Additionally Open Framework has been opted which would facilitate the procurement process even after the exemptions from PPRA rules not available after March '23.

	FY2022 Actual	FY2023 Target	FY2023 Actual March
Terminal Volume (MT)	58,089	124,680	124,656
LPG Sales Volume (MT)	42,768	65,000	86,386
Market Share – Terminal Business	48%	50%	65%
Market Share – LPG Sale	2.5%	5.62%	6.9%

CORPORATE BRIEFING



COMPANY OVERVIEW

CORE BUSINESS:

- Transmission, Distribution and Sale of Natural Gas
- Design & Construction of Transmission / Distribution Projects
- Re-gasified LNG

NON-CORE BUSINESS:

- LPG/NGL/Condensate
- Manufacturing Domestic Gas Meters

SUBSIDIARIES:

- SSGC LPG
- SSGC AE

Integrated National Gas T&D Operator	3.2 million Consumers	336 BCF Annual Supply
69 year of experience in O&M of gas T&D system	Transmission Network of 4,143 KMs	Distribution Network of 49,098 KMs
8 Regional Offices & 47 sub-regional offices	23 Customer service & 1199 Compliant Centres	Assets worth PKR 635 Billion
SCADA System for Real Time Monitoring	1/3 Gas Demand of Country	Over 6,500 Full Time Employees

COMPANY'S VISION, MISSION & VALUES

VISION & MISSION

CORE VALUES

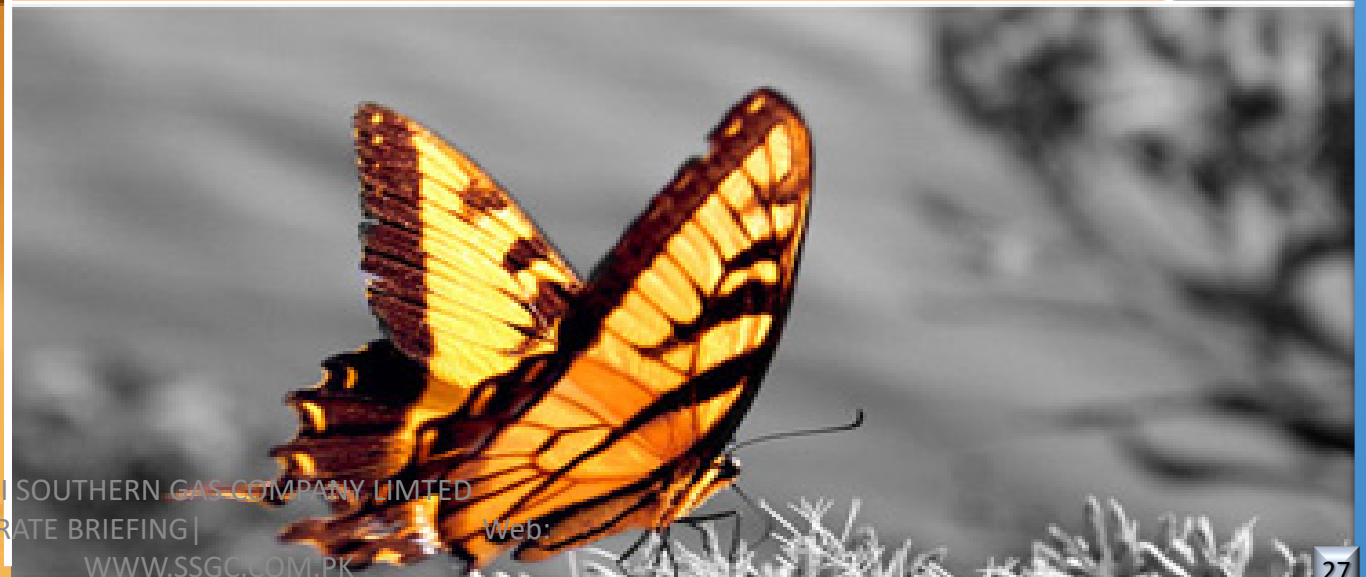
<p>VISION STATEMENT</p>	<p>To Be A Model Utility, Providing Quality Service, By Maintaining A High Level Of Ethical And Professional Standards Through The Optimum Use Of Resources</p>	<p>INTEGRITY</p>	<p>Keeping Company's interest above oneself. Practicing and promoting ethical business environment. Taking effective actions if there is a deviation in behaviour or situation. Being honest and living within means.</p>
<p>MISSION STATEMENT</p>	<p>To meet the energy requirements of customers through reliable, environment friendly, and sustainable supply of natural gas, while conducting company business professionally, efficiently, ethically and with responsibility to all our stakeholders, community and the nation.</p>	<p>EXCELLENCE</p>	<p>Making positive contribution towards the achievement of SSGC's vision. Striving for continuous improvement. Responding effectively to customer needs. Taking timely and corrective decisions.</p>
		<p>TEAMWORK</p>	<p>Building strong relationships across functional areas. Working well with all types of people and co-operating with others. Soliciting advice, sharing ideas and best practices with all stakeholders. Supporting the achievements of Company's goals. Effectively contributing and using people's various skills and styles. Arriving at constructive solutions while maintaining positive working relationships. Demonstrating flexibility</p>
		<p>TRANSPARENCY</p>	<p>Displaying openness and consistency in applying policies and procedures. Following regulations in all aspects of operations and processes.</p>
		<p>CREATIVITY</p>	<p>Coming up with new ideas. Encouraging innovation. Promoting modified approaches. Converting ideas into actions.</p>
		<p>RESPONSIBILITY TO STAKEHOLDERS</p>	<p>Staying abreast of changing environment that impacts our business i.e. markets, competitors, technology, customers, suppliers, employees and regulators. Creating solutions to help colleagues and team members to improve their skills and performance. Ensuring optimum utilization of resources. Balancing short and long term priorities to maximize on results. Ensuring compliance of law.</p>

CORPORATE BRIEFING

QUESTION & ANSWER SESSION

04

Thank you



SUI SOUTHERN GAS COMPANY LIMITED

|CORPORATE BRIEFING|

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