



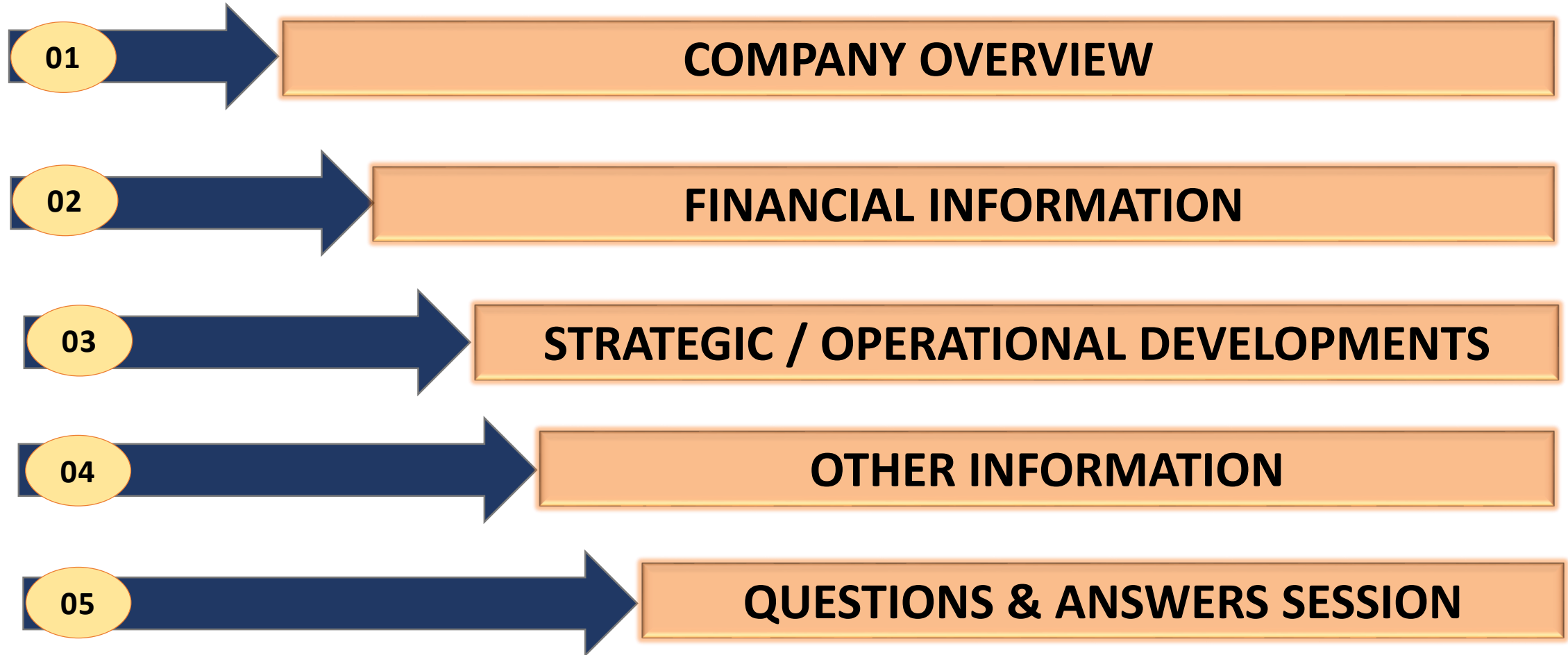
SSGC

Sui Southern Gas
Company Limited

CORPORATE BRIEFING



CORPORATE BRIEFING

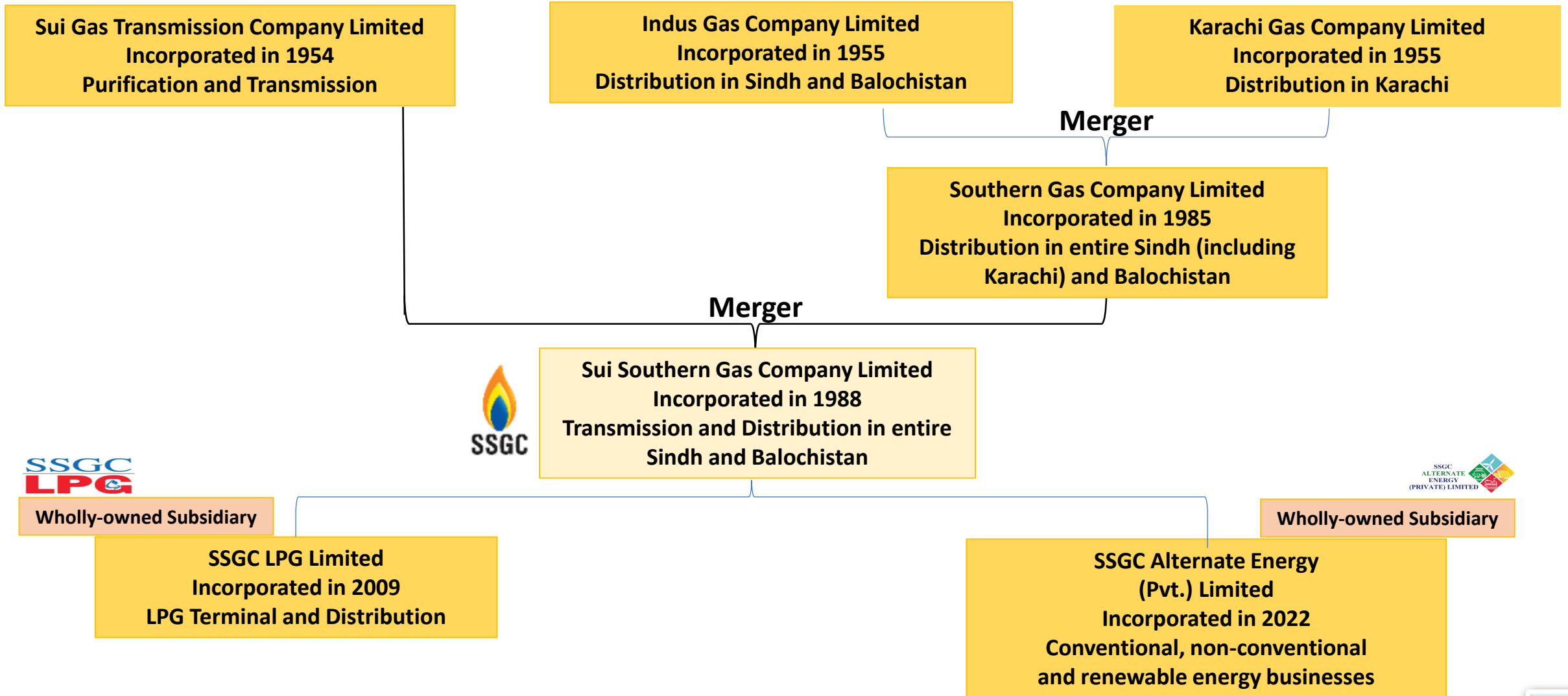


CORPORATE BRIEFING

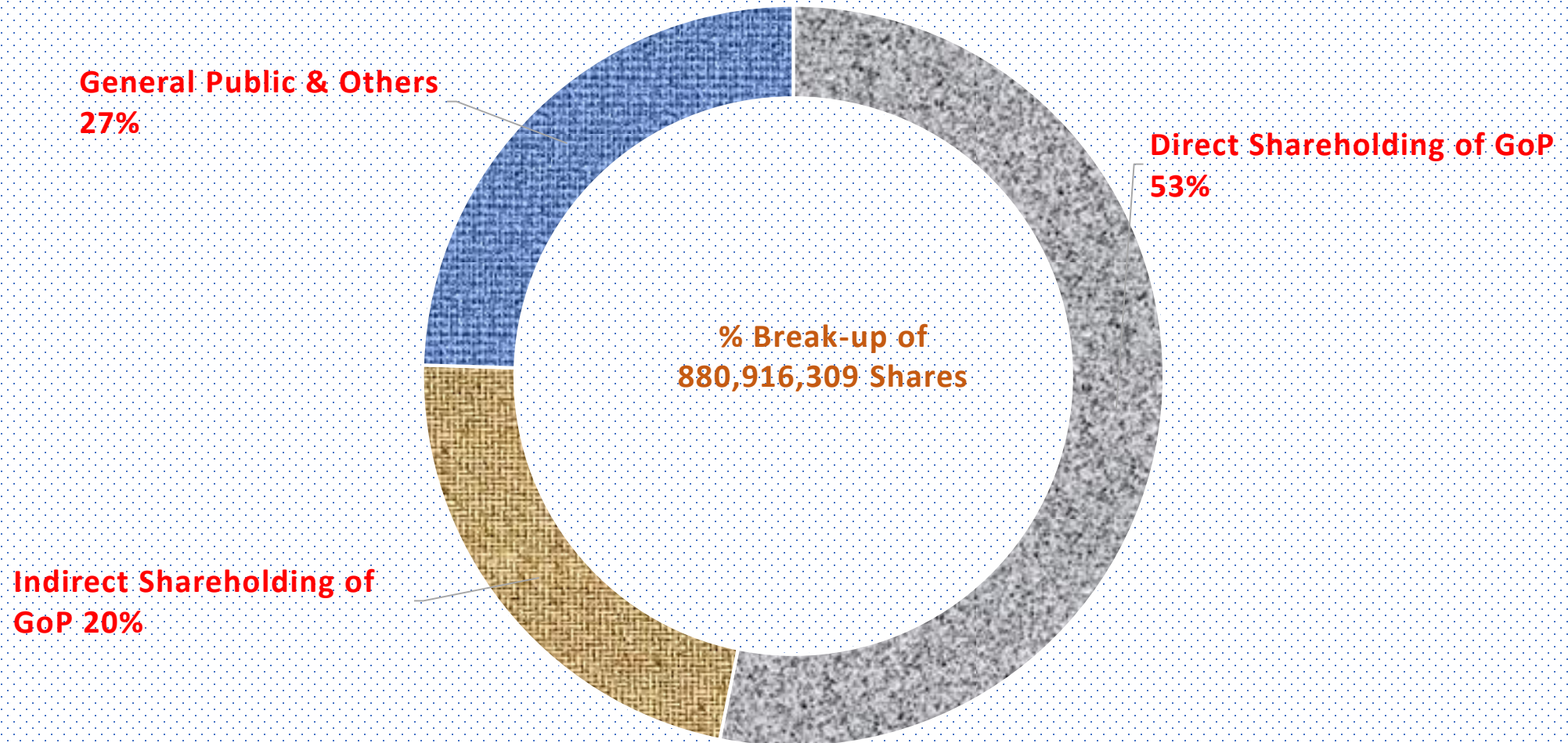
COMPANY OVERVIEW

01

SSGC THROUGH THE YEARS



SHAREHOLDING STRUCTURE



VISION

To be a model utility providing quality services by maintaining high level of ethical and professional standards and through optimum use of resources

MISSION

To meet the energy requirements of customers through reliable, Environment-friendly and sustainable supply of natural Gas, while conducting business professionally, effectively, ethically and with responsibility to all our stakeholders, community and the nation.

CORE VALUES



COMPANY OVERVIEW



CORE BUSINESS:

- ❑ Transmission, Distribution & Sale of Natural Gas
- ❑ Design & Construction of Transmission & Distribution Projects.
- ❑ Re-gasified LNG.

NON-CORE BUSINESS:

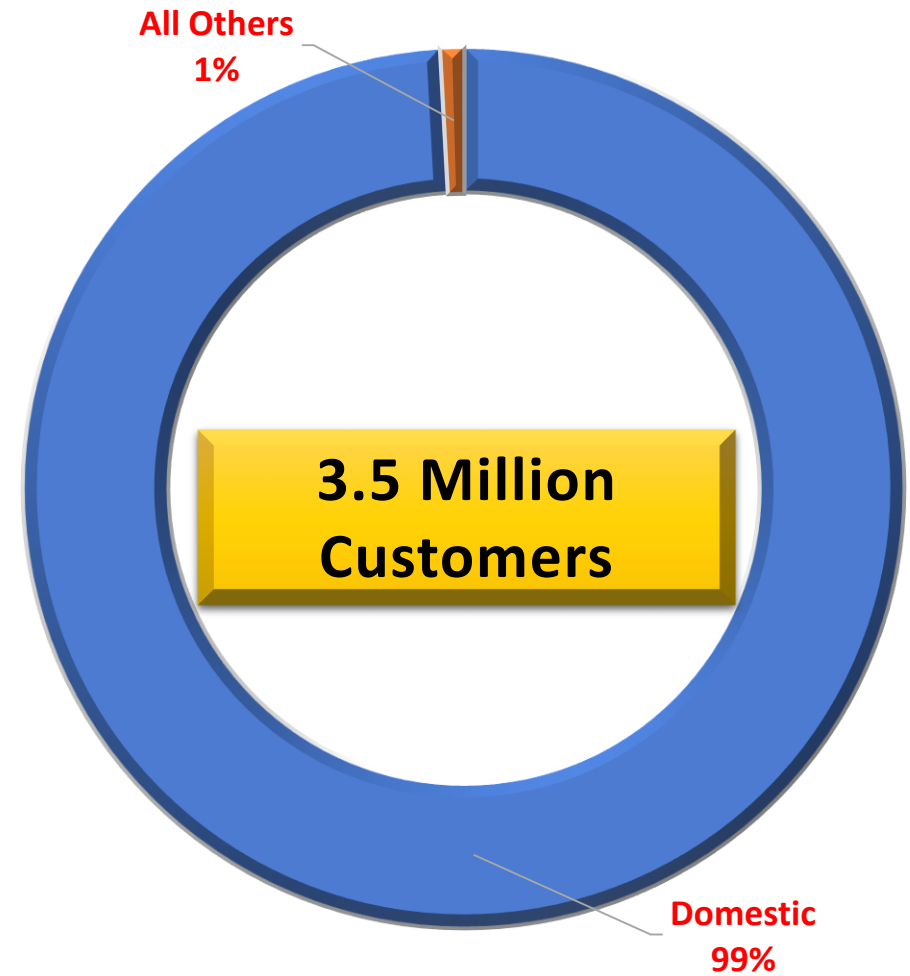
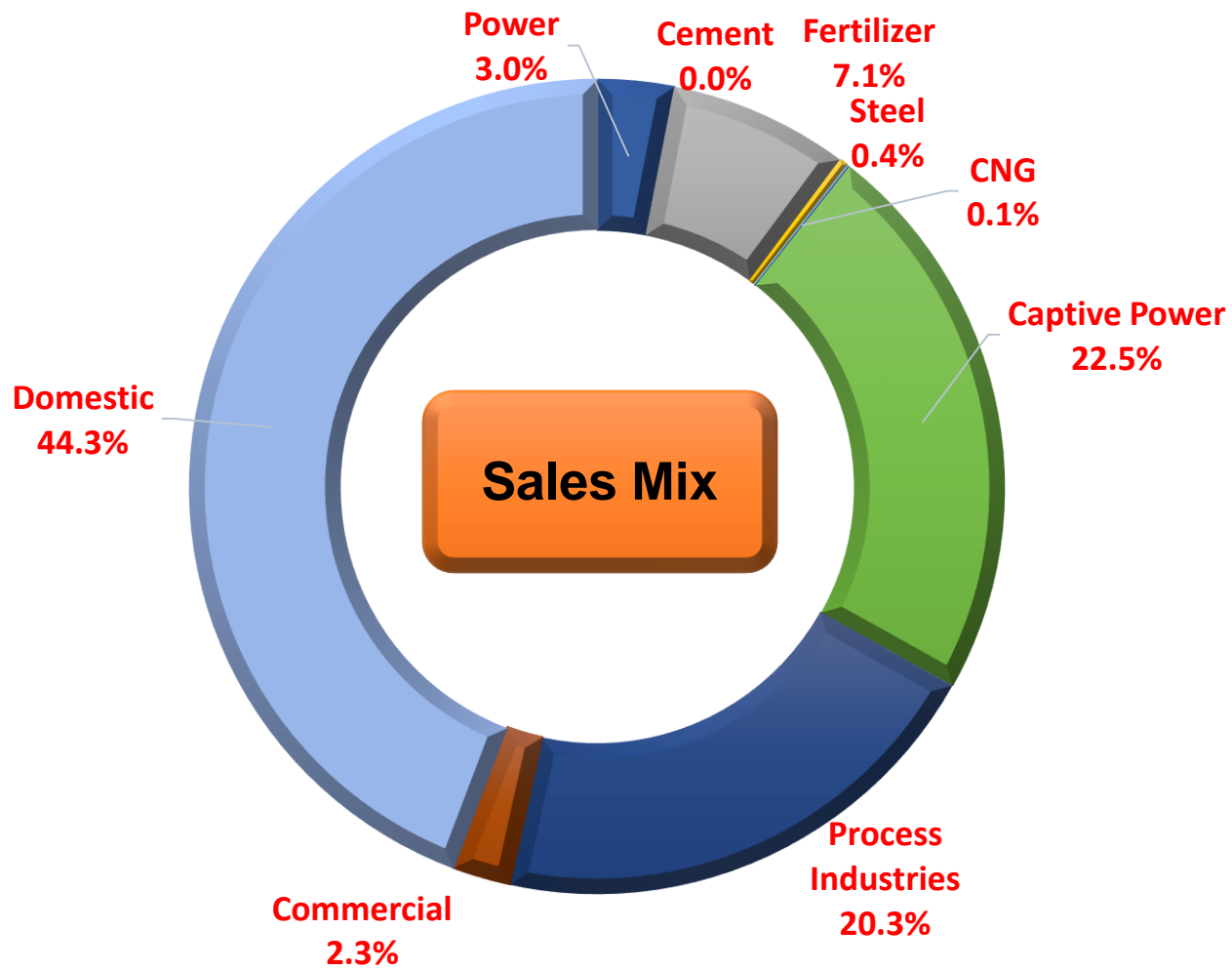
- ❑ LPG / LNG / Condensate
- ❑ Manufacturing Domestic Gas Meters

SUBSIDIARIES:

- ❑ SSGC LPG Limited
- ❑ SSGC Alternate Energy (Pvt.) Ltd.

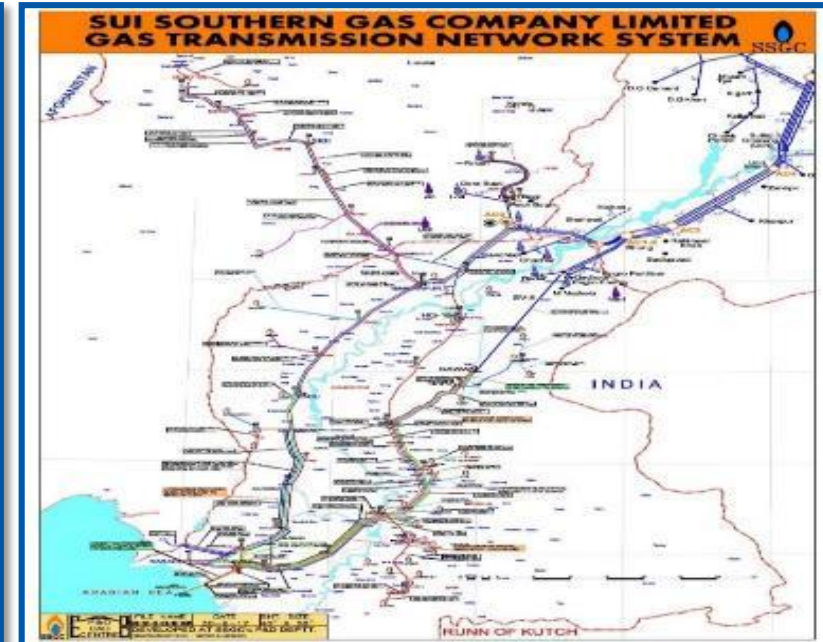
Integrated National Gas T&D Operator	3.5 million Consumers	266 BCF Annual Supply
70 year of experience in O&M of gas T&D system	Transmission Network of 4,206 KMs	Distribution Network of 49,811 KMs
8 Regional Offices & 47 sub-regional offices	23 Customer service & 1199 Compliant Centres	Assets worth Over Rs. 01 Trillion
SCADA System for Real Time Monitoring	1/3 Gas Demand of Country	Over 6,500 Full Time Employees

SERVING THE COUNTRY – SALES MIX (2023-24)

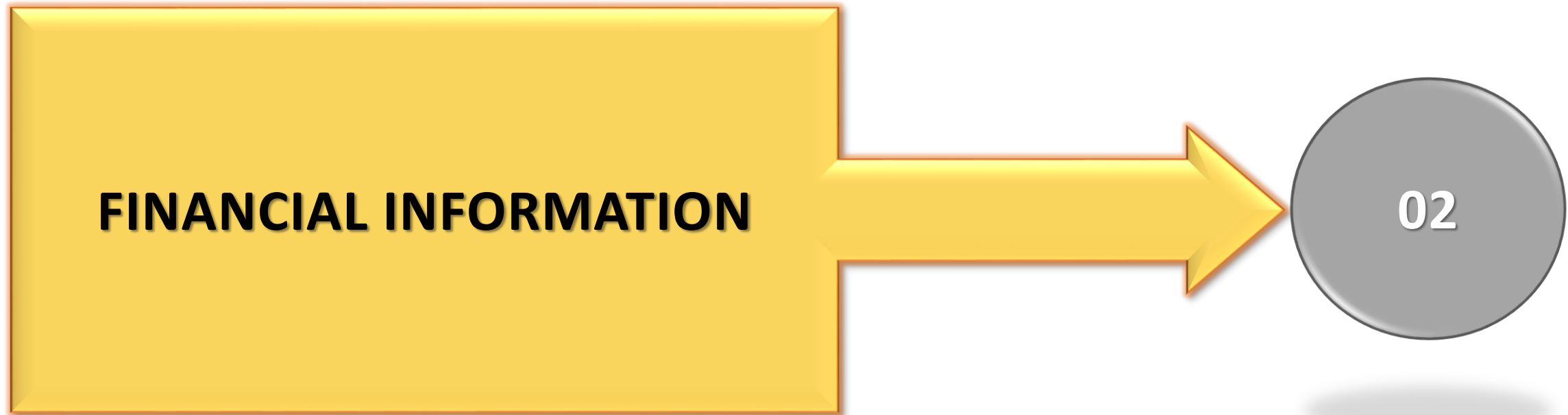


CORE BUSINESS

- SSGC is Pakistan's leading integrated public-limited large-scale natural gas utility Company with majority of shareholding owned by the Government of Pakistan.
- Engaged in the business of transmission (4,206 Km, up to 42" dia.) and distribution (~50,000 Km) in the franchise provinces of Sindh and Balochistan since 1954. The Company buys gas from on-shore indigenous gas fields as well as RLNG regasification terminals, for supply across its franchise areas.
- Capable of handling around 2.4 BCFD to support over 3.5 million industrial, commercial and domestic consumers located across 4,000 cities, towns and villages as well as to Pakistan's Northern gas utility company (SNGPL).




CORPORATE BRIEFING



FINANCIALS – SNAPSHOT FY 2022-23

Unconsolidated Profit / (Loss) after Tax:

2023: PKR (1,601) million
2022: PKR (11,444) million

 86%
Growth YoY

Earning per Share:

2023: PKR (1.82)
2022: PKR (12.99)

 86%
Growth YoY

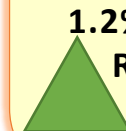
Turnover:

2023: PKR 449,501 million
2022: PKR 375,559 million

 20%
Growth YoY


Unaccounted for Gas:

2023: 16.6% (51.1 BCF)
2022: 17.8% (59.9 BCF)

 1.2% UFG (Volume-wise
Reduction by 15%)
Reduction YoY (7%)

Capitalization:

2023: PKR 16,594 million
2022: PKR 9,606 million

 73%
Growth YoY

CONSOLIDATED
SNAPSHOT


Consolidated Profit / (Loss) after Tax:

2023: PKR (836) million
2022: PKR (11,412) million

 93%
Growth YoY

Consolidated Earning per Share:

2023: PKR (0.95)
2022: PKR (12.95)


 93%
Growth YoY

FINANCIALS – SNAPSHOT Q1 Sep. FY2023-24

Unconsolidated Profit / (Loss) after Tax:

2023: PKR 4,158 million

2022: PKR (5,595) million

 174%
Growth Q1

Earning per Share:

2023: PKR 4.72


2022: PKR (6.35)

 174%
Growth Q1

Turnover:

2023: PKR 117,852 million


2022: PKR 116,240 million

 1%
Growth Q1

Unaccounted for Gas:

2023: 10.14% (7.4 BCF)


2022: 18.85% (14.7 BCF)

 46% UFG
Reduction Q1 (7%)

Capitalization:

2023: PKR 1,508 million

2022: PKR 951 million

 59%
Growth Q1

CONSOLIDATED
SNAPSHOT

Consolidated Profit / (Loss) after Tax:

2023: PKR 4,542 million


2022: PKR (5,567) million

 182%
Growth Q1

Consolidated Earning per Share:

2023: PKR 5.16

2022: PKR (6.32)

 182%
Growth Q1

PROJECTIONS OF NEXT THREE YEARS - Business Plan

Description	FY 2026-27	FY 2025- 26	FY 2024- 25
	<u>PKR in Million</u>		
Capitalization	40,000	40,000	40,000
Asset Base	177,357	155,581	133,805
Rate of Return (%)	20.05%	20.05%	22.5%
Return on Assets	35,557	31,192	30,104
Actual UFG (MMCF)	31,307	31,307	31,307
Actual UFG (%)	10.50%	10.50%	10.50%
UFG Disallowance	10,978	10,978	10,978

INTERIM FINANCIAL RESULTS FOR THE Q1 Sep. FY2023-24

Description	SEPTEMBER 2023	SEPTEMBER 2022
	<u>PKR in Million</u>	
Asset Base	103,215	95,976
Rate of Return (%)	23.45%	16.60%
Return on Assets	6,051	3,983
UFG Disallowance	(2,134)	(8,168)
Other Disallowances	(356)	(277)
HR Benchmark Gain	1,474	149
Non – Operating Income allowed by OGRA	2,606	1,272
Finance Cost	(3,243)	(1,649)
Profit before Taxation	4,398	(4,690)
Taxation	(239)	(904)
Profit after Taxation	4,159	(5,594)
Earning / Loss Per Share	4.72	(6.35)

Note:

- Financial results for the year ended June 30, 2024 will be based on the same parameters as are used in the preparation of first quarter's result ended September 30, 2023 based on OGRA final Determination subject to final OGRA Determination.
- UFG volume and percentage in the quarter financials were 7 BCF and 10.14% in September 2023 and 15 BCF and 18.85% in September 2022 respectively.

CREDIT RATING – HISTORY

CREDIT RATING HISTORY

Dissemination Date	Long-Term Rating	Short-Term Rating	Outlook	Action
13-Dec-24	AA -	A1	Stable	Upgrade
15-Dec-23	A +	A1	Stable	Maintain
31-Jan-23	A +	A1	Stable	Upgrade
15-Dec-22	A	A2	Stable	Maintain
22-Dec-21	A	A2	Negative	Downgrade

CREDIT RATING IMPROVEMENT RATIONALE

CREDIT RATING RATIONALE

- ❑ Enhancement in the Company's operational efficiency & turnaround in the financial performance.
- ❑ Consecutive decline in reported UFG losses for the past three years.
- ❑ Company's Net loss has decreased from PKR 11.44 billion during FY22 to PKR 1.60 billion during FY23.
- ❑ Massive rehabilitation program to address system leakages and strengthen network integrity.
- ❑ Diversification of business stream in order to earn non-operating income. SSGC LPG Limited (Wholly-owned Subsidiary) engaging in LPG marketing and distribution across the country with the highest volumes in LPG sales of 98,700 MT during FY23, with a profit (FY-2023 PKR 0.769 Billion & FY-2024 PKR 1.2 Billion) and the market share rose to 7.7%.
- ❑ SSGC Alternate Energy (Pvt.) Limited is another venture by SSGC to bring unallocated gas through alternate ways to the customers on competitive terms.
- ❑ Substantial recovery in its financial performance, the Net profit of PKR 4.158 billion reported during 1QFY24 with a positive equity of PKR 1.49 billion at the end of September 2023.

CIRCULAR DEBT - RECENT DEVELOPMENTS

With recent amendments in the OGRA Ordinance and Federal Government commitment to curtail circular debt accumulation, Following steps were taken:

- ❑ In November 2023, February 2024 and July 2024, Federal Government has increased natural gas prices which has substantially improved the capability of both Sui Companies to pay current and overdue to E&P companies.
- ❑ Tax refunds have been acknowledged by the SIFC forum and relevant departments were instructed to expedite long outstanding SSGC tax refunds.
- ❑ 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. Mediation process has been started and all the parties (KE, NTDC, CPP-A, MOP and SSGC) have submitted their claims.
- ❑ Gas supply to PSML has been discontinued effective 30th June, 2024.
- ❑ GRA has appointed a Consultant to determine the inter-enterprise liabilities of both Sui Companies before June 2020, Consultant Report is still awaited.

**STRATEGIC / OPERATIONAL
DEVELOPMENTS**

03

DISTRIBUTION NETWORK REHABILITATION

Already Completed

- ✓ DHA Phase I
- ✓ DHA Phase II
- ✓ DHA Phase V
- ✓ DHA Phase VI
- ✓ DHA Phase VII
- ✓ Thul Town
- ✓ Shahdadkot
- ✓ Sakrand
- ✓ Lyari (2 segments)

In Progress

- ✓ DHA Phase II Ext
- ✓ Lyari (2 Segments)
- ✓ Baldia (3 Schemes)
- ✓ North Nazimabad
- ✓ North Karachi
- ✓ Garden
- ✓ Malir
- ✓ Towns of Upper Sindh

Planned

- ✓ PECHS
- ✓ F.B. Area
- ✓ Gulshan e Iqbal
- ✓ Saddar
- ✓ Orangi Town
- ✓ Korangi
- ✓ Towns of Upper Sindh

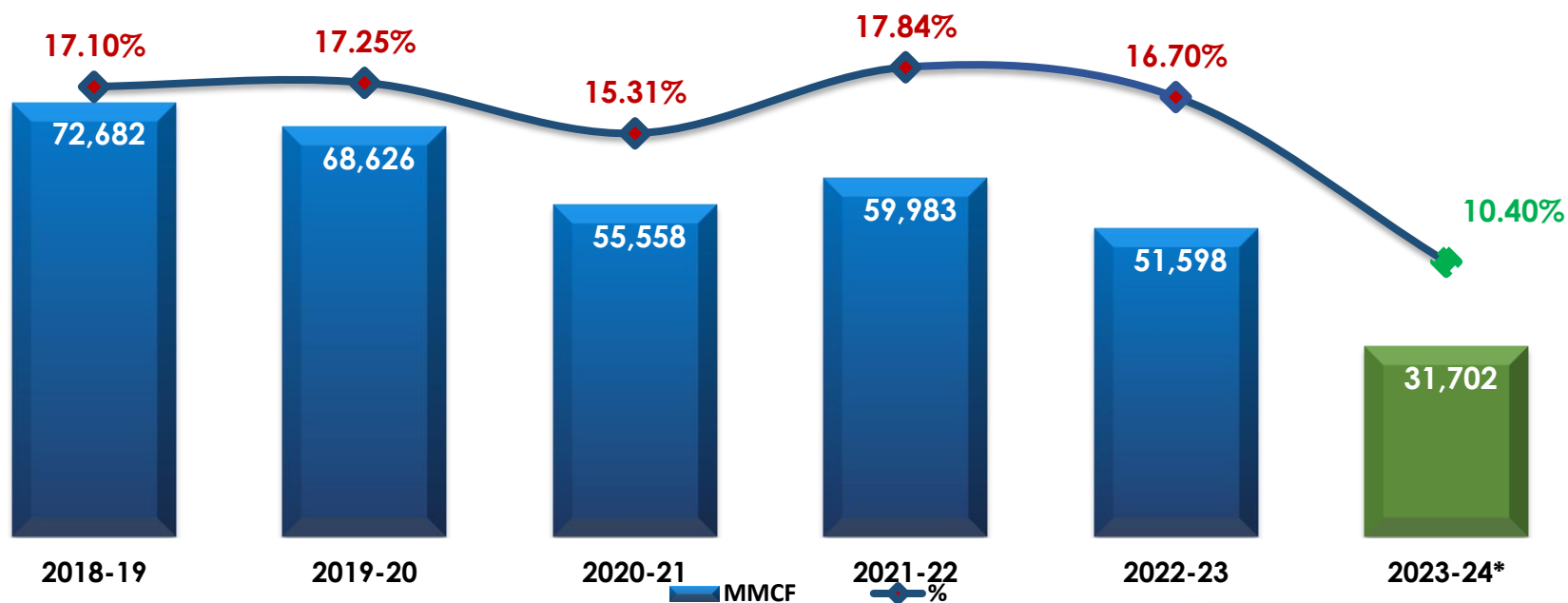
Rehabilitation History, Recent Achievements and Future Target

FY 13 through FY 22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
~200 Km	742 Km	1,500 Km	2,500 Km	2,500 Km	2,500 Km

DISTRIBUTION NETWORK REHABILITATION



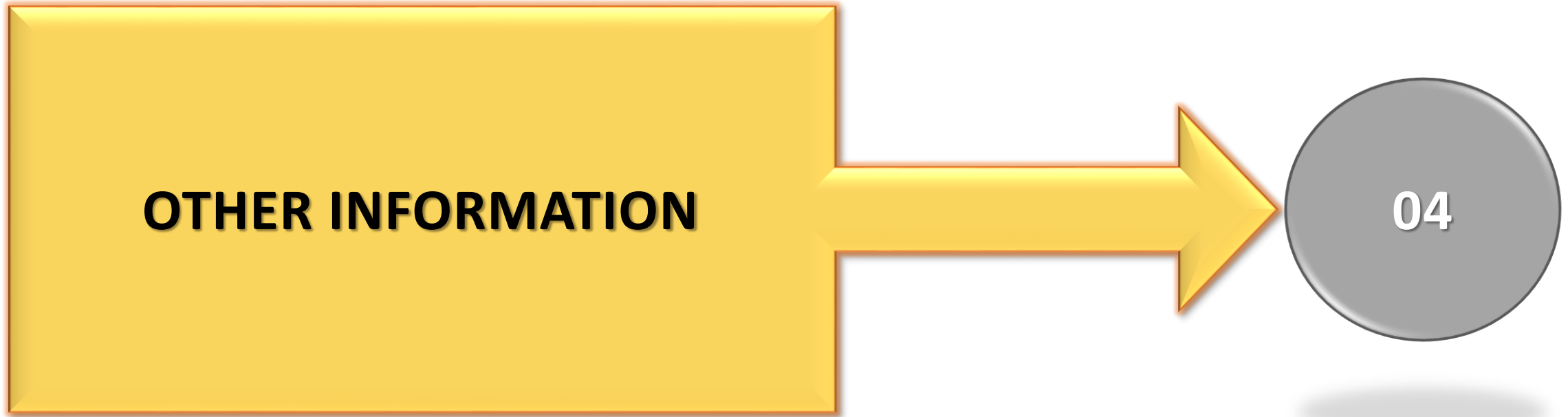
REDUCTION IN UNACCOUNTED FOR GAS (UFG)



* Since Oct 2022, UFG in Karachi is at 8%.

Region	FY. 2022-23		FY. 2023-24	
	UFG Vol.	UFG %	UFG Vol.	UFG %
Karachi	15,630	8.92%	10,202	6.77%
Interior Sindh	8,504	13.24%	5,391	9.47%
Trans. Gain	1,468	364	1,204	-
UFG W/o Balochistan	25,602	9.65%	16,796	6.35%
Balochistan	25,996	59.70%	14,906	37.24%
UFG with Balochistan	51,598	16.70%	31,702	10.40%

CORPORATE BRIEFING



SUBSIDIARIES & BUSINESS EXPANSION

- SSGC owns and operates the only domestic gas meter manufacturing facility in the country. Under technology license from M/s. Itron, USA, SSGC MMP maintains the capacity to produce up to million gas meters per annum.



- SSGC-LPG Ltd. (SLL) is SSGC's wholly-owned fully integrated subsidiary Company engaged in the marketing and distribution of LPG across Pakistan.

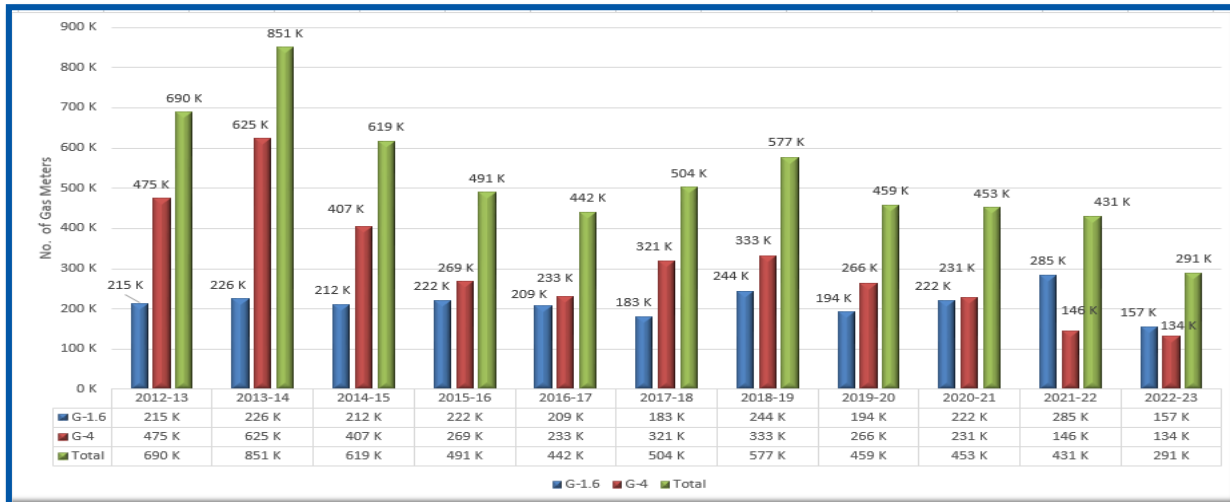


- SSGC-Alternate Energy (Pvt.) Ltd. (SSGC-AE) is a fully owned subsidiary of SSGC exploring out-of-box and unconventional solutions to mitigate the energy crisis in the Country.



METER MANUFACTURING PLANT

- SSGC owns the only meter manufacturing facility in the country wherein G-4 and G-1.6 gas meter models are being produced since 1974.
- A new Technology Transfer and License Agreement with the technology supplier along with satisfactory compliance to all due-diligence and regulatory requirements. Indigenization has been increased from 53% to 97%.
- New Assembly Line comprising of automated equipment has been successfully commissioned.
- Efforts are underway to enhance Meter plant's sales through export options. Accordingly, process has been initiated to acquire internationally acclaimed EN 1359 certification from a well-reputed third party certifying metrological institute.

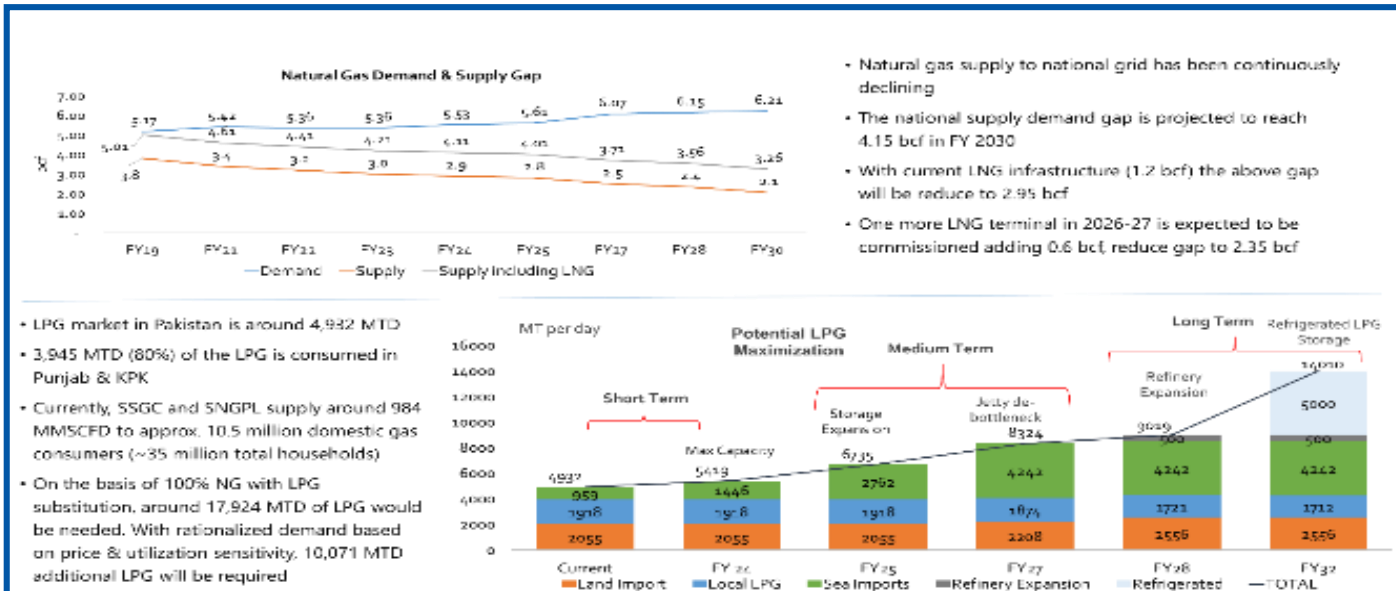


G-6 Gas Meter (Next Target)

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
- ❖ 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. Established 2 warehouses and arranged 6 delivery vans for Home Delivery (HD) in Karachi

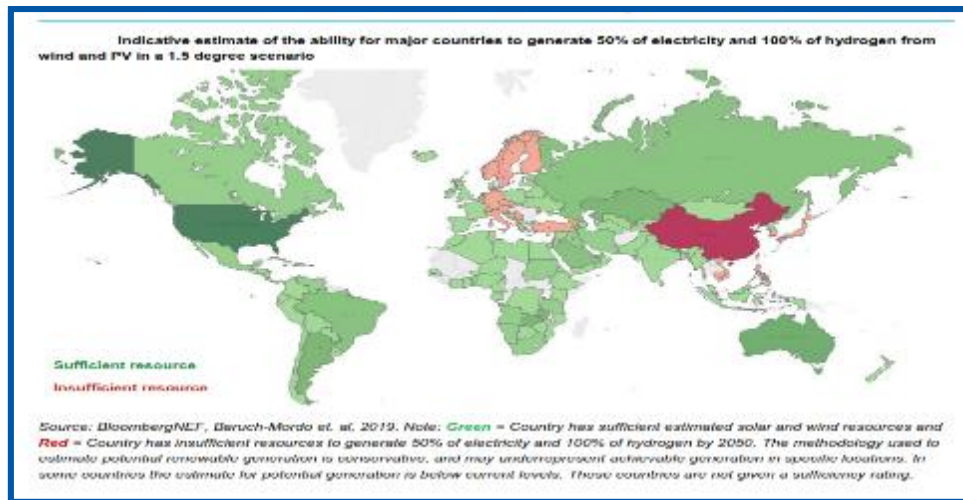
- ❖ SSGC's help-line available 24/7 to take orders in addition to the SLL website/app. Social media presence enhanced thru LinkedIn, FB, Instagram
- ❖ SLL has signed an agreement with SNGPL for supply of 100,000 cylinders.
- ❖ Home Delivery thru the above efforts has already increased the sale from 100 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



	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%

SSGC AE (Pvt.) Ltd. - 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)

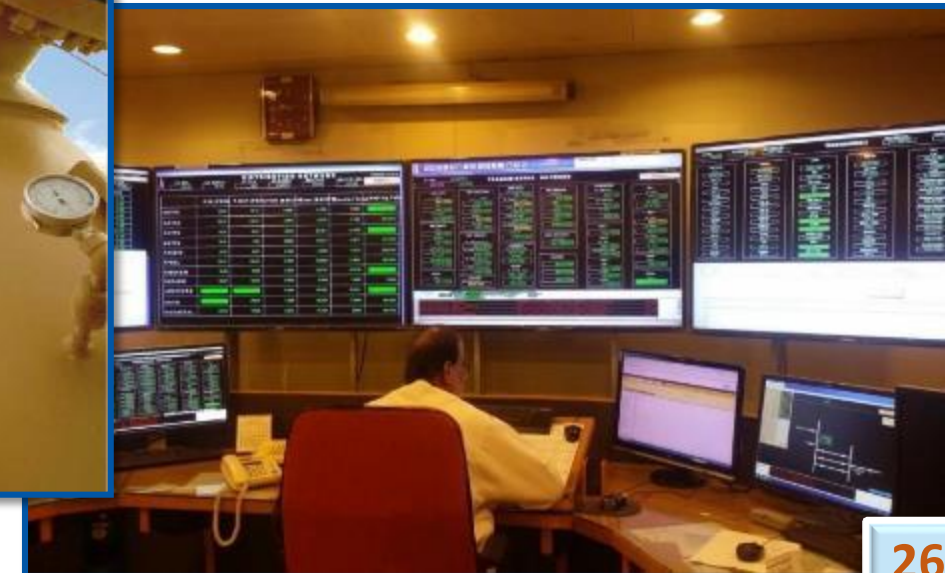
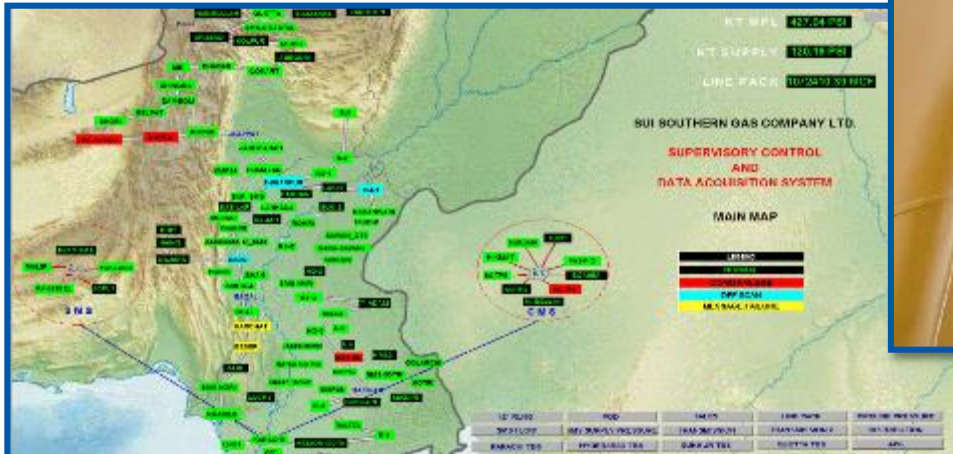


STATE-OF-THE-ART REAL TIME MONITORING - TRANSMISSION

SCADA system is installed at SSGC's transmission network to remotely monitor and control the operations. The system is based on dedicated radio-wave frequency which is necessary since coverage of public GSM networks is neither complete nor reliable.

The system monitors the operating parameters of the entire network and allows the operator to remotely perform valve operations thereby managing the gas flow. The system implemented by M/s. AVEVA comprises of components from MDS, Schneider Electric, Dell, Oayss and Rosemount and the same is capable of:

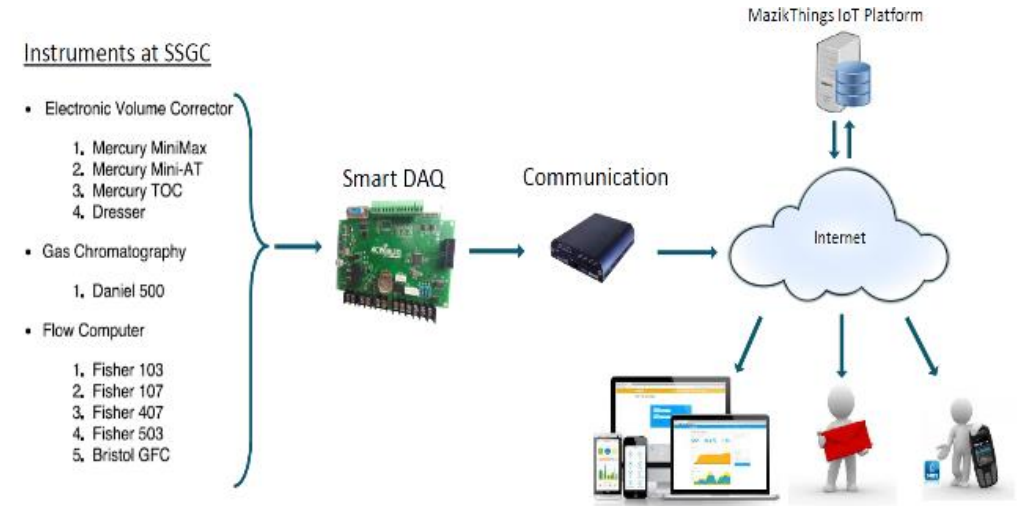
- ✔ Real time Monitoring and Data Trending
- ✔ Valve Operation & Emergency Shutdowns
- ✔ Line Pack Calculations
- ✔ Reporting and Alarms
- ✔ Data Warehousing



REAL TIME MONITORING & CONTROL SYSTEMS - DISTRIBUTION

GSM based Remote Monitoring system and Control Systems have been installed at TBS and CMS sites to enable seamless data access, vigilance and control. The system is capable of:

- ✓ Real time Monitoring & Control
- ✓ Data Trending
- ✓ Analytics
- ✓ Reporting and Alarms
- ✓ Data Warehousing at local servers



EVC Exception Dashboard

EVC Exception Dashboard

Fixed Parameter Exceptions

- 0% ATMOSPHERIC PRESSURE
- 0% BASE PRESSURE

3297 Active TBS & CMS Sites

Region	Atmospheric Press	Base Press
Balochistan (Others)	0	0
Karachi Central	0	0
Karachi East	0	0
Karachi West	0	0
Lower Sindh	1	1
Quetta	0	0
Upper Sindh	0	0

Type	Atmospheric Press	Base Press
CMS	0	0
TBS	1	1

Device Voltage Exceptions

- 0% KNOWN EVC BATTERY
- 2% LOW EVC BATTERY
- 0% DELTA V (AAT)

3297 Active TBS & CMS Sites

Region	Known Bat.	Low Evc	Delta A
Balochistan (Others)	0	3	0
Karachi Central	0	0	0
Karachi East	0	0	4
Karachi West	2	10	7
Lower Sindh	1	20	1
Quetta	0	5	0
Upper Sindh	0	15	0

Type	Known Bat.	Low Evc	Delta A
CMS	2	11	10
TBS	1	40	0

Other Exceptions

- 6% PLOG PRESSURE
- 1% METERING PRESSURE
- 15% TEMPERATURE

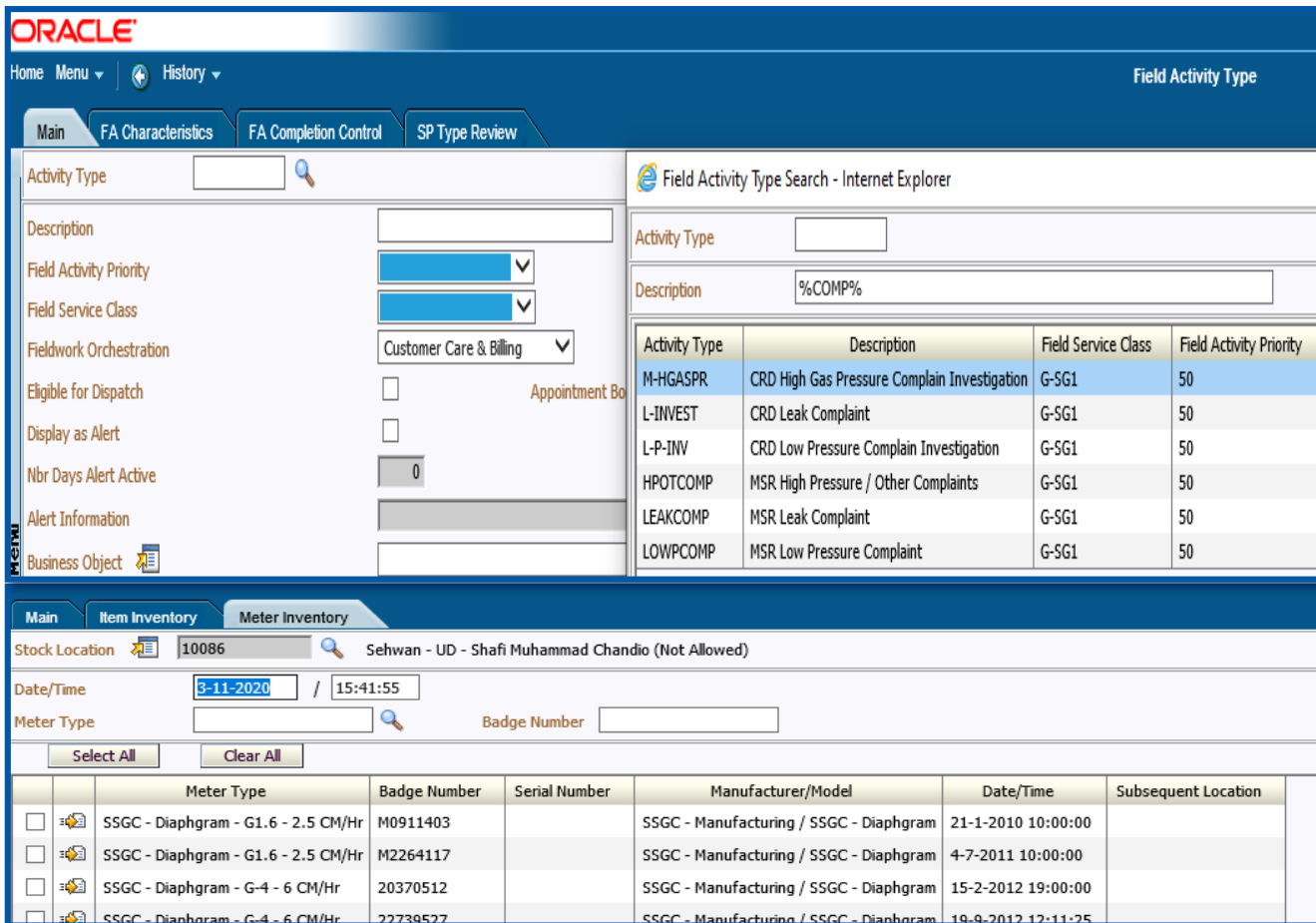
3297 Active TBS & CMS Sites

Region	Plog	Meter Press	Temp
Balochistan (Others)	4	0	2
Karachi Central	2	3	94
Karachi East	17	2	28
Karachi West	87	3	41
Lower Sindh	55	3	260
Quetta	11	2	4
Upper Sindh	32	4	91

Type	Plog	Meter Press
CMS	129	12
TBS	79	5

FULL-SCALE DIGITAL CUSTOMER MANAGEMENT (CC&B)

On ORACLE platform, SSGC has developed an integrated application to manage the entire billing and customer care operations. The CC&B is capable of handling and maintaining comprehensive customer management records, seamlessly integrated sales data, robust device data management, field work entries, meter reading, dynamic gas rates, billing data such as payments, adjustments and credits as well as customer complaints.



ORACLE Field Activity Type Search - Internet Explorer

Activity Type:

Description:

Field Activity Priority:

Field Service Class:

Fieldwork Orchestration: Customer Care & Billing

Eligible for Dispatch:

Display as Alert:

Nbr Days Alert Active: 0

Alert Information:

Business Object:

Activity Type	Description	Field Service Class	Field Activity Priority
M-HGASPR	CRD High Gas Pressure Complain Investigation	G-SG1	50
L-INVEST	CRD Leak Complaint	G-SG1	50
L-P-INV	CRD Low Pressure Complain Investigation	G-SG1	50
HPOTCOMP	MSR High Pressure / Other Complaints	G-SG1	50
LEAKCOMP	MSR Leak Complaint	G-SG1	50
LOWPCOMP	MSR Low Pressure Complaint	G-SG1	50

Meter Inventory

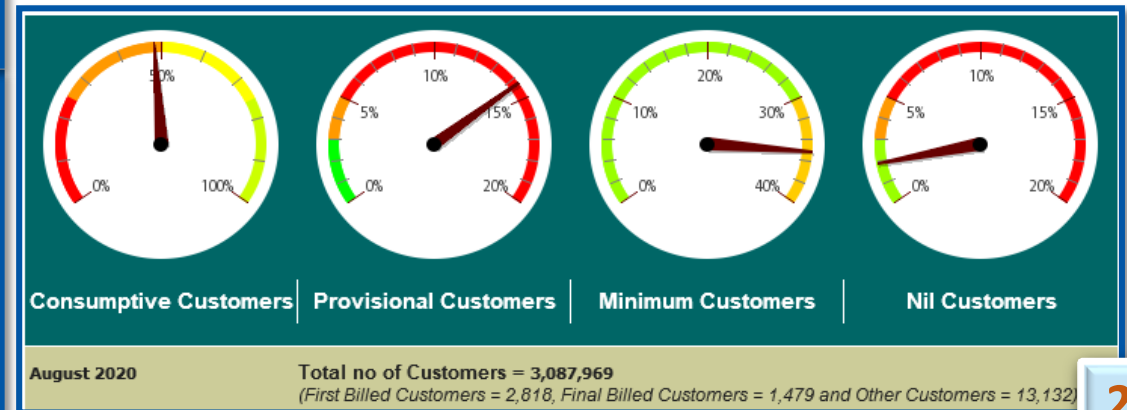
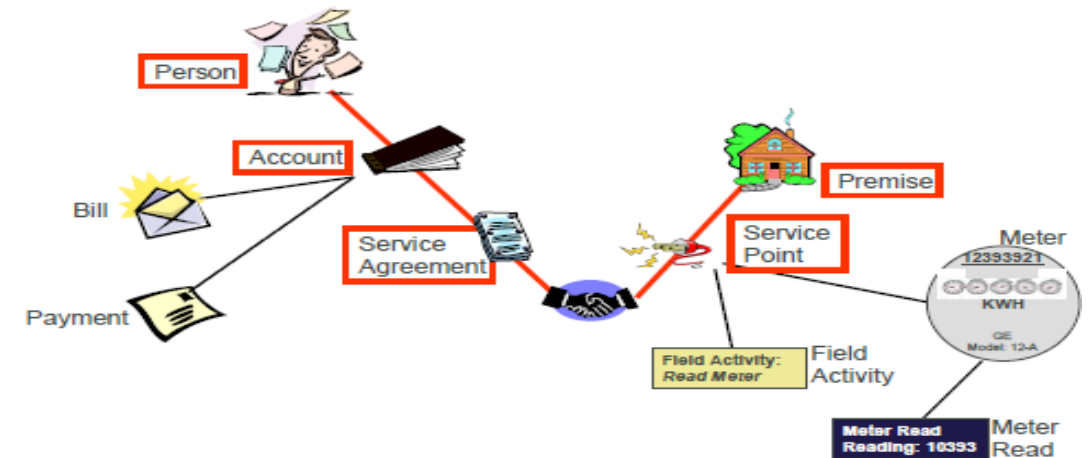
Stock Location: 10086

Date/Time: 8-11-2020 / 15:41:55

Meter Type:

Badge Number:

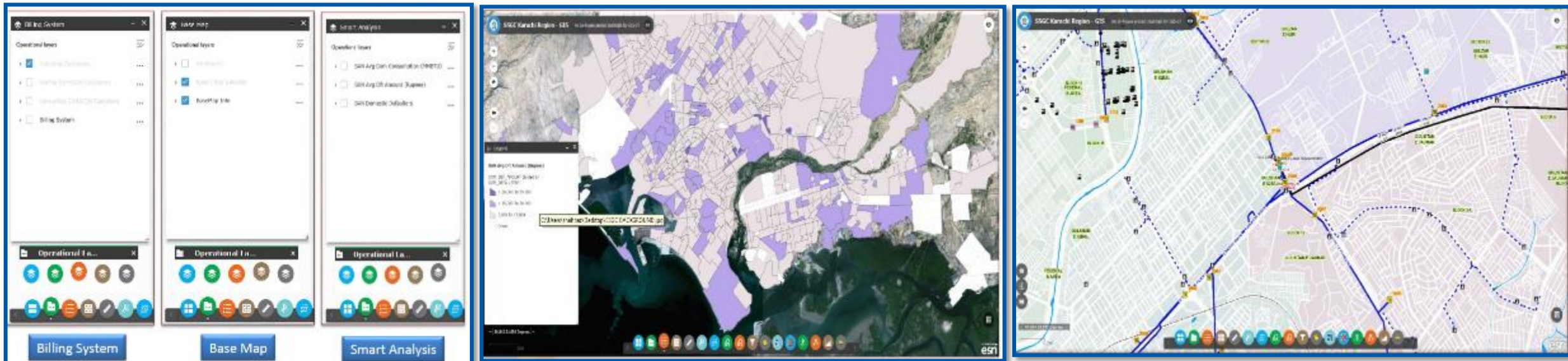
Meter Type	Badge Number	Serial Number	Manufacturer/Model	Date/Time	Subsequent Location
SSGC - Diaphragm - G1.6 - 2.5 CM/Hr	M0911403		SSGC - Manufacturing / SSGC - Diaphragm	21-1-2010 10:00:00	
SSGC - Diaphragm - G1.6 - 2.5 CM/Hr	M2264117		SSGC - Manufacturing / SSGC - Diaphragm	4-7-2011 10:00:00	
SSGC - Diaphragm - G-4 - 6 CM/Hr	20370512		SSGC - Manufacturing / SSGC - Diaphragm	15-2-2012 19:00:00	
SSGC - Diaphragm - G-4 - 6 CM/Hr	22739527		SSGC - Manufacturing / SSGC - Diaphragm	18-9-2012 12:11:25	



GEOGRAPHICAL INFORMATION SYSTEM

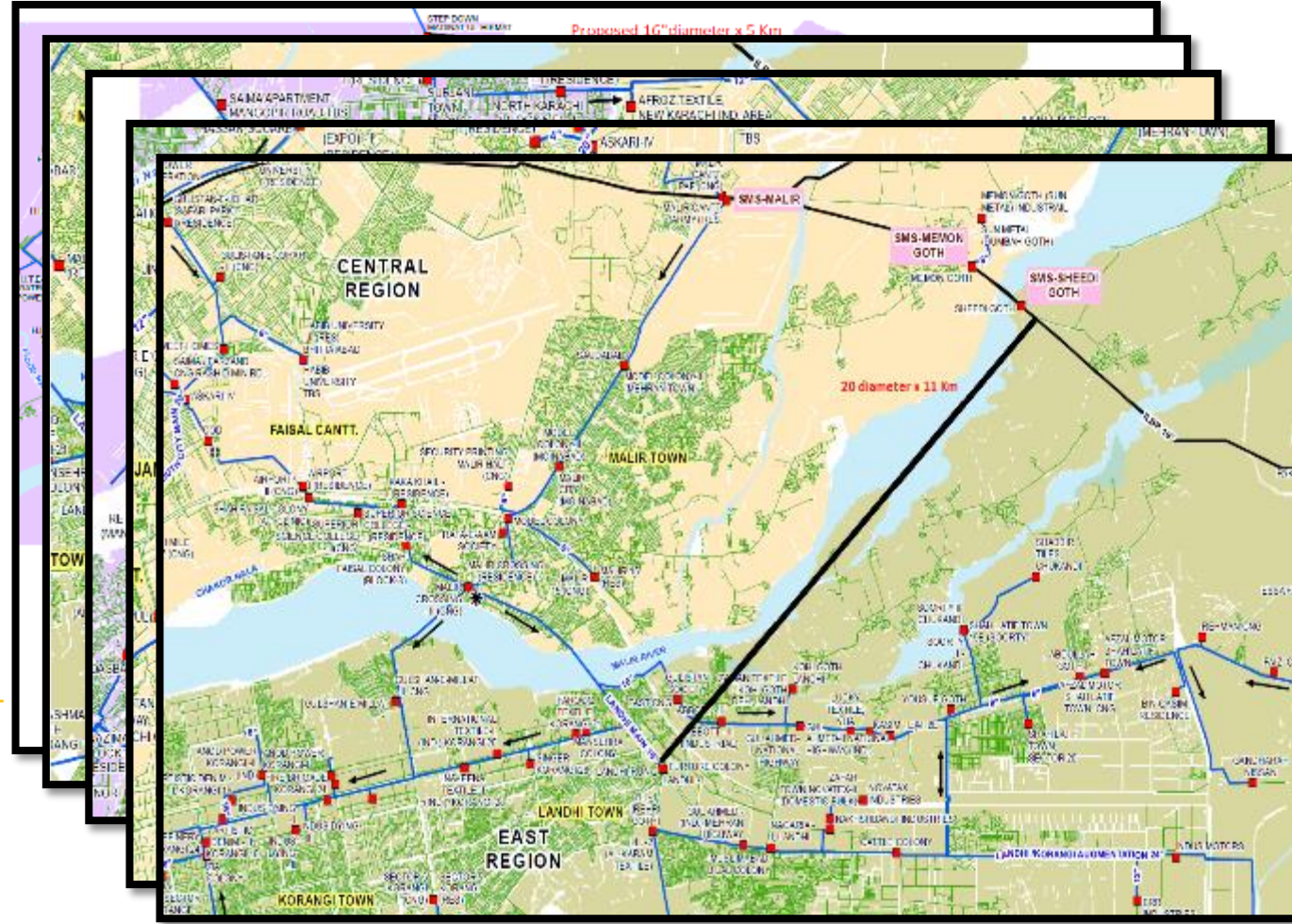
SSGC has developed GIS mapping system for Entire Franchise Area of SSGC (Karachi, Sindh and Balochistan) which is Pakistan's First Large Scale and High- Resolution Digital Mapping System. It provides seamless integrated information of entire gas distribution and transmission pipeline network mapped through different layers on intranet to the end users.

- ✓ The system is fully integrated with MAZIK and CC&B which enables enhanced analytical capabilities including but not limited to Leak Survey & Rectification, Rehabilitation schemes outlay, Live Temp & Pressure data streaming, gas flow directions, Customer complaints, Customer Classifications, Gas Theft & Control Operations, Billing Recovery Zones, Different Analysis tools etc.
- ✓ Info is mapped through different layers like Distribution, Transmission, Smart Analysis etc.



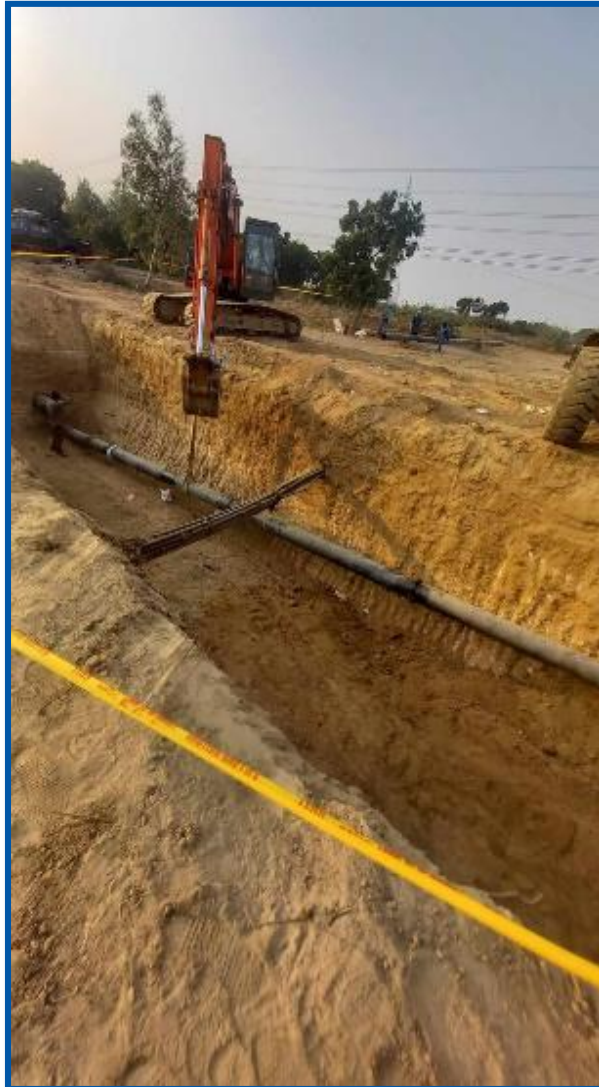
NEW SUPPLY MAINS – MASTER PLAN (DIST.)

S. No.	Project	Benefit	Status
1.	16" diameter x 5 Km pipeline from Surjani Step-down Assy. to Madinat al Hikmah.	Better pressures in SITE industrial area & Orangi Town.	Completed
2.	16" diameter x 6.2 Km pipeline from PSM Main Gate to Yousuf Goth (Landhi).	Consistent pressures to Korangi & Landhi industrial areas and operation of domestic networks at optimum pressure	Completed
3.	16" diameter x 10 Km pipeline from KT to TBS Maymar CNG.	Operate North city main at optimum pressures.	Completed
4.	20" diameter x 9 Km pipeline from Azeempura to Jam Sadiq Ali Bridge.	Operate SMS KT at optimum pressures and thus reduce UFG losses in en-route areas.	Completed
5.	20 diameter x 11 Km pipeline from SMS Sheedi Goth to Tapping Point & Up-gradation of SMS Sheedi Goth.	Operate SMS Malir on optimum pressures and thus reduce UFG losses in en-route areas. Better pressures in Korangi & Landhi industrial areas.	Completed
6.	24" dia. X 31 Km from SMS ACPL to Surjani	Better flow and pressure towards Karachi West Region	Completed



Construction of 32 Km segment (from MVA Baran to RS-4) of planned 30" diameter x 116 Km pipeline project has been completed in record pace.

NEW SUPPLY MAINS – MASTER PLAN (DIST.)



COUNTERING GAS THEFT

- Revolutionized Gas Theft Control by designing a concept and Operational Cycle for homing on to culprits, meaningful operations followed by efficient prosecution, conviction / punishment of culprits, recovery of lost gas volumes.
- Establishing Deterrence against potential theft, reorganized and trained manpower, established 27 gas theft courts in Sindh and 11 in Balochistan, Special arrangements for controlling Technical Gas Theft in Industry.
- Police Station was established in Karachi and Quetta.

FY 2023-24 in numbers

Intense Activities:	2,565
Targeted Industrial surveys:	1,713 + 147 = 1,860
Negative Pressure (Suction Pumps):	790 cases / 568 mmcf/ 958 millions
EVC Malfunctioning:	126 cases / 296 mmcf/ 350 millions
PUG Meters:	68 cases / 115 mmcf/ 243 millions
FIRs:	120
Recovery Suites:	76
Criminal Trials in Progress:	442
Convictions:	251
Volumes Saved:	1,267 MMCF
Add. Amount Claimed/ Credited:	Rs. 2,606 Millions / Rs. 1,809 Millions.



**QUESTIONS & ANSWERS
SESSION**

05



Thank You

