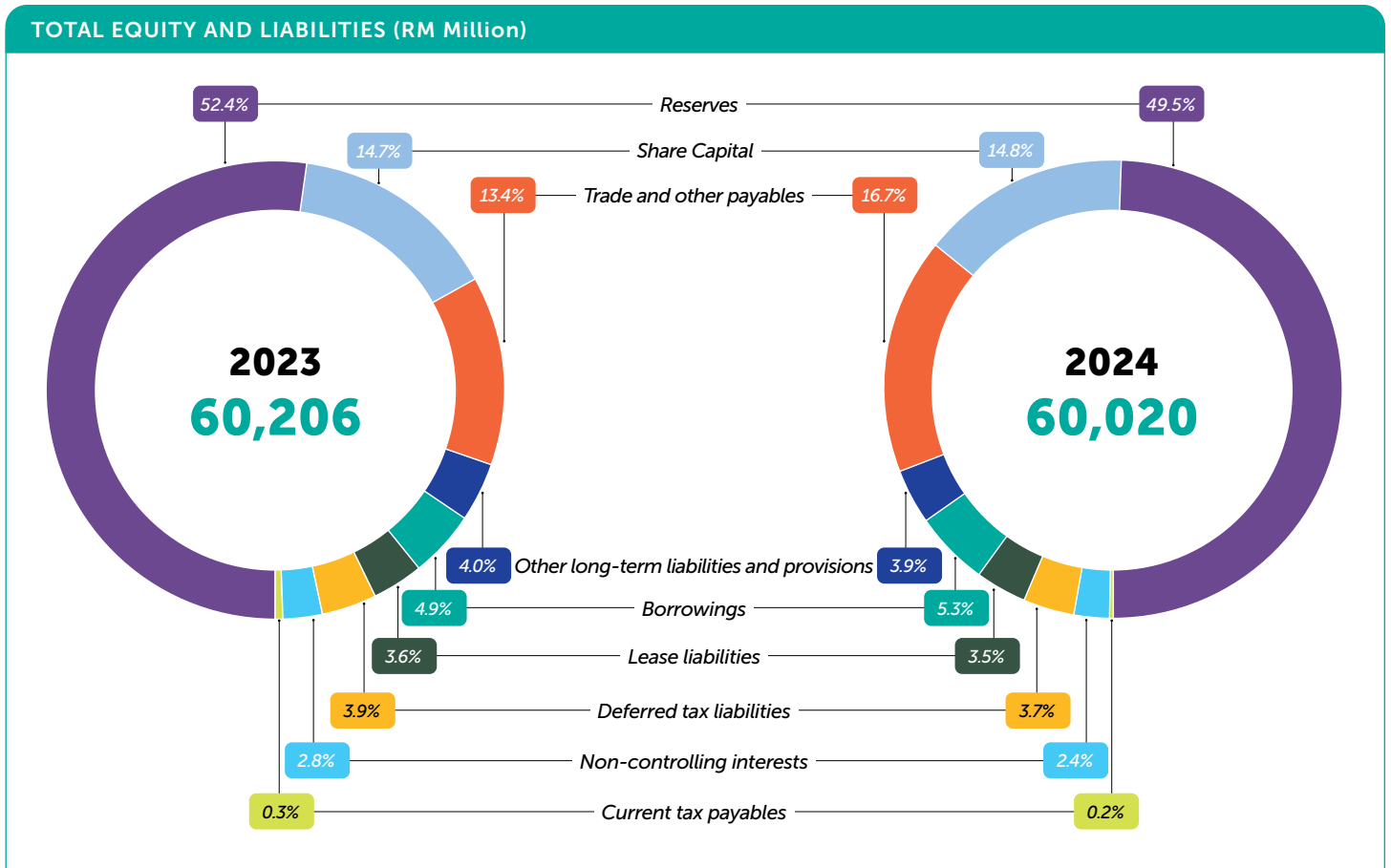
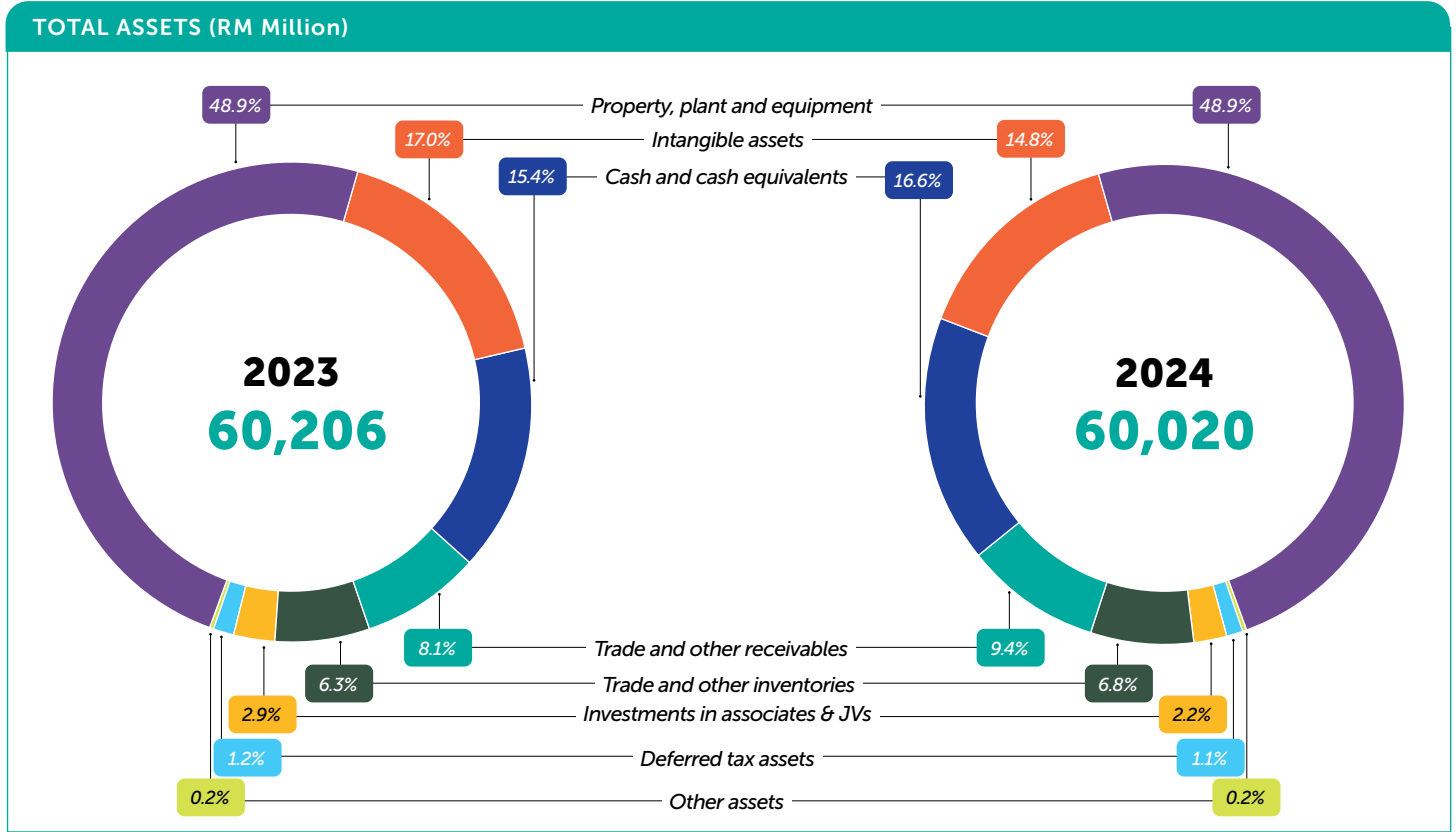


# FINANCIAL REVIEW

## SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024



# FINANCIAL REVIEW

## ANALYSIS ON FINANCIAL POSITION

AS AT 31 DECEMBER 2024

Sustain resilient financial position at **RM60.0 billion** amidst market challenges.

**Total assets** as at 31 December 2024 decreased by RM0.2 billion at RM60.0 billion mainly contributed by:

- Decrease in **intangible assets** by RM1.4 billion mainly due to the strengthening of Ringgit Malaysia against Euro and Swedish Krona;
- Decrease in **investment in associates and JVs** by RM0.4 billion mainly due to redemption of preference shares and share of loss contribution from associates and JVs during the year;

Partially offset by:

- Increase in **trade and other receivables** by RM0.8 billion in line with higher revenue; and
- Increase in **cash and cash equivalents** by RM0.7 billion mainly from higher net cash from operating activities coupled with lower dividend payment to shareholders.

**Net assets** attributable to shareholders of the company decreased by RM1.9 billion at RM38.6 billion mainly from foreign exchange movement due to strengthening of Ringgit Malaysia compared to US Dollar, Euro and Swedish Krona.

**Total liabilities** increased by RM1.9 billion was mainly attributed to an increase in **trade and other payables** arising from operationalisation cost of joint operation entity.

RM Million	31.12.2023	31.12.2024	Variance
<b>ASSETS</b>			
Property, plant and equipment	29,437	29,338	(99)
Investments in associates and joint ventures	1,710	1,339	(371)
Intangible assets	10,253	8,898	(1,355)
Long term receivables	1,027	951	(76)
Retirement benefits	95	103	8
Deferred tax assets	746	632	(114)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>43,268</b>	<b>41,261</b>	<b>(2,007)</b>
Trade and other inventories	3,767	4,086	319
Trade and other receivables	3,857	4,705	848
Tax recoverable	46	37	(9)
Cash and cash equivalents	9,268	9,931	663
<b>TOTAL CURRENT ASSETS</b>	<b>16,938</b>	<b>18,759</b>	<b>1,821</b>
<b>TOTAL ASSETS</b>	<b>60,206</b>	<b>60,020</b>	<b>(186)</b>
<b>EQUITY</b>			
Share capital	8,871	8,871	-
Reserves	31,544	29,686	(1,858)
<b>Total equity attributable to shareholders of the Company</b>	<b>40,415</b>	<b>38,557</b>	<b>(1,858)</b>
Non-controlling interests	1,659	1,422	(237)
<b>TOTAL EQUITY</b>	<b>42,074</b>	<b>39,979</b>	<b>(2,095)</b>
<b>LIABILITIES</b>			
Borrowings	2,473	2,419	(54)
Lease liabilities	1,930	1,874	(56)
Provisions	299	303	4
Retirement benefits	279	255	(24)
Other long term liabilities	1,831	1,801	(30)
Deferred tax liabilities	2,371	2,198	(173)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>9,183</b>	<b>8,850</b>	<b>(333)</b>
Borrowings	500	795	295
Lease liabilities	229	224	(5)
Trade and other payables	8,042	10,054	2,012
Taxation	178	118	(60)
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,949</b>	<b>11,191</b>	<b>2,242</b>
<b>TOTAL LIABILITIES</b>	<b>18,132</b>	<b>20,041</b>	<b>1,909</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>60,206</b>	<b>60,020</b>	<b>(186)</b>
Net assets per share attributable to shareholders of the Company (RM)	5.05	4.82	(0.23)

## FINANCIAL REVIEW

### ANALYSIS ON CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

The Group achieved a record-breaking revenue of **RM30.7 billion**, the highest revenue since inception.

PCG's **revenue** increased to RM30.7 billion, marking a rise of RM2.0 billion compared to RM28.7 billion in 2023 driven by higher sales volume in line with higher production volume.

The **cost of revenue** rose by RM2.1 billion primarily due to higher feedstock cost in line with higher production volume.

**Gross profit** remained consistent with 2023, totaling RM4.7 billion.

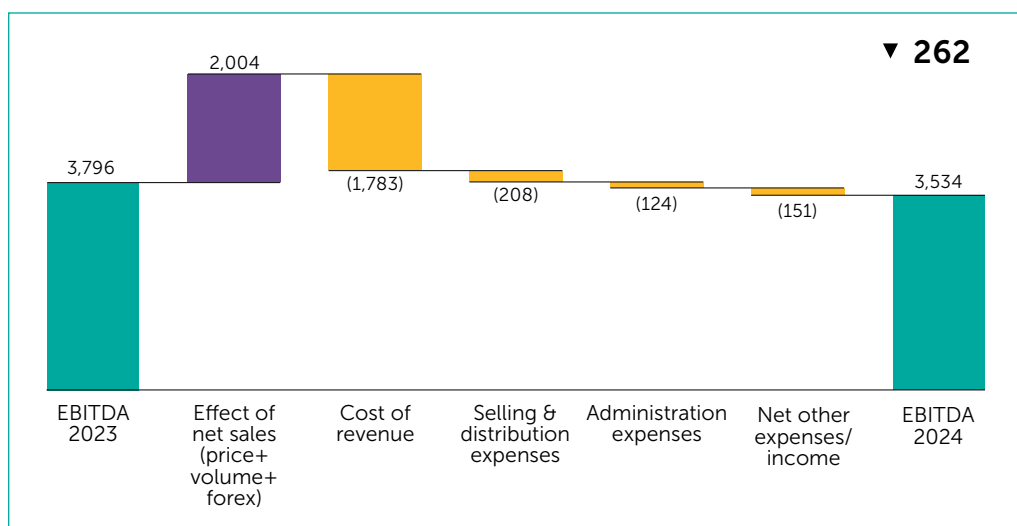
**Operating profit** decreased by RM0.1 billion at RM2.1 billion. This decline was primarily driven by higher plant operation costs from a joint operation entity, partially offset by income arising from adjustment of timing of trade payables.

**Share of loss of equity-accounted associates and joint ventures** in current year compared to share of profit mainly due to lower sales volume and higher operating cost following commencement of production.

PCG recorded **PBT and PAT** at RM1.7 billion and RM1.3 billion, respectively.

RM Million	Year ended 31 December		
	2023	2024	Variance
Revenue	28,667	30,671	2,004
Cost of revenue	(23,882)	(25,965)	(2,083)
<b>Gross profit</b>	<b>4,785</b>	<b>4,706</b>	<b>(79)</b>
Selling and distribution expenses	(1,906)	(2,144)	(238)
Administration expenses	(1,394)	(1,526)	(132)
Other expenses	(40)	(199)	(159)
Other income	711	1,220	509
<b>Operating profit</b>	<b>2,156</b>	<b>2,057</b>	<b>(99)</b>
Financing costs	(139)	(260)	(121)
Share of (loss)/profit after tax of equity-accounted associates and joint ventures	93	(107)	(200)
<b>PROFIT BEFORE TAXATION</b>	<b>2,110</b>	<b>1,690</b>	<b>(420)</b>
Tax expense	(360)	(401)	(41)
<b>PROFIT FOR THE YEAR</b>	<b>1,750</b>	<b>1,289</b>	<b>(461)</b>
<b>Profit attributable to:</b>			
Shareholders of the Company	1,696	1,175	(521)
Non-controlling interests	54	114	60
<b>PROFIT FOR THE YEAR</b>	<b>1,750</b>	<b>1,289</b>	<b>(461)</b>
<b>EBITDA</b>	<b>3,796</b>	<b>3,534</b>	<b>(262)</b>
<b>EBITDA Margin (%)</b>	<b>13%</b>	<b>12%</b>	
<b>GP Margin (%)</b>	<b>17%</b>	<b>15%</b>	

#### EBITDA MOVEMENT FOR THE YEAR (RM MILLION)



EBITDA in 2024 at **RM3.5 billion** has decreased in line with lower product spreads and higher operational cost of joint operation entity.

## FINANCIAL REVIEW

### ANALYSIS ON CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

PCG maintained a solid cash flow, with cash and cash equivalents standing at **RM9.9 billion**.

**Net cash generated from operating activities** decreased by RM0.5 billion, largely due to lower profit generated during the year.

**Net cash used in investing activities** decreased by RM0.1 billion, primarily due to redemption of preference shares in an associates and joint venture.

**Net cash used in financing activities** decreased by RM0.9 billion mainly due to lower dividend payment to shareholders.

#### Free cash flow:

**RM1.9 billion**

2023: RM2.6 billion

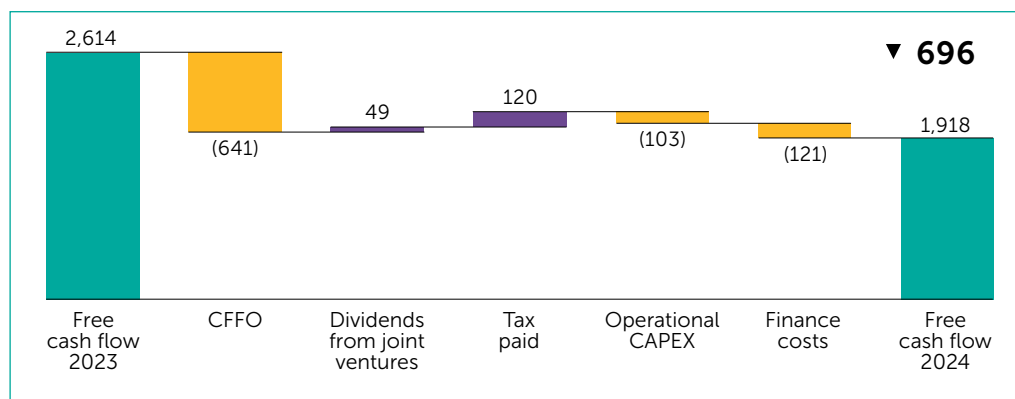
#### Dividends paid:

**RM1.2 billion**

2023: RM1.9 billion

RM Million	2023	2024	Variance
<b>Cash flows from operating activities</b>			
Profit before tax	2,110	1,690	(420)
Adjustments for non-cash items	1,711	1,832	121
Changes in working capital	1,335	993	(342)
Cash generated from operations	5,156	4,515	(641)
Interest income received	386	414	28
Taxation paid	(423)	(303)	120
<b>Net cash generated from operating activities</b>	<b>5,119</b>	<b>4,626</b>	<b>(493)</b>
<b>Cash flows from investing activities</b>			
Net acquisition of a subsidiary and non-controlling interest	2	(87)	(89)
Net purchase of property, plant and equipment	(2,349)	(2,452)	(103)
Investment in associates and JVs	-	128	128
Dividends received from joint venture	23	72	49
Others	(269)	(156)	113
<b>Net cash used in investing activities</b>	<b>(2,593)</b>	<b>(2,495)</b>	<b>98</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(1,920)	(1,234)	686
Drawdown of borrowings	226	4,465	4,239
Repayment of borrowings	(256)	(4,252)	(3,996)
Payment of lease liabilities	(225)	(245)	(20)
<b>Net cash used in financing activities</b>	<b>(2,175)</b>	<b>(1,266)</b>	<b>909</b>
Net cash flows from operating, investing and financing activities	351	865	514
Effect of foreign currency translation differences	(172)	(28)	144
Net increase in cash and cash equivalents	179	837	658
Net foreign exchange differences on cash held	201	(179)	(380)
Cash and cash equivalents at beginning of the year	8,888	9,268	380
<b>Cash and cash equivalents at end of the year</b>	<b>9,268</b>	<b>9,926</b>	<b>658</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances	9,268	9,931	663
Bank overdrafts	-	(5)	(5)
<b>Cash and cash equivalents</b>	<b>9,268</b>	<b>9,926</b>	<b>658</b>

#### FREE CASH FLOW MOVEMENT (RM MILLION)



Free cash flow in 2024 at **RM1.9 billion** has decreased as compared to RM2.6 billion in 2023 in line with lower profit generated during the year and higher finance cost.

## FINANCIAL REVIEW

### GROUP QUARTERLY PERFORMANCE

RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2024
Revenue	7,499	7,728	7,986	7,458	<b>30,671</b>
Operating profit/(loss)	847	1,036	(566)	740	<b>2,057</b>
Profit/(loss) before taxation	805	940	(657)	602	<b>1,690</b>
Profit/(loss) for the quarter/year	703	809	(762)	539	<b>1,289</b>
Profit attributable to shareholders of the Company	668	777	(789)	519	<b>1,175</b>
Earnings per share (sen)	8	10	(10)	6	<b>15*</b>
Dividends per share (sen)	-	10	-	3	<b>13</b>

RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2023
Revenue	7,557	7,113	6,784	7,213	<b>28,667</b>
Operating profit	592	702	606	256	<b>2,156</b>
Profit before taxation	590	694	586	240	<b>2,110</b>
Profit for the quarter/year	536	633	439	142	<b>1,750</b>
Profit attributable to shareholders of the Company	532	628	424	112	<b>1,696</b>
Earnings per share (sen)	7	8	5	1	<b>21</b>
Dividends per share (sen)	-	8	-	5	<b>13</b>

\* Detailed breakdown by quarter may not add up to the total due to rounding.

### KEY INTEREST BEARING ASSETS AND LIABILITIES

RM Million	2023			2024		
	As at 31 December 2023	Effective Interest Rate (%)	Interest Income/ Expenses	As at 31 December 2024	Effective Interest Rate (%)	Interest Income/ Expenses
<b>Interest earning assets:</b>						
Cash and bank balances	947	-	17	<b>1,304</b>	-	<b>30</b>
Fund investment	8,321	4.18	369	<b>8,627</b>	<b>4.16</b>	<b>384</b>
<b>Interest bearing liabilities:</b>						
Borrowings	2,973	5.17	149	<b>3,214</b>	<b>4.59</b>	<b>159</b>
Lease liabilities	2,159	6.59	142	<b>2,098</b>	<b>7.72</b>	<b>162</b>
Other long term liabilities	709	4.65	56	<b>760</b>	<b>5.49</b>	<b>78</b>

## FINANCIAL REVIEW

## FIVE-YEAR GROUP FINANCIAL SUMMARY

RM Million	2020	2021*	2022	2023	2024
<b>Consolidated statement of income</b>					
Revenue	14,362	23,026	28,953	28,667	<b>30,671</b>
<b>By segment:</b>					
Olefins and Derivatives	8,194	12,465	12,929	13,732	<b>15,401</b>
Fertilisers and Methanol	5,311	9,341	12,850	8,501	<b>8,667</b>
Specialties	-	-	3,125	6,385	<b>6,542</b>
Others	857	1,220	49	49	<b>61</b>
Cost of revenue	(10,837)	(14,447)	(20,277)	(23,882)	<b>(25,965)</b>
Gross profit	3,525	8,579	8,676	4,785	<b>4,706</b>
Selling and distribution expenses	(967)	(1,091)	(1,436)	(1,906)	<b>(2,144)</b>
Administration expenses	(718)	(839)	(1,157)	(1,394)	<b>(1,526)</b>
Other expenses	(68)	(60)	(166)	(40)	<b>(199)</b>
Other income	428	422	717	711	<b>1,220</b>
<b>Operating profit</b>	<b>2,200</b>	<b>7,011</b>	<b>6,634</b>	<b>2,156</b>	<b>2,057</b>
Financing cost	(27)	(29)	(66)	(139)	<b>(260)</b>
Share of (loss)/profit after tax of equity-accounted associates and joint ventures	(316)	729	165	93	<b>(107)</b>
<b>Profit before taxation</b>	<b>1,857</b>	<b>7,711</b>	<b>6,733</b>	<b>2,110</b>	<b>1,690</b>
Tax expense	(271)	(391)	(406)	(360)	<b>(401)</b>
<b>Profit for the year</b>	<b>1,586</b>	<b>7,320</b>	<b>6,327</b>	<b>1,750</b>	<b>1,289</b>
Profit attributable to the shareholders of the company	1,628	7,346	6,322	1,696	<b>1,175</b>
<b>Consolidated statement of financial position</b>					
Property, plant and equipment	20,987	22,041	27,213	29,437	<b>29,338</b>
Cash and cash equivalents	12,707	16,390	8,888	9,268	<b>9,931</b>
Total assets	39,829	46,454	55,430	60,206	<b>60,020</b>
Borrowings	2,192	2,388	2,718	2,973	<b>3,214</b>
Total liabilities	8,820	11,068	15,697	18,132	<b>20,041</b>
Share capital	8,871	8,871	8,871	8,871	<b>8,871</b>
Reserves	21,575	25,980	30,207	31,544	<b>29,686</b>
Total equity attributable to the shareholder of the company	30,446	34,851	39,078	40,415	<b>38,557</b>
Non-controlling interests	563	535	655	1,659	<b>1,422</b>
Total equity	31,009	35,386	39,733	42,074	<b>39,979</b>
<b>Financial ratios (%)</b>					
PAT margin	11.0	31.8	21.9	6.1	<b>4.2</b>
Return on equity	5.3	20.8	15.9	4.0	<b>2.9</b>
Return on asset	4.0	15.8	11.4	2.9	<b>2.1</b>
Cost over revenue	87.2	71.1	79.0	94.8	<b>96.6</b>
Dividend payout ratio	59.0	61.0	51.9	61.3	<b>88.5</b>
Gearing ratio	7.1	6.7	6.8	7.1	<b>8.0</b>
<b>Share information</b>					
Earnings per share (sen)	20	92	79	21	<b>15</b>
Dividend per share (sen)	12	56	41	13	<b>13</b>
Net asset per share (RM)	3.81	4.36	4.88	5.05	<b>4.82</b>
Closing share price (RM)	7.43	8.92	8.60	7.16	<b>5.17</b>
Number of ordinary shares (million)	8,000	8,000	8,000	8,000	<b>8,000</b>
Market capitalisation (RM million)	59,440	71,360	68,800	57,280	<b>41,360</b>

\* Certain financial information and its corresponding financial ratios have been restated in line with amendments to MFRS 116 Property, Plant and Equipment

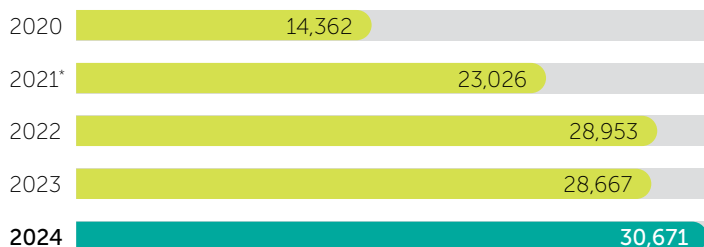
# FINANCIAL REVIEW

## FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

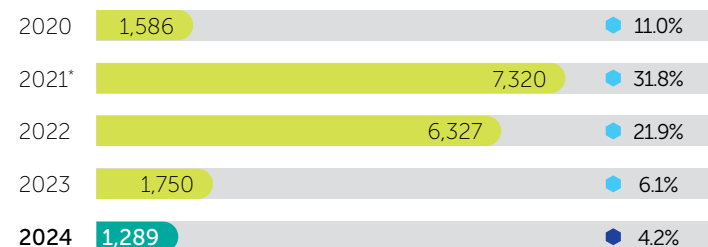
### PROFITABILITY

■ PAT    ● PAT Margin

#### REVENUE (RM MILLION)



#### PROFIT AFTER TAX (RM MILLION)

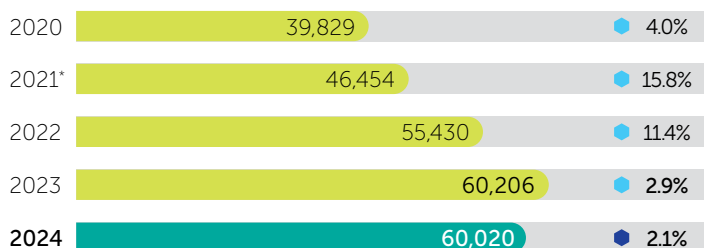


- 2020 was affected by compressed margin, declining crude oil prices, softer demand following global COVID-19 pandemic and higher net share of losses from associates and JVs
- 2021 showed significant improvement as product prices improved driven by global economic recovery and net share of profits from associates and JVs leading to the record-breaking profit generated
- Profit for 2022 decreased following compressed margin and lower share of profits from associates and JVs following lower margins and sales volume
- Profit for 2023 further declined resulted from compressed margin
- Profit for 2024 dropped mainly due to lower product spreads and higher plant operations costs, depreciation and finance cost from joint operation entity, partially offset by higher sales volume and income arising from adjustment of timing of trade payables from a joint operation entity

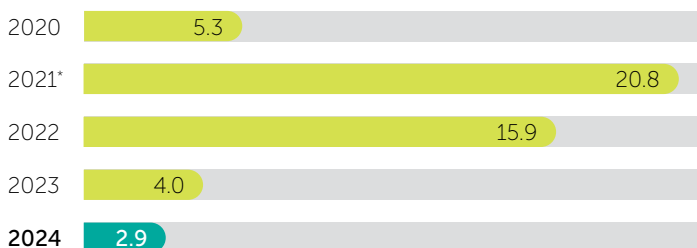
### FINANCIAL POSITION

■ Total Assets    ● Return on Asset

#### TOTAL ASSETS (RM MILLION)



#### RETURN ON EQUITY (%)

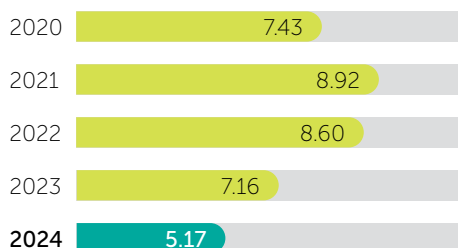


- Total assets in 2020 remained robust mainly due to the increase in cash and cash equivalent from profit generated during the year
- Total assets maintained strong in 2021 mainly driven by higher cash and cash equivalents in line with higher profits generated, property, plant and equipment and investment in associates and JVs
- Total assets in 2022 grew from the acquisition of Perstorp Group
- Total assets in 2023 grew mainly from the capital investment in the petrochemicals projects within PIC and Perstorp Group
- Total assets in 2024 were comparable at RM60.0 billion

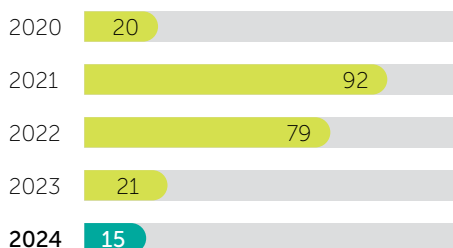
### SHARE AND RETURNS TO SHAREHOLDERS

■ Dividend    ● Dividend payout ratio

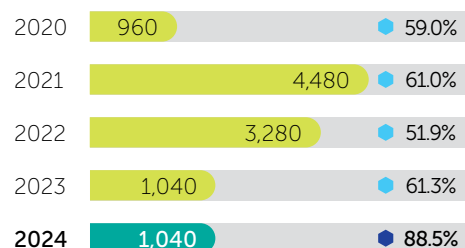
#### CLOSING SHARE PRICE (RM)



#### EARNINGS PER SHARE (SEN)



#### DIVIDEND PAYOUT (RM MILLION)



\* Certain financial information and its corresponding financial ratios have been restated in line with amendments to MFRS 116 Property, Plant and Equipment

## FINANCIAL REVIEW

### STATEMENT ON VALUE ADDED

RM million	2023	2024
Revenue	28,667	30,671
Purchase of goods and services	(22,827)	(24,721)
Value added by the companies	5,840	5,950
Net other income	671	1,021
Financing costs	(139)	(260)
Share of profits/(loss) after tax of equity accounted associates and JVs	93	(107)
<b>Value added available for distribution</b>	<b>6,465</b>	<b>6,604</b>

RM million	2023	2024
<b>DISTRIBUTION</b>		
<i>Distributed to:</i>		
To employees		
Employee costs	2,376	2,626
To government		
Taxation	360	401
To shareholders		
Dividends	1,920	1,200
Non-controlling interest	-	34
Retained for reinvestment and future growth		
Depreciation & amortisation	1,978	2,288
Net (reduction)/increase in retained profits	(169)	55
<b>Value Distribution</b>	<b>6,465</b>	<b>6,604</b>

