



PETRONAS

PETRONAS Chemicals Group Berhad

25th Annual General Meeting

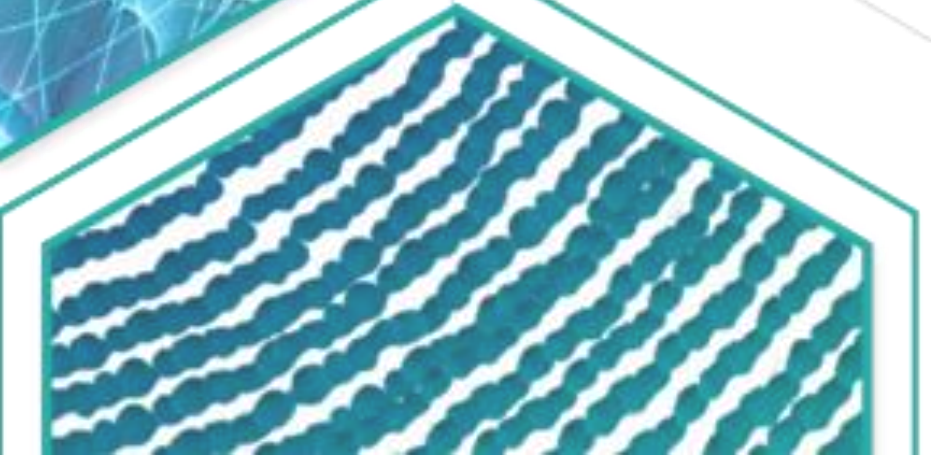
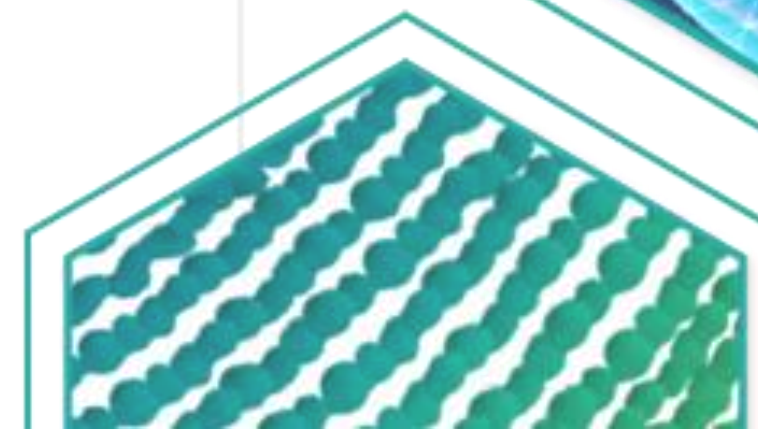
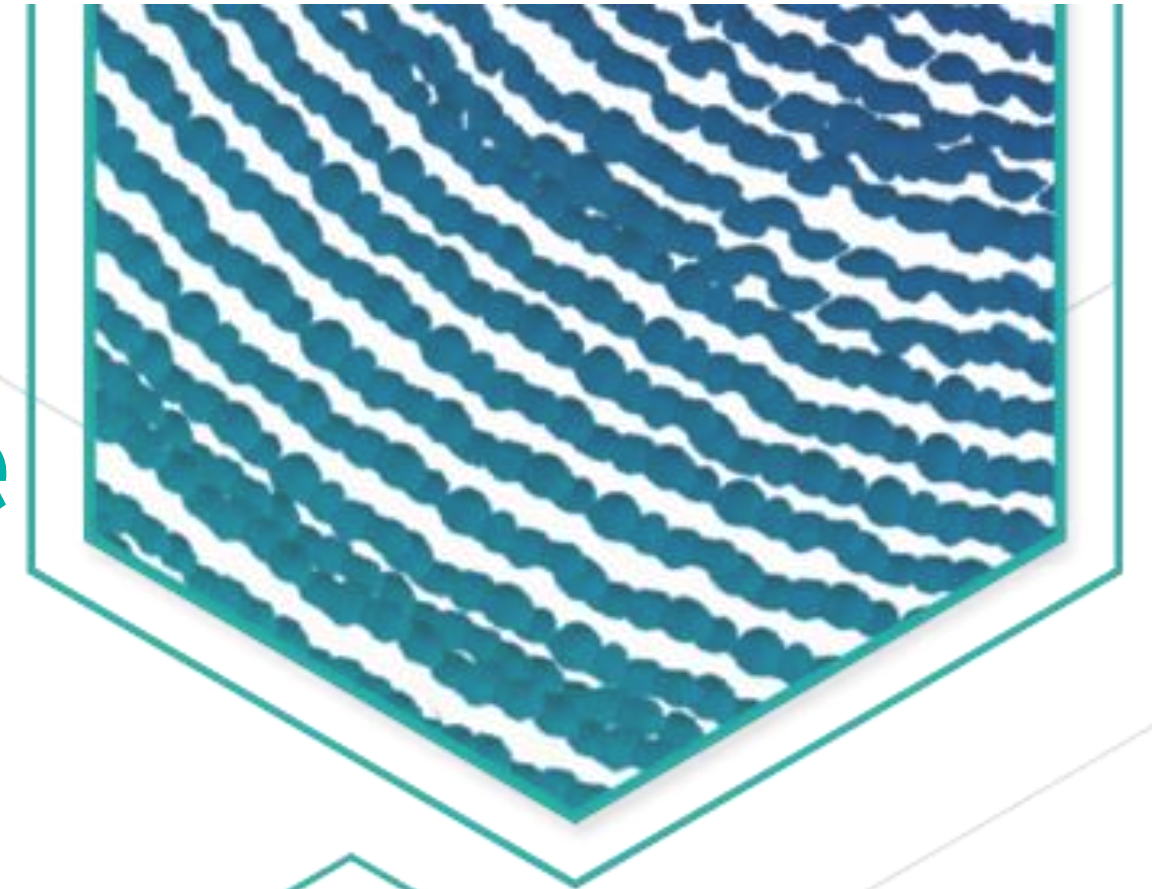
Transcending. Next Level.

AGM 2023 Presentation Outline

1. Business Environment

2. 2022 Performance

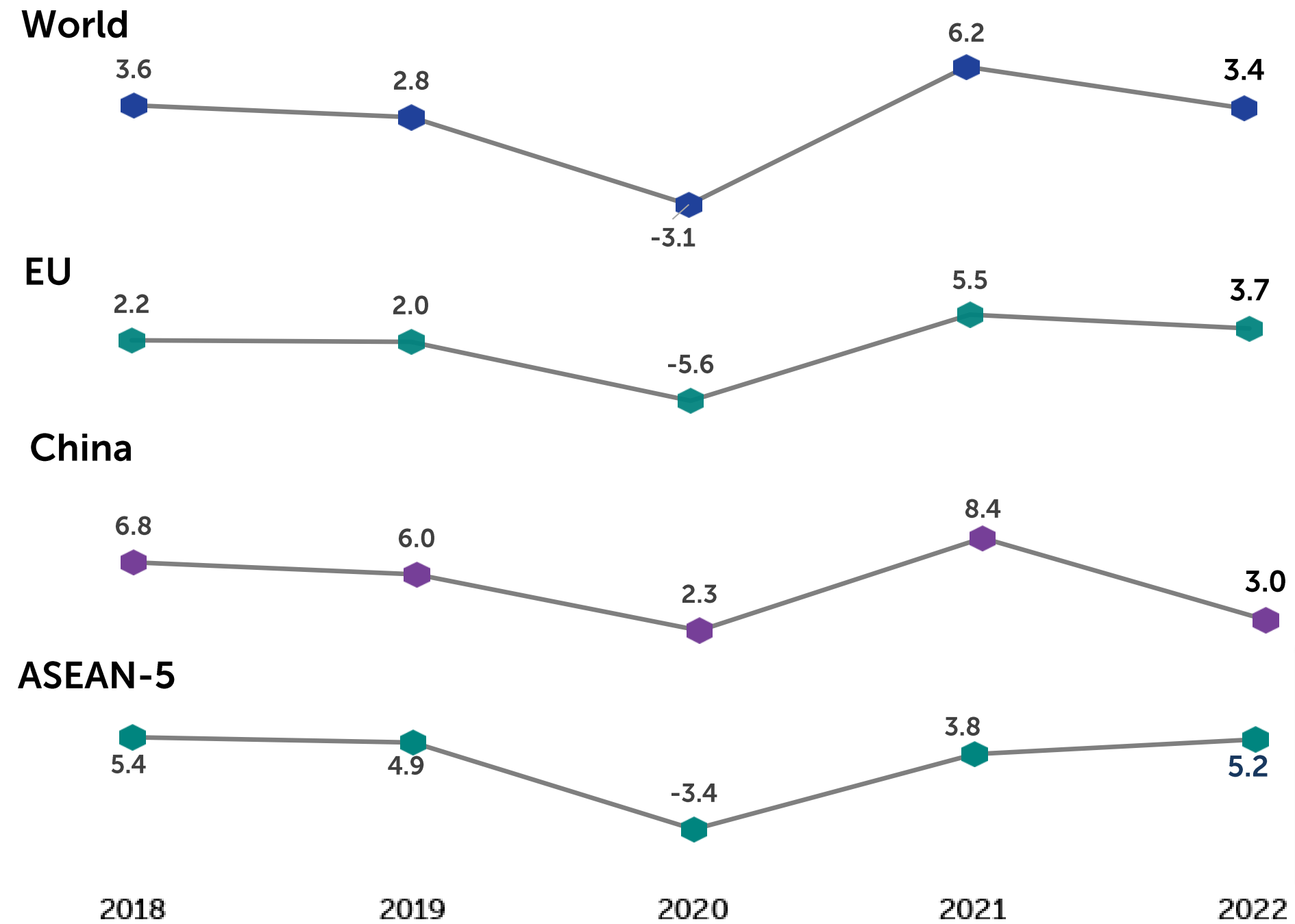
3. 2023 Outlook



Energy supply constraints and persistent inflation had slowed global economy



GDP Growth Rate (% change)

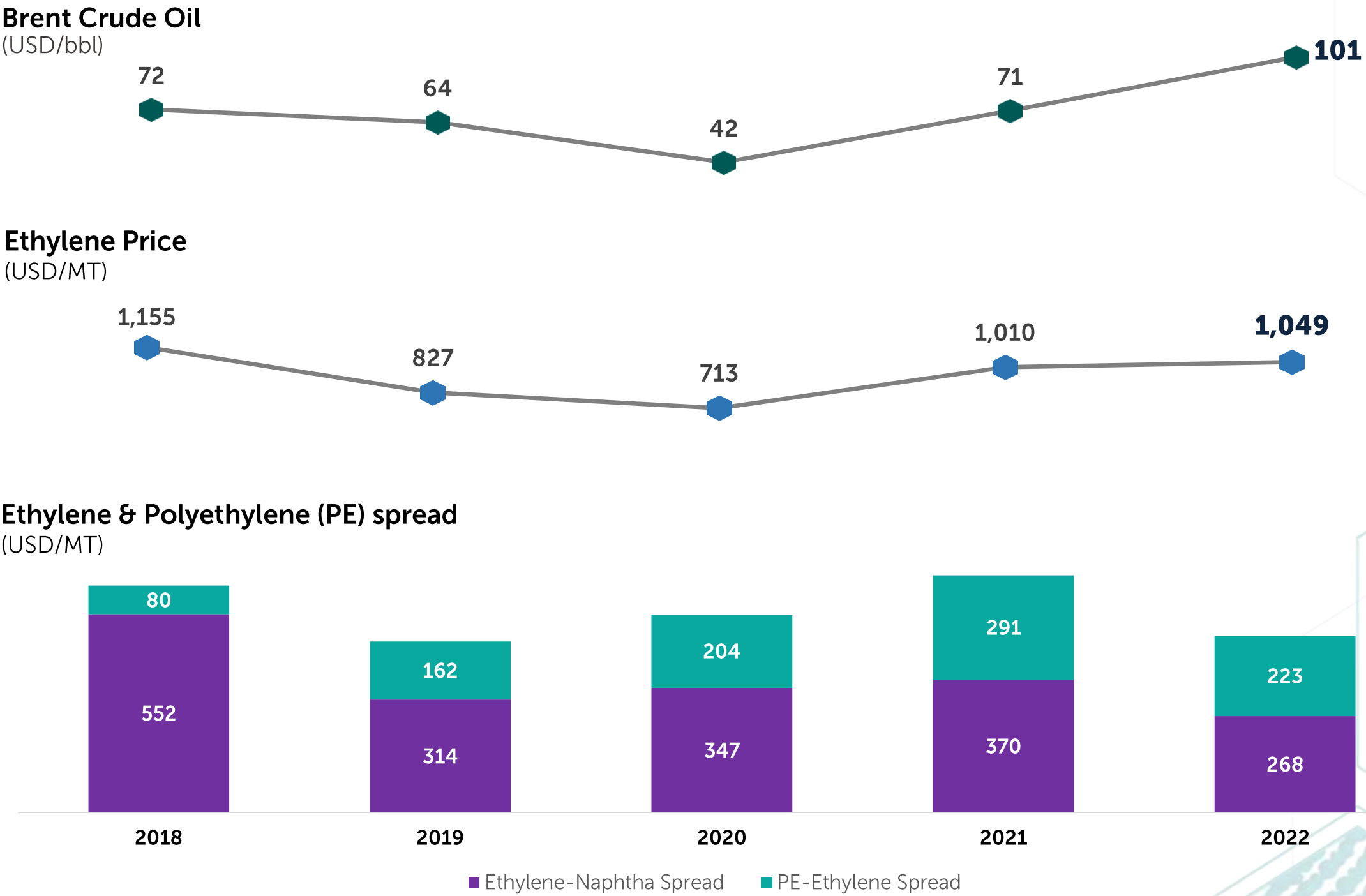


Note: ASEAN-5 refers to Indonesia, Malaysia, the Philippines, Singapore, and Thailand
Source: IMF

All-time high feedstock price squeezed the margin to 2019 level



Brent Crude Oil and Petrochemical Spread



Source: Platts, ICIS, IHS

PCG recorded strong financial performance despite challenges

EBITDA

RM **8.1** billion

FY2021 : RM 8.3 billion

PAT

RM **6.3** billion

FY2021 : RM 7.3 billion

Total Dividend
Payout

RM **3.3** billion

FY2021 : RM 4.5 billion

1st Interim Dividend
paid on 21st Sep 2022 **RM0.25**

2nd Interim Dividend
paid on 23rd Mar 2023 **RM0.16**

FY2022 Dividend
(per ordinary share) **RM0.41**

Dividend Payout
Ratio (% PATANCI)

52 %

FY2021 : **61** %

PCG recorded commendable earnings surpassing RM8 bil EBITDA level

EBITDA

RM **8.1** billion

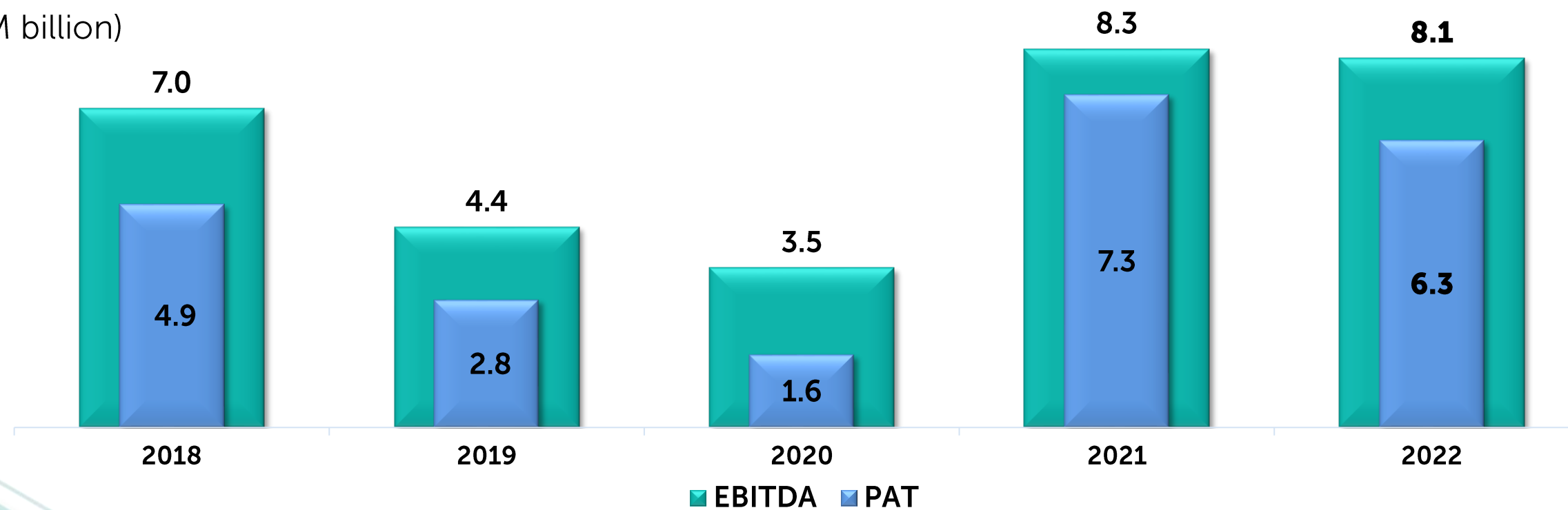
FY2021 : RM 8.3 billion

PAT

RM **6.3** billion

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EBITDA & PAT
(RM billion)



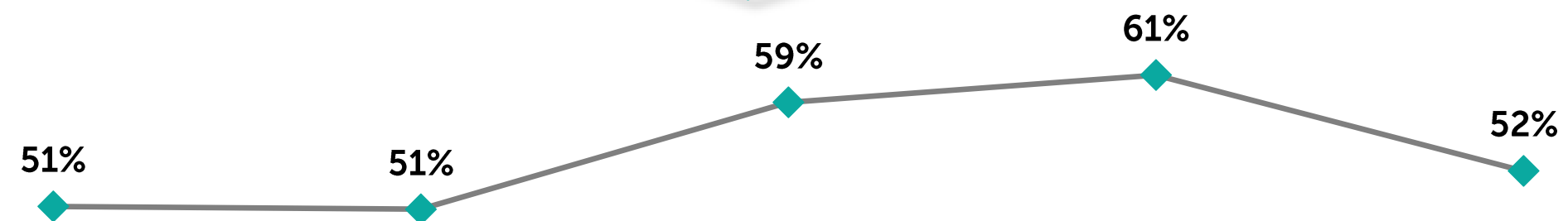
PCG maintained commitment of dividend payout ratio more than 50%

Total Dividend Payout
RM **3.3** billion

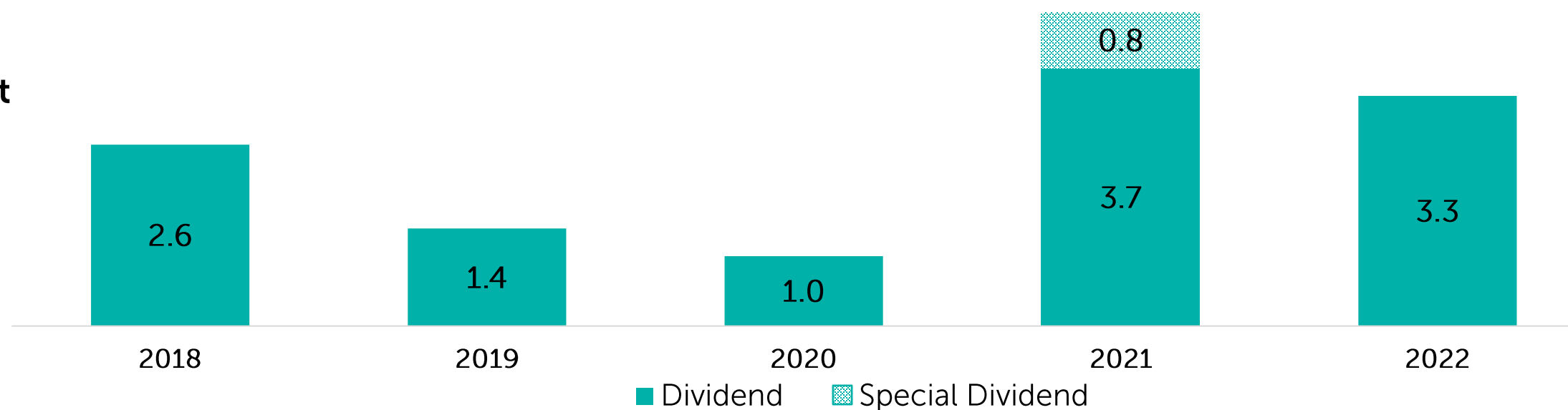
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Dividend Payout Ratio (% PATANCI)
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Dividend Payout Ratio (% PATANCI)



Dividend Payout (RM billion)



Keeping track of our performance through sustainability metrics

Economic



Production Volume

10.4 Mil TPA

Sales Volume

8.3 Mil TPA

Basic Chemicals & Derivatives

- 2 projects under construction progressing as planned
- Sanctioned 2 projects for development
- Inked collaboration for bio-waste chemical fertiliser
- Pilot plant Bio-MEG in operation

Specialty Chemicals

- Launch of new BRB Group's LAC plant
- Successful acquisition of Perstorp Group

Environment



GHG emissions reduction

108,000 tCO₂e

*Cumulative reduction since 2019

Energy intensity

17.08 GJ/tonne

Freshwater withdrawal intensity

3.89 m³/tonne

Five (5) memoranda of understanding to realise New Plastic Economy

Mangrove Trees Planted

3,550 trees

Social



Target reach

Achieved over

300,000 people

Environment

- Conserving the biodiversity

Education

- Educating the recycling values

Community Well-Being

- Instilling knowledge on safe chemical handlings and first aid

Governance

- Sustained **S&P Global** ranking
Dow Jones Sustainability Indices

Top 10 World & **Top 3** Emerging Market

- Achieved



3-Star rating for FTSE4GOOD

- Published first

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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FTSE Russell

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Safety performance better than industry benchmark

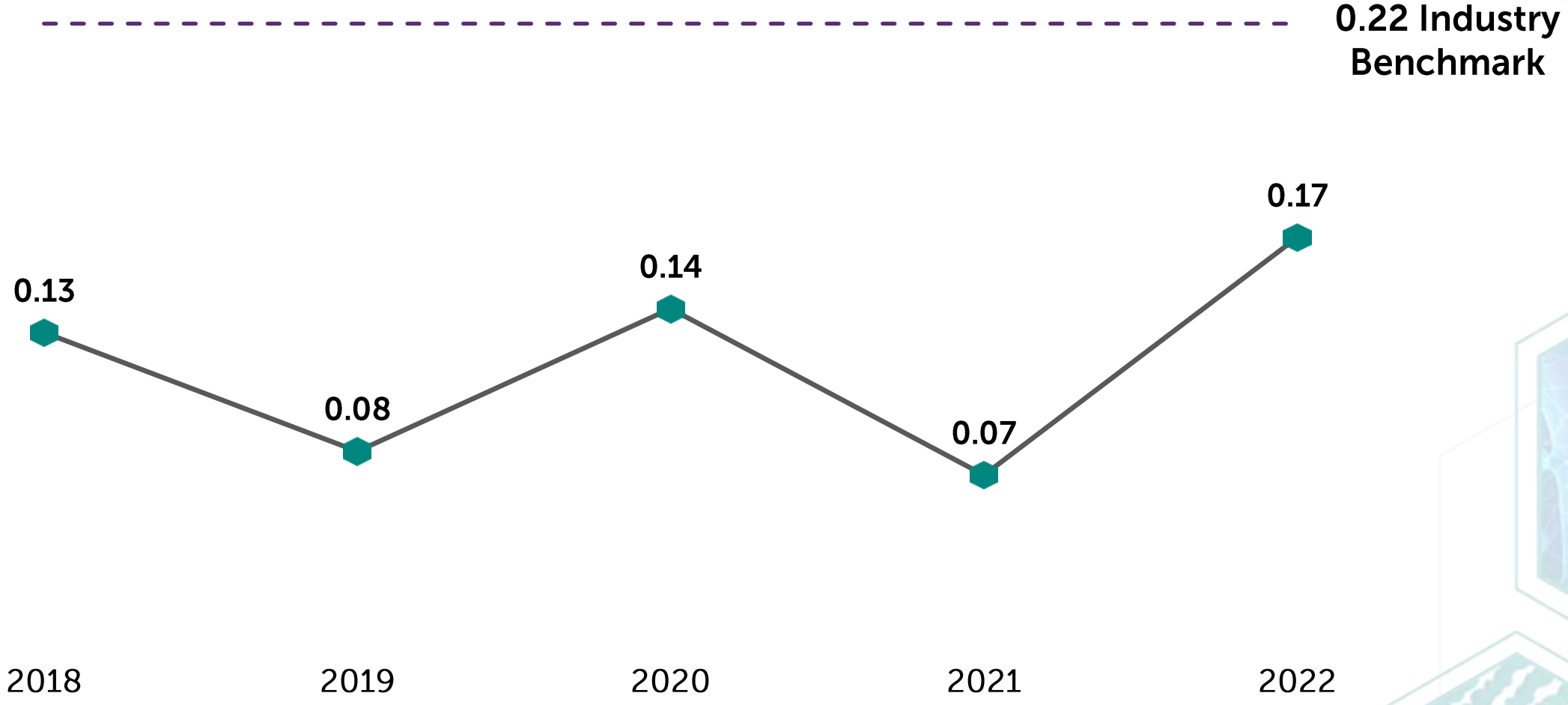
Economic



Strive for **ZERO**

ZERO is Possible

Safety Performance
(Lost Time Injury Frequency)



Sustained solid operational excellence with commendable sales volume

Economic

 **Production Volume**
10.4 mil. tpa

Production Volume (million tpa)



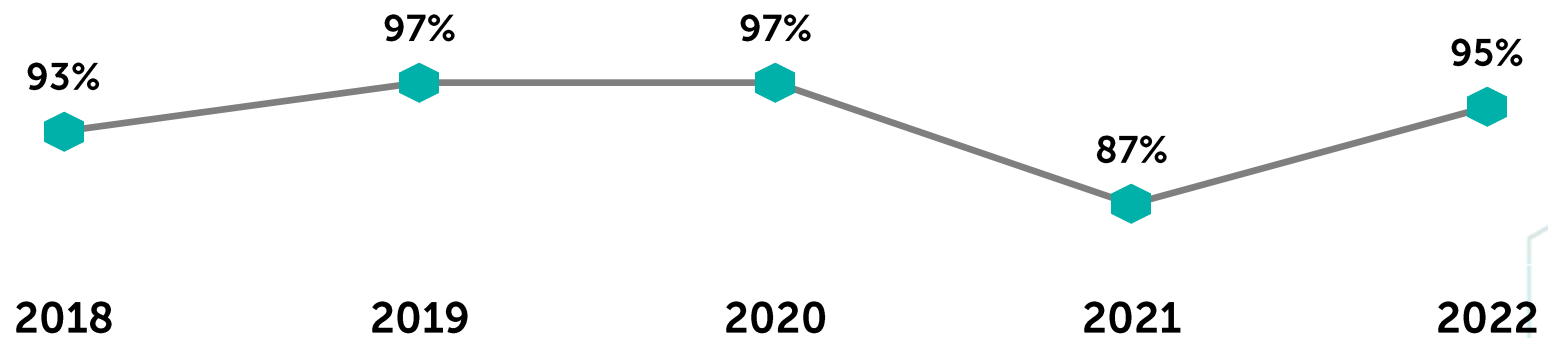
 **Sales Volume**
8.3 mil. tpa

Sales volume (million tpa)



 **Order Fulfillment Reliability**
95%

Order Fulfillment Reliability



Progressing with growth projects

Economic

2

Projects under construction progressing as planned



Specialty Ethoxylates & Polyols
Kerteh



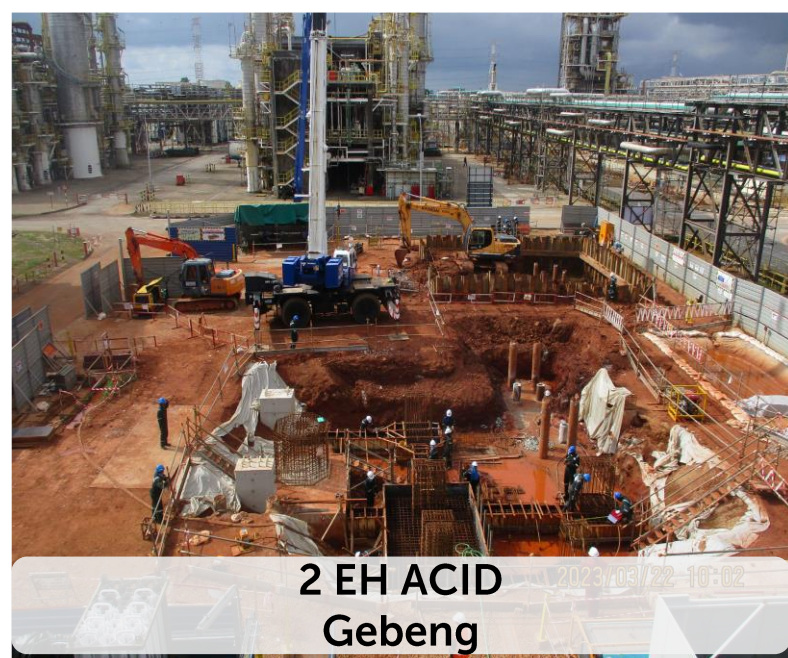
Nitrile Butadiene Latex (NBL)
Pengerang

2

Projects sanctioned for development & construction



Melamine
Gurun



2 EH ACID
Gebeng

1

Collaboration for bio-waste chemical fertiliser



Partnering for a Sustainable Future
Inked Distribution & Manufacturing Service Agreement

1

Bio-MEG pilot plant is in operation



Bio-MEG Pilot Plant

Growing specialty chemicals portfolio

Economic



Launched new LAC plant in Echt, Netherlands



Halal & Kosher certification for range of food grade at facility in Gebeng, Pahang



&

✓ Kosher



✓ Free Sales Certificates (China)



Acquisition of Perstorp Group

Primary Market Segments

Resins & Coatings

Engineered Fluids

Animal Nutrition

Advanced Materials



>1,500 employees

>130 product offerings within 72 product groups

Committed to sustainability

Keeping track of our performance through sustainability metrics

Economic



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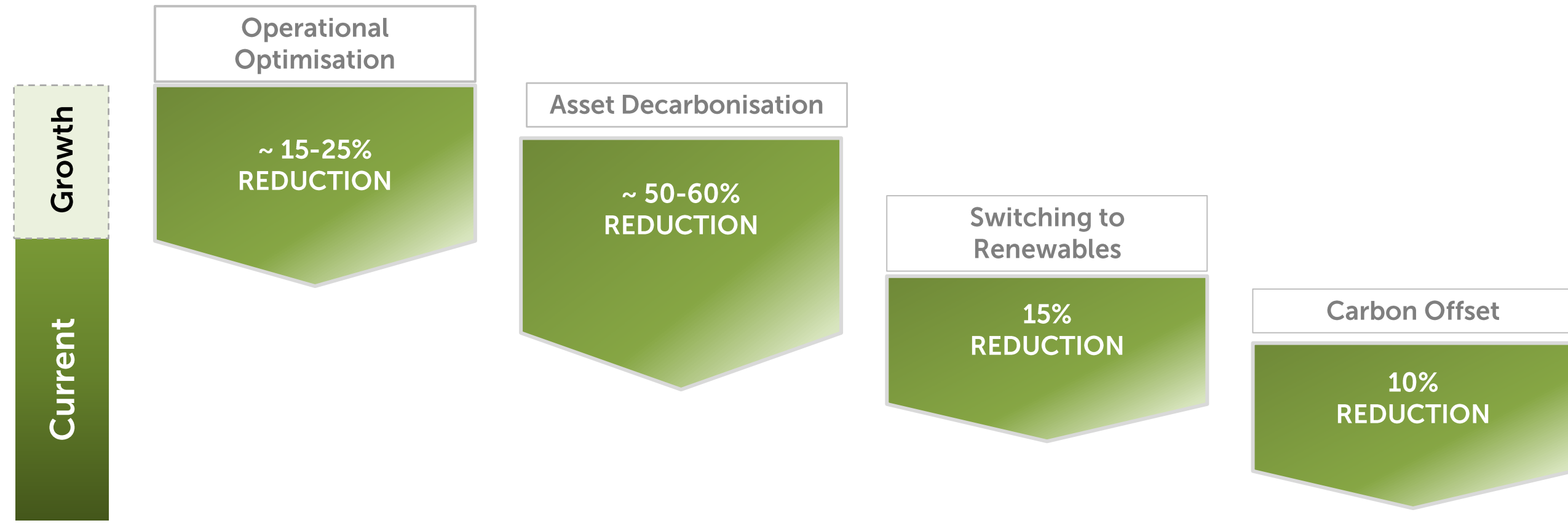
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Stepping up climate strategy

Environment

-  Fuel and steam optimisation
-  Gas venting and flaring optimisation
-  Process improvement

PCG Reduction Pathway towards Net Zero Carbon Emission (NZCE) 2050



2022 GHG Reduction

55,269 tCO₂e

GHG Emission surpassed 2024 target

108,000 tCO₂e

From baseline year 2019

Equivalent to  **24,033** cars off the road in 1 year



Source: United States Environmental Protection Agency [EPA](#) website



Contributing to environmental stewardship

Environment

0 Non-compliance to environmental policies, rules and regulation

Efficient freshwater withdrawal management

Real-time air emissions monitoring

Increased 3R rate

PCG continues to optimise operation to mitigate environmental impact

Freshwater Withdrawal Intensity

3.89

m³/tonne

2021: 3.69 m³/tonne



Air Emissions Intensity

1.86

tonne/kilotonne

2021: 2.42 tonne/kilotonne



Hazardous Waste Recycling Rate

76%

2021: 75%



Forging collaborations towards New Plastics Economy

Environment

PCG signed five (5) memoranda of understanding (MoUs)



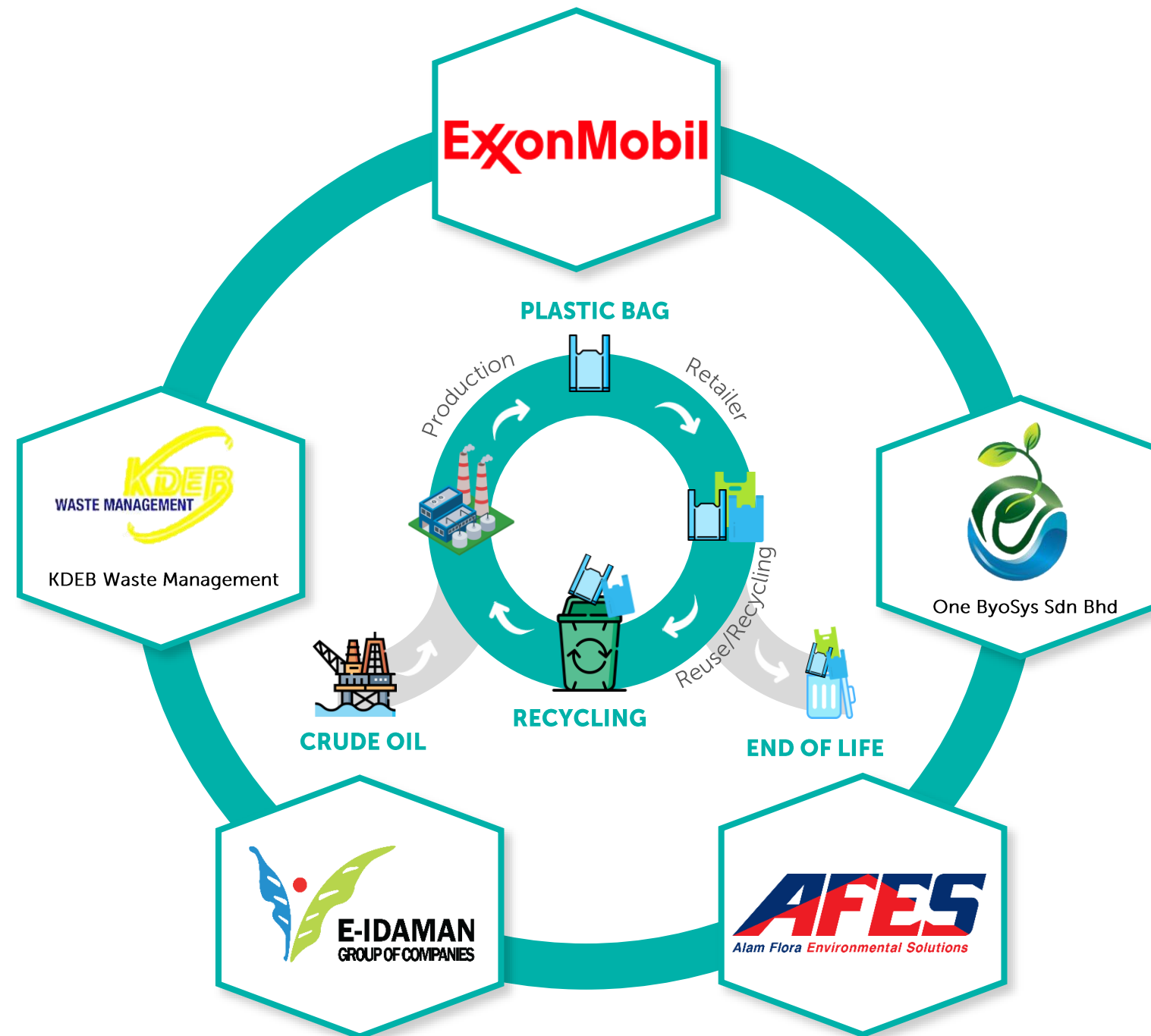
Achieved engineering design stage for plastic waste to naptha-like pyrolysis oil



Signed MoUs with waste concessionaires as feedstock suppliers



Collaboration with ExxonMobil for advanced plastic recycling technology



Preserving and conserving biodiversity

Environment



Stronger partnership with Malaysian Nature Society



Collaborated with Sahabat Bakau for mangrove trees plantation



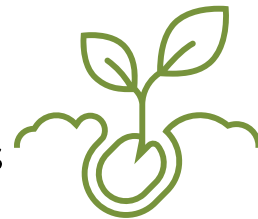
Organised programmes for environmental conservation and restoration

PCG intensifies effort in restoring and preserving biodiversity

Mangrove Trees Planted

3,550

trees



2021: 1,200 trees



ecoCare
Completed Biodiversity Monitoring activities and baseline report

12

22

Critically endangered (CR)
Endangered (EN)
Near-threatened (NT)
Vulnerable (VU)

Newly found bird species

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TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Protecting and promoting human rights

Social



Adopted PETRONAS' Diversity & Inclusion (D&I) statement



Committed to human rights in line with PETRONAS' Contractors Code of Conduct on Human Rights (CoCHR)

Woman in Senior Leadership Roles

29%



2021: 18%



Conducted **Social Risk Assessment (SRA)**

Continuing positive social impact

Social



Conserving biodiversity



Instilling recycling values



Educating safe chemical handlings and first aid knowledge

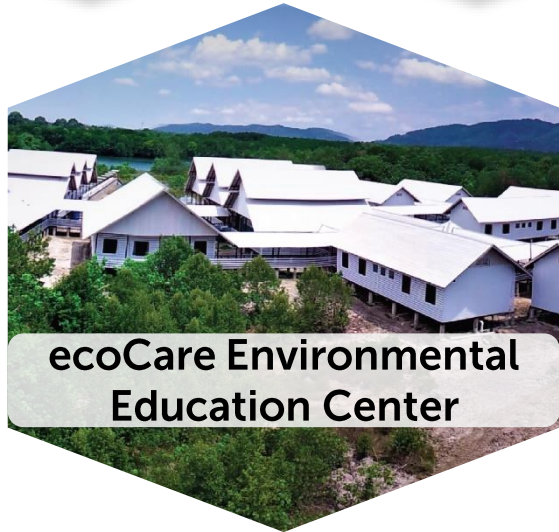
Benefited over
300,000
community members
2021: ~ 295,000 people



Environment

Be Green

ecoCare



ecoCare Environmental Education Center

Education

Plastic, Sustainability & You Education (PSYE)

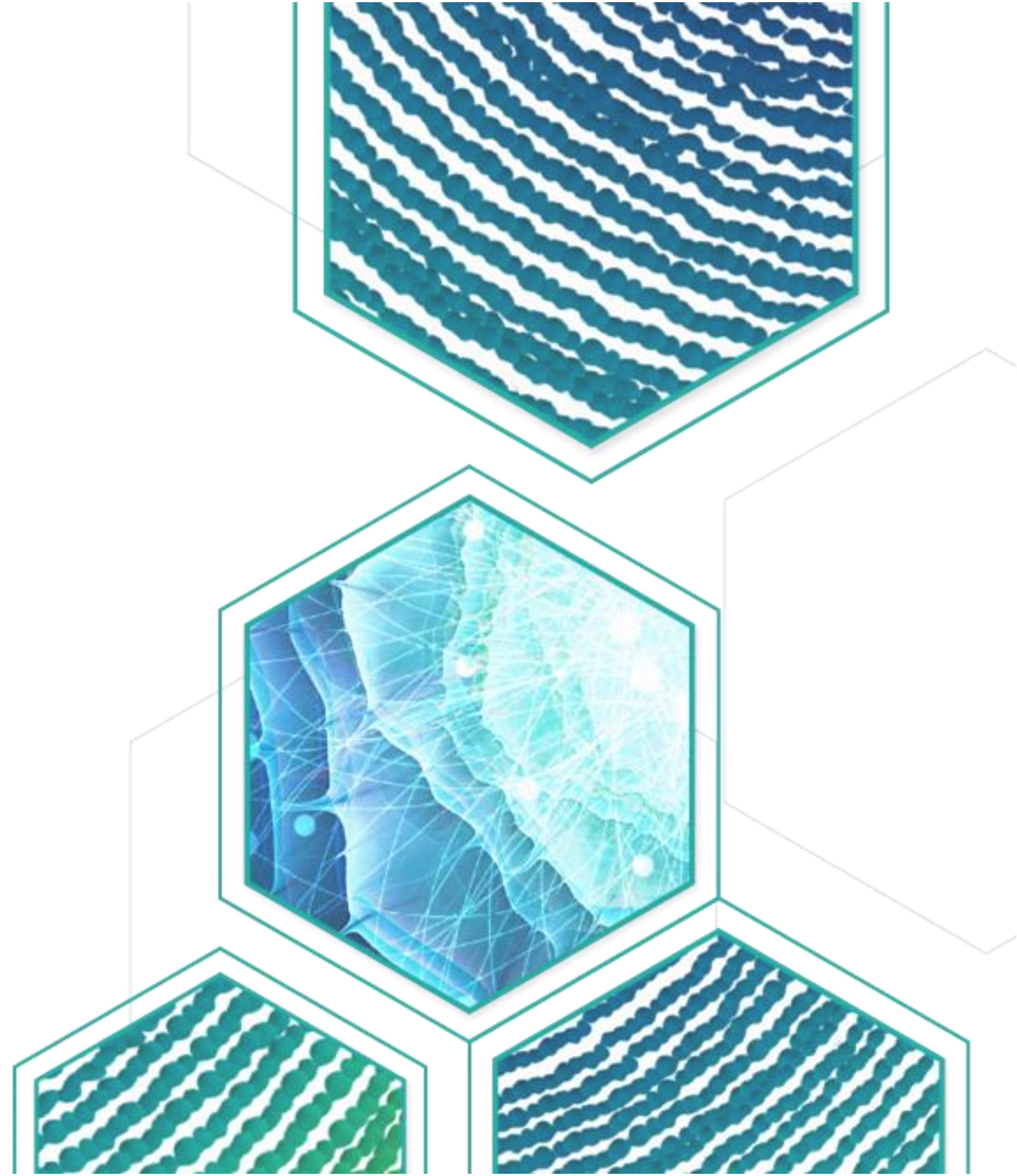


Community Well-Being and Development

Safe Handling of Chemicals for School (SHOC4School)



2023 Outlook

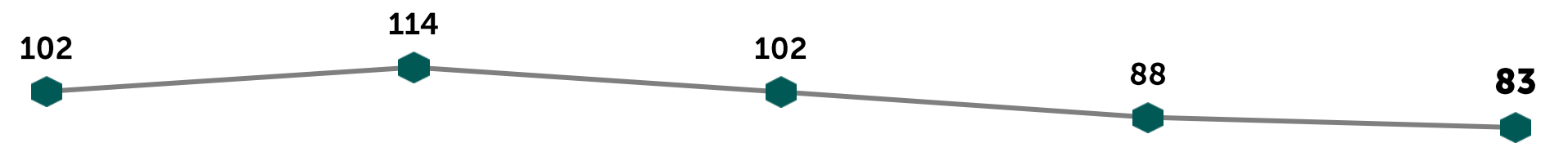


Integrated margin thinned out due to bearish product and feedstock prices

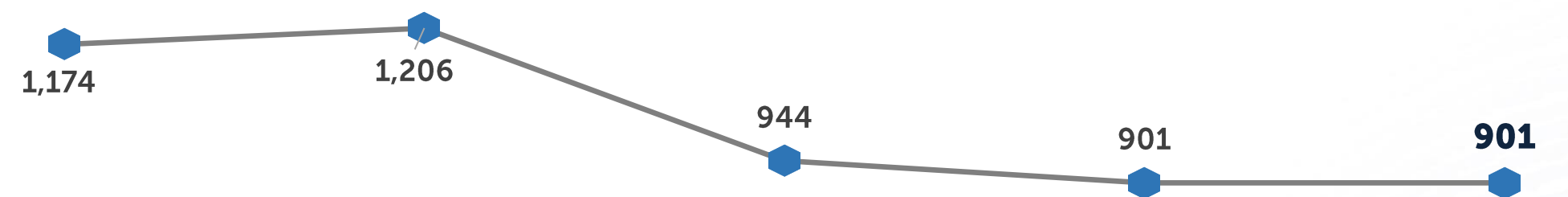


Brent Crude Oil and Petrochemical Spread

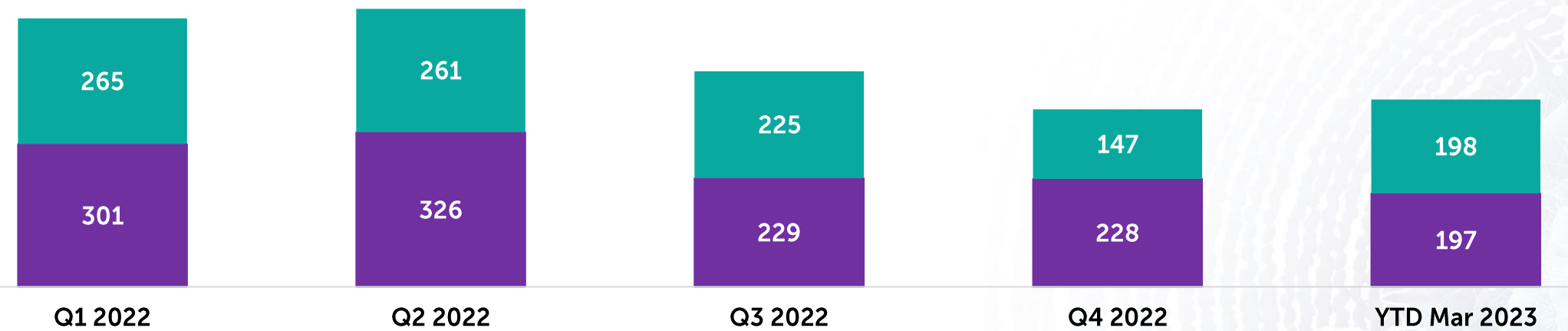
Brent Crude Oil
(USD/bbl)



Ethylene Price
(USD/MT)



Ethylene & Polyethylene (PE) spread
(USD/MT)



Source: Platts, ICIS, IHS

■ Ethylene-Naphtha Spread ■ PE-Ethylene Spread

PCG remains steadfast in executing focus areas in 2023



Economic

Business Sustenance & Green Initiatives

- Sustain **HSE Excellence**
- Maximise value from **Operational Excellence & Commercial Excellence**
- Continue **cost optimisation**
- Deliver value thru **growth projects & post-merger integration**
- Intensify sustainability effort



Environment

Environment Stewardship & Resource Efficiency

- Execute **NZCE 2050 Roadmap**
- Continue **Environment Stewardship & Resource Efficiency**



Social

Social Responsibility

- Continue **Corporate Social Responsibility**
- Embracing **diversity and inclusion**

Governance

   **Sustain DJSI world ranking & top quartile FTSE4Good**

Thank you

