

# STEADFAST. ADVANCING SUSTAINABLY.

## PETRONAS Chemicals Group Berhad **26<sup>th</sup> Annual General Meeting**

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# Presentation Outline

## ◆ Business Environment

## ◆ 2023 Performance

- Business result
- Growth
- Sustainability

## ◆ 2024 Outlook



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 **Business Environment**

# A challenging 2023



**Slow economic growth**



**Geopolitical tension**



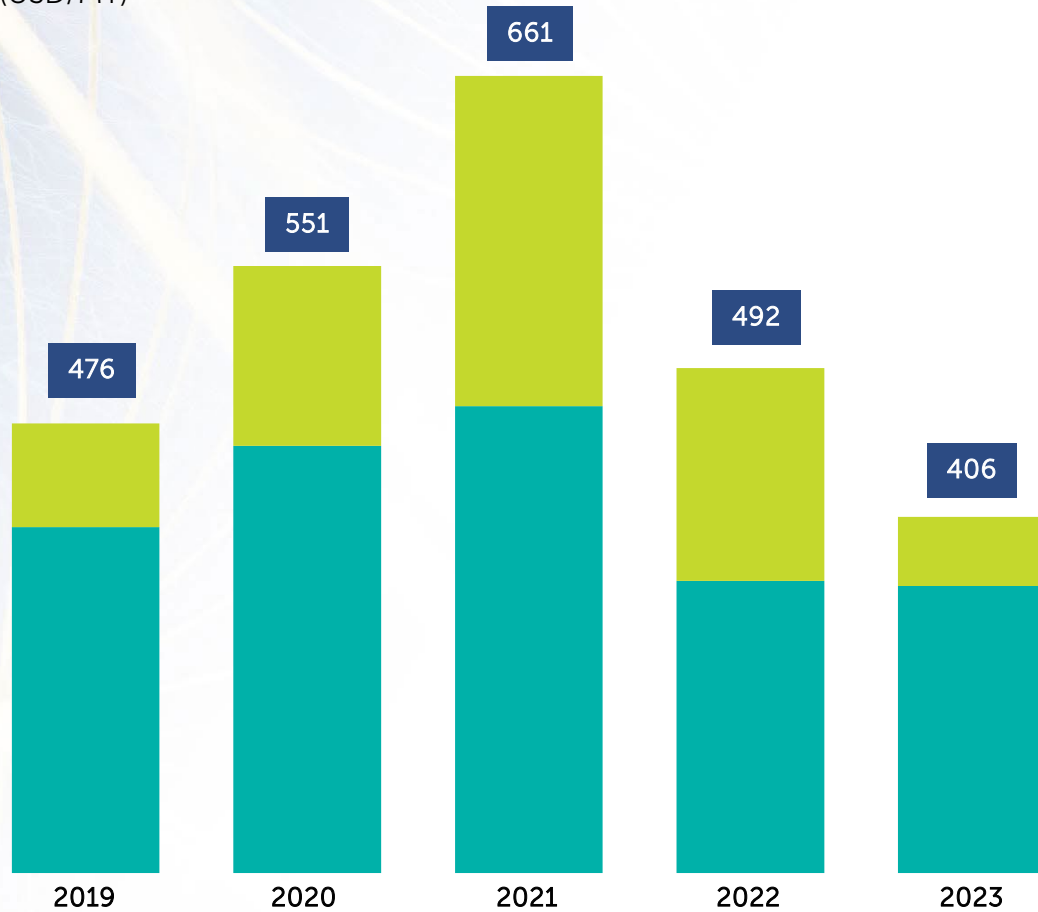
**Supply chain  
disruptions**



**High energy prices**

# Soft chemicals market

**Integrated Spread**  
(USD/MT)



■ Ethylene-Naphta ■ PE-Ethylene

Demand in key industries served by specialty segments remained weak due to economy slowdown

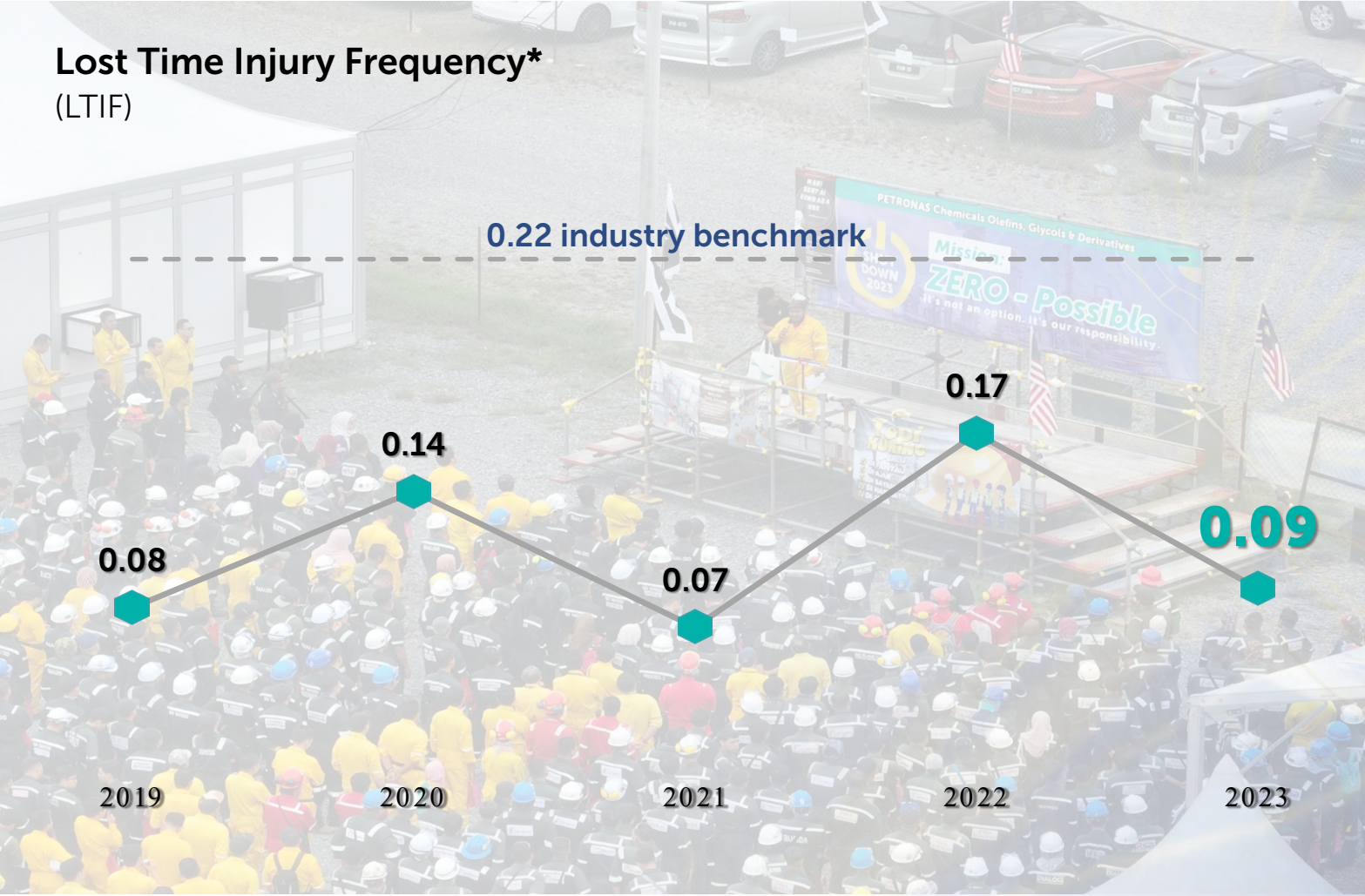




## **2023 Performance**

- **Business Result**
- **Growth**
- **Sustainability**

# Solid HSE Excellence



\*Data covers Malaysian operations and BRB

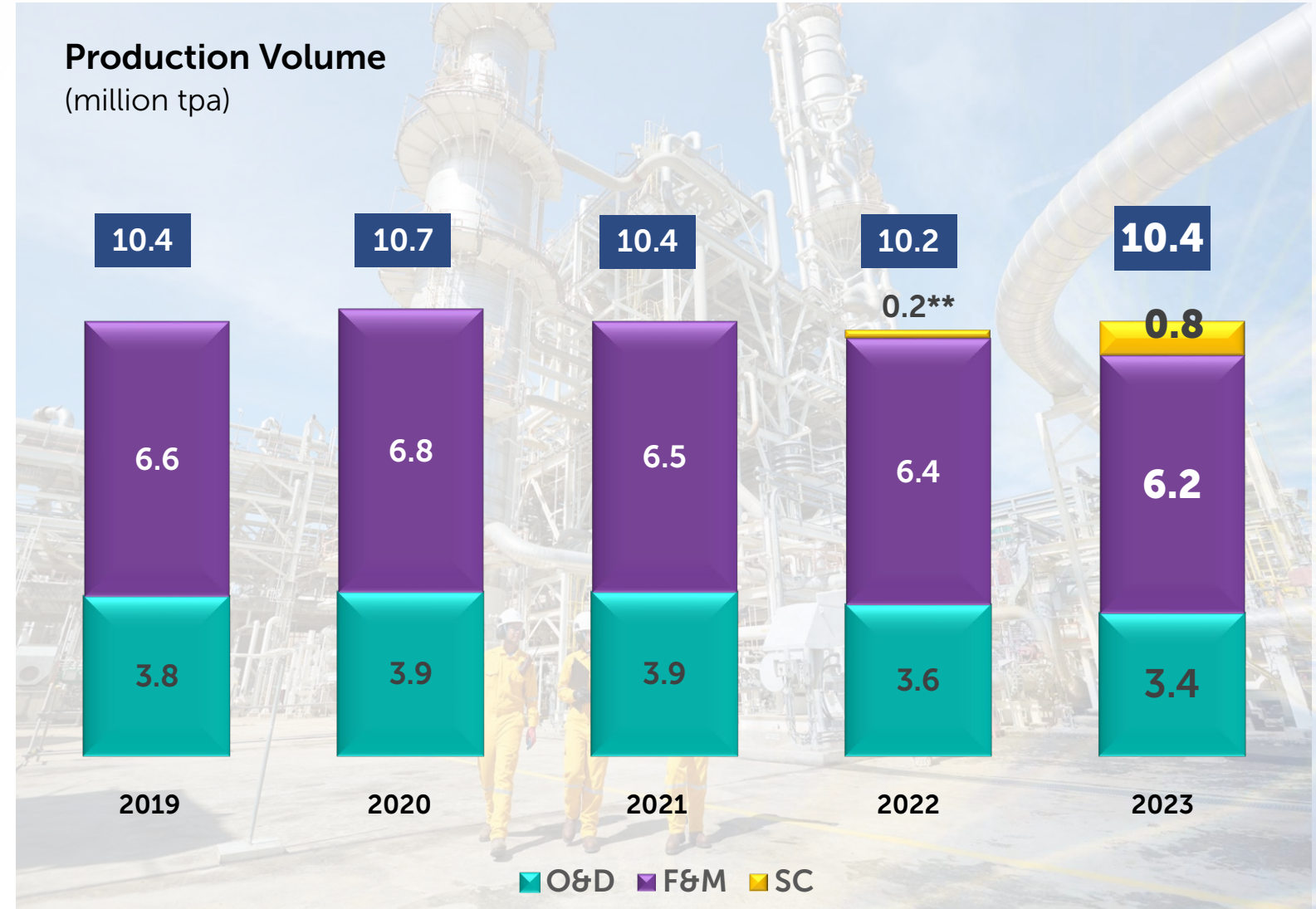
# Sustain Operational Excellence

Plant Utilisation\*

**85%**

90% world class benchmark

Production Volume  
(million tpa)



\*excluding Specialty Chemicals

\*\*volume post Perstorp acquisition in Q4 2022

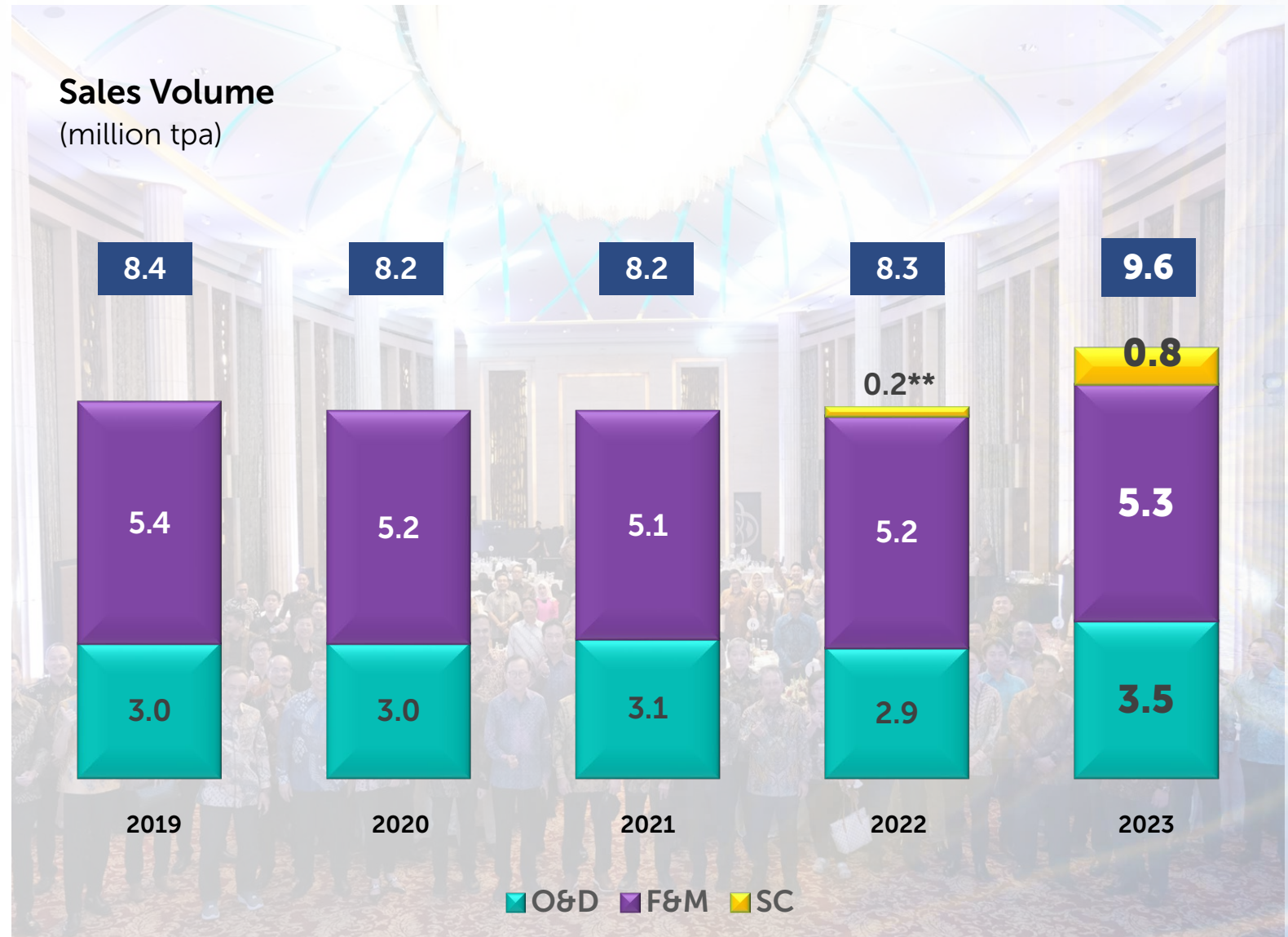
# Robust Commercial Excellence

Order Fulfillment  
Reliability\*

**95%**

90% industry benchmark

Sales Volume  
(million tpa)



\*excluding Specialty Chemicals

\*\*volume post Perstorp acquisition in Q4 2022

# Financial performance

Revenue

(RM bil)

**28.7**

2022 : 29.0

Liquidity with  
Cashflow from  
Operations (CFFO) of  
(RM bil)

**5.1**

2022 : 8.0

EBITDA

(RM bil)

**3.8**

2022 : 8.1

PAT

(RM bil)

**1.8**

2022 : 6.3

# Maintain dividend payout ratio ~50%

Total Dividend Payout

**RM 1.0 bil**

**1<sup>st</sup>**

Interim Dividend  
paid on 21<sup>st</sup> Sep 2023

**RM0.08**

**2<sup>nd</sup>**

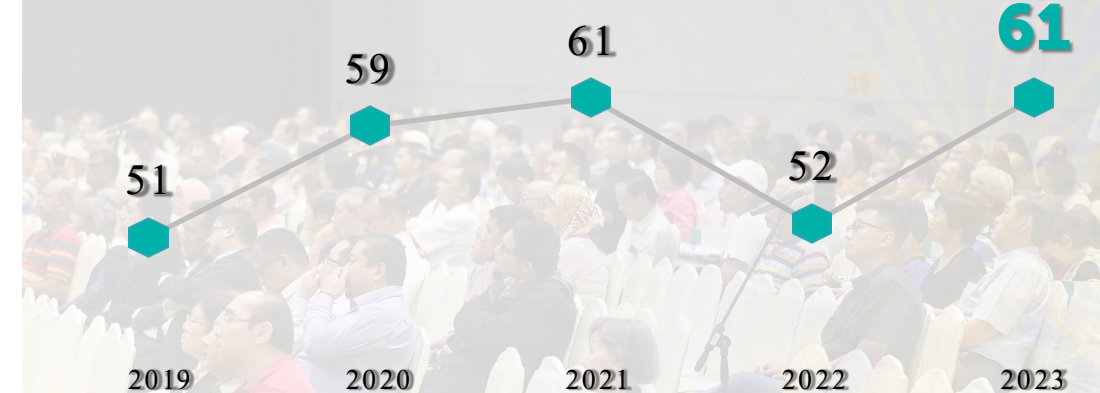
Interim Dividend  
paid on 27<sup>th</sup> Mar 2024

**RM0.05**

FY2023 Dividend  
(per ordinary share)

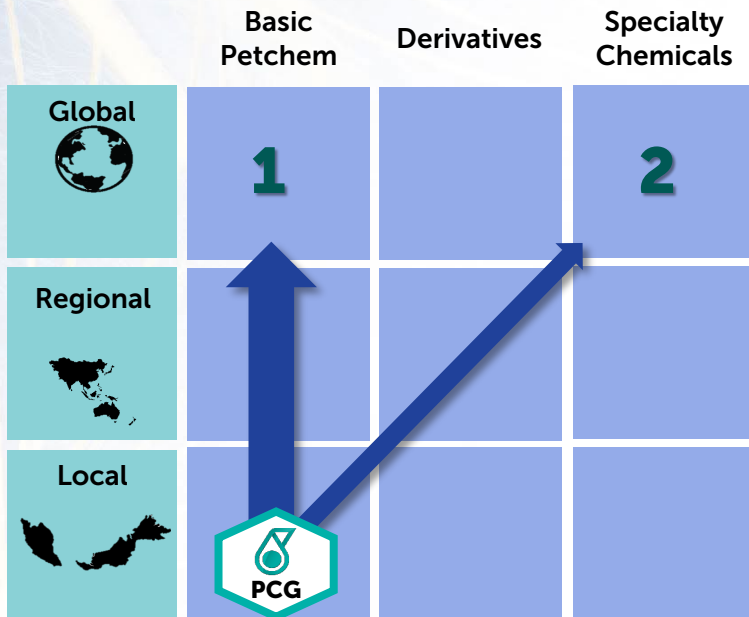
**RM0.13**

Dividend Payout Ratio  
(% PATANCI)



# Deliver Growth Delivery Excellence

## 2-Pronged Strategy



1. Sustain strength in basic petrochemicals
2. Selectively diversify into derivatives, specialty chemicals and solutions

Diversify into derivatives, specialty chemicals and solutions to future-proof the business



**Extend Value Chain (EVC)**

via **downstream investment**



**Build Specialty Platform**

via **Merger & Acquisition (M&A)**



**Create Optionality for Growth**

via **Technology Research and Corporate Venture Capital (CVC)**

# Extending our value chain

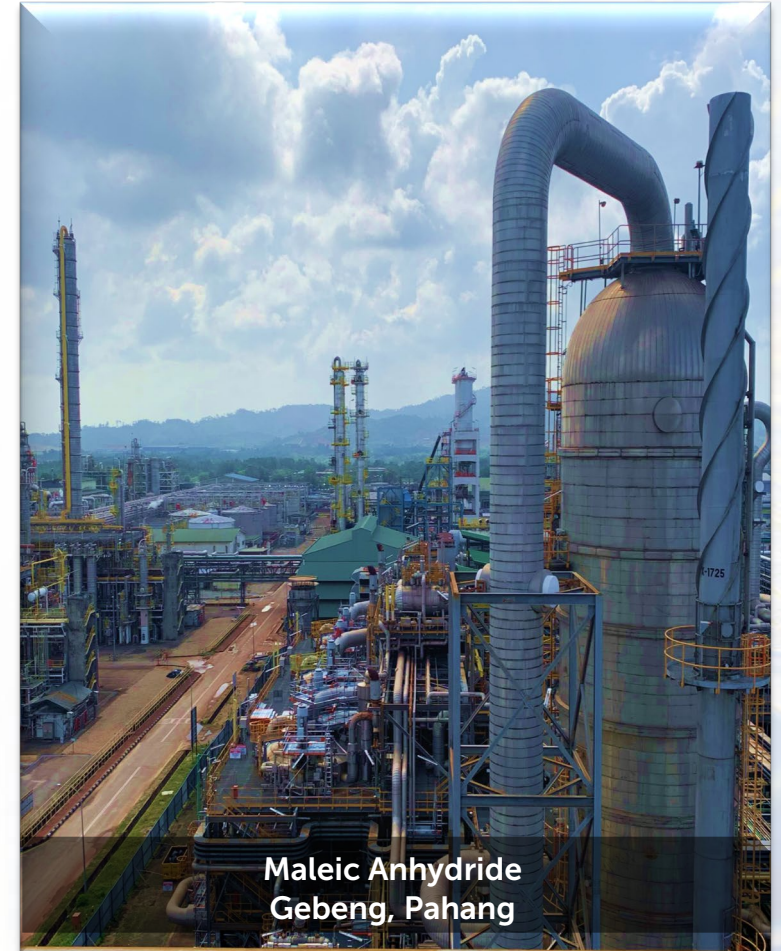
## 1 Ready For Start Up



## 2 Construction progressing as planned



## 3 Final Investment Decision (FID)



# Building our specialty platform

Full operation of Lube Oil Additives & Chemicals (LAC) plant in Echt, Netherlands

Incorporation of BRB Silicones United Kingdom Ltd

Obtained critical certifications for silicone blending plant in Gebeng, Pahang

## SPECIALTY CHEMICALS



**BRB**

A Subsidiary of PETRONAS Chemicals Group



**Perstorp**

A Subsidiary of PETRONAS Chemicals Group

Commissioning of new Pentaerythritol (Penta) production facility in Sayakha, India

Working towards approval for sustainable methanol project in Stenungsund, Sweden

# Creating optionality for growth

1

Achieved the first drop from bio-based emollient pilot plant for personal care applications



2

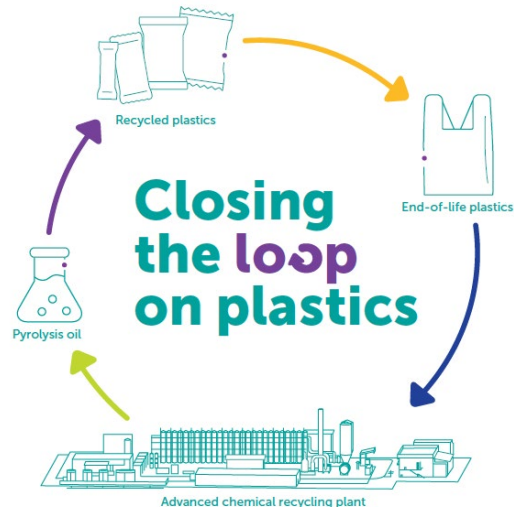
Developing Global Innovation Network



# Advancing circularity

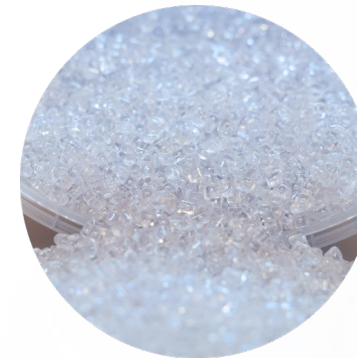
## Plastic Circularity

- ✓ Achieved Final Investment Decision (FID) for advanced chemical recycling plant in Pengerang, Johor
- ✓ Collaboration with feedstock suppliers to accelerate innovative waste recovery infrastructure



## Circular Solutions

- ✓ Introduced Akestra™ 100 and Akestra™ 110
  - Enhance recycled PET's heat resistance
  - Enable increased recycled material content
  - Promote circularity

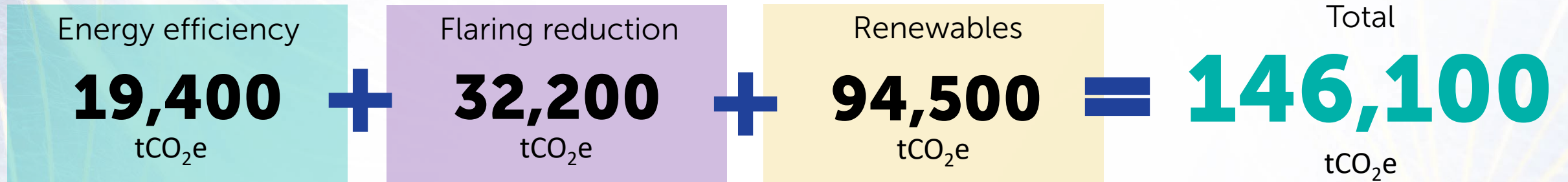


Akestra™

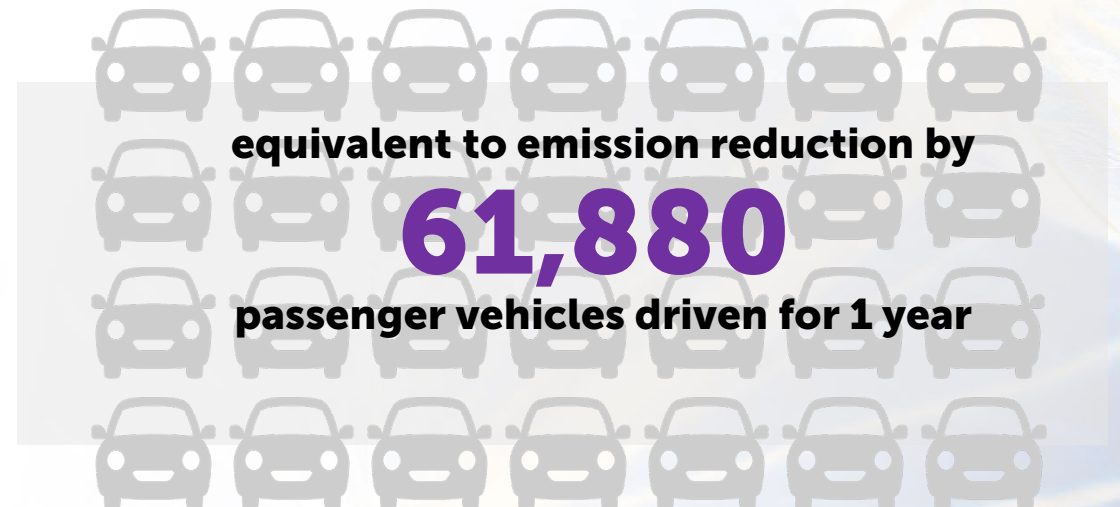
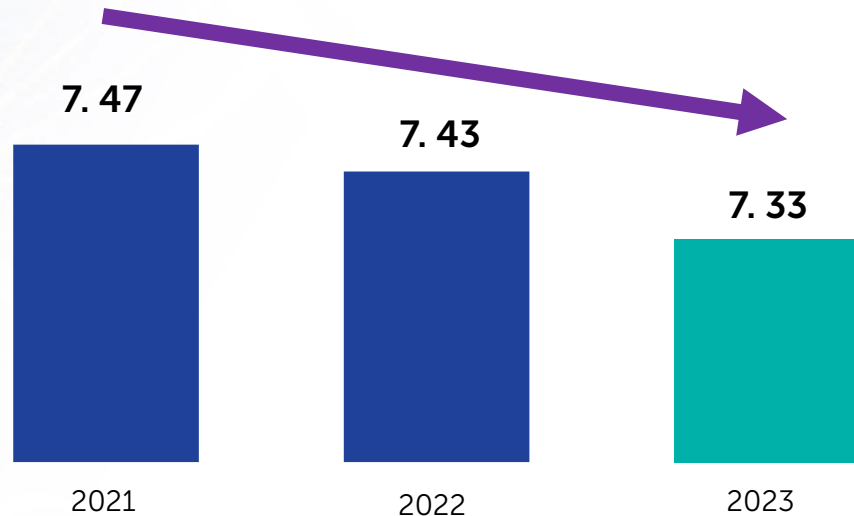


# Progressing towards net zero

## 2023 GHG emission reduction efforts



## Total GHG Emission for Scope 1 and Scope 2 – Market Based (mil tCO<sub>2</sub>e)



# Advocating positive social impact

**170,000**

2022: >75,000

Community  
members reached



# Awarded global recognitions

1

Achieved  
Top quartile  
4-Star rating  
for FTSE4GOOD



FTSE4GOOD

2

Sustained  
Top 10%  
Companies for World  
and Emerging Markets  
for third consecutive years

**S&P Global**

Dow Jones  
Sustainability Indices

3

Silver rating  
(Top 25% in  
the industry)



A Subsidiary of PETRONAS Chemicals Group



4

Gold rating  
(Top 5% in  
the industry)



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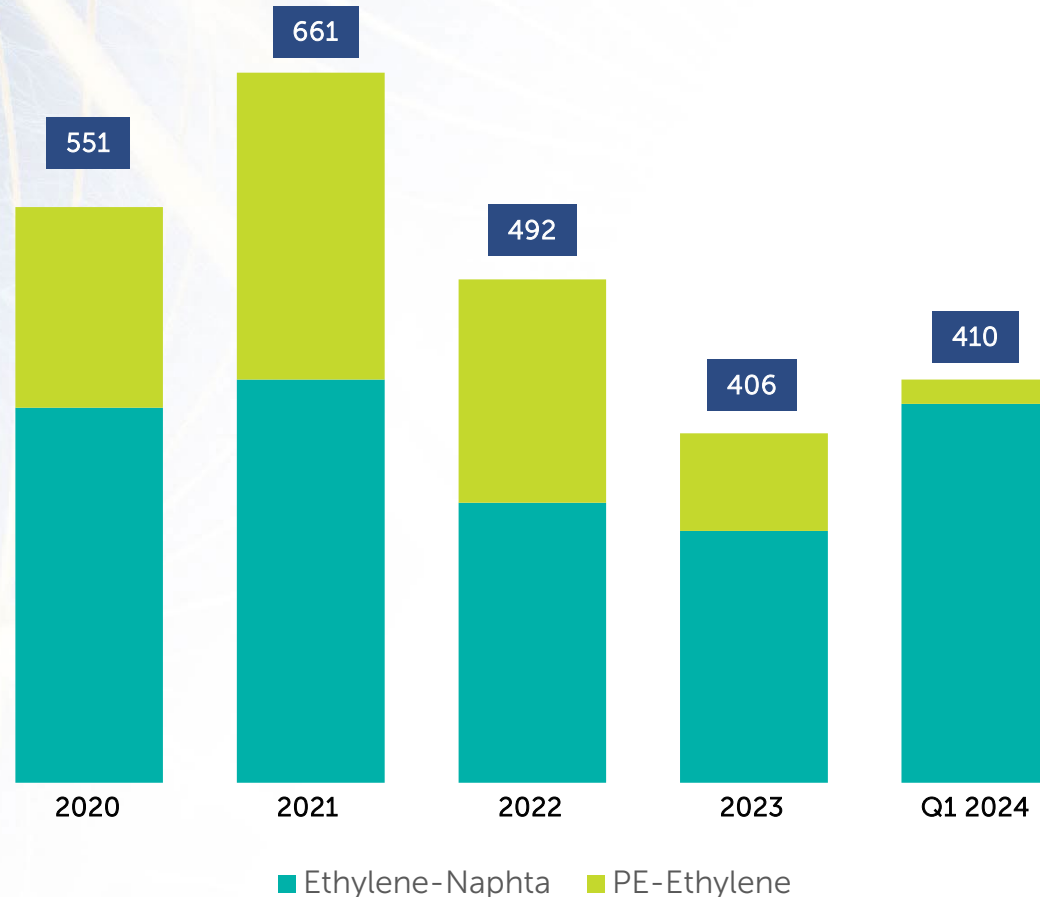


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## **2024 Outlook**

# Prevailing headwinds

**Integrated Spread**  
(USD/MT)



Source: Platts, ICIS, IHS

Demand for key industries served by specialty segments is expected to be similar to 2023 level



# Key priorities for 2024



**Maximise value for stakeholders**



**Thank you**