PETRONAS Chemicals Group Berhad Analyst Briefing

Second Quarter Ended 30 June 2025

13 August 2025

The PETRONAS Group adopts zero tolerance against all forms of bribery and corruption. We abide by the PETRONAS Code of Conduct and Business Ethics (CoBE) & Anti-Bribery and Corruption (ABC) Manual, guided by our Shared Values and Statement of Purpose.

Disclaimer

PETRONAS Chemicals Group Berhad ("PCG"), its subsidiaries and related corporations confirm that care has been taken in ensuring the accuracy and correctness of information, statements, text, articles, data, images and other materials contained and appearing in this presentation and the associated slides (hereinafter referred to as "the MATERIALS"). Accordingly, PCG, its subsidiaries and related corporations and its or their directors, officers, employees, agents and advisers (hereinafter referred to as "We") represent that, to the best of our knowledge and belief that the MATERIALS which are owned and directly related to us therein are accurate, correct and true.

The MATERIALS is not exhaustive. We do not assume any obligation to add, delete or make any changes to the MATERIALS and we may do so, if we feel necessary, without prior notice.

We expressly disclaim all liabilities whatsoever for any direct, indirect, special or consequential loss or damages howsoever resulting directly or indirectly from the access to or the use of this MATERIALS and the reliance on the MATERIALS contained herein. You should rely on your own evaluation and assessment of the MATERIALS in order to arrive at any decision. Any decision made by you based on the MATERIALS is your sole responsibility.

The MATERIALS may also contain information provided by third parties and we make no representation or warranty regarding the accuracy, reliability, truth and completeness of the said third parties' information.

In no event would the MATERIALS constitute or be deemed to constitute an invitation to invest in PCG, its subsidiaries and related corporations or an invitation by PCG, its subsidiaries and related corporations to enter into a contract with you.

Forward Looking Statements and Associated Risks

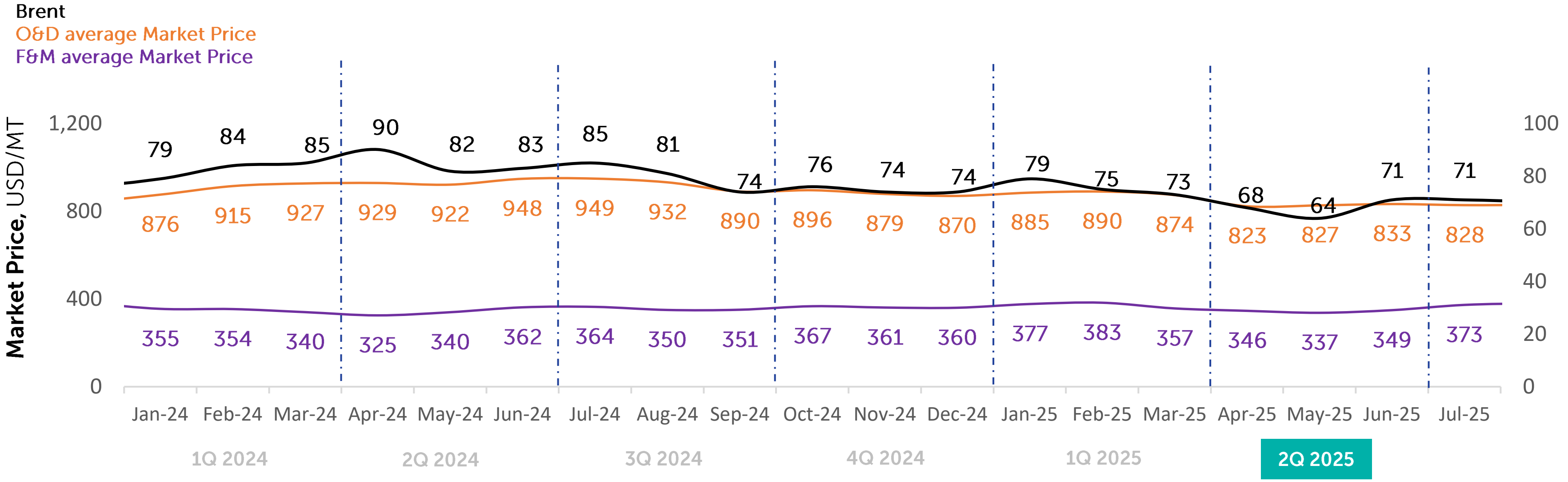
The MATERIALS and related discussions, including but not limited to those regarding the petrochemicals environment, anticipated demand for petrochemicals, plant turnaround activity and costs, investments in safety and operational risk, increase in turnaround activity and impact on production, future capital expenditures in general, generation of future receivables, sales to customers, cash flows, costs, cost savings, debt, demand, disposals, dividends, earnings, efficiency, gearing, growth, strategy, trends, reserves and productivity together with statements that contain words such as "believe", "plan", "expect" and "anticipate" and similar expressions thereof may constitute forward looking statements.

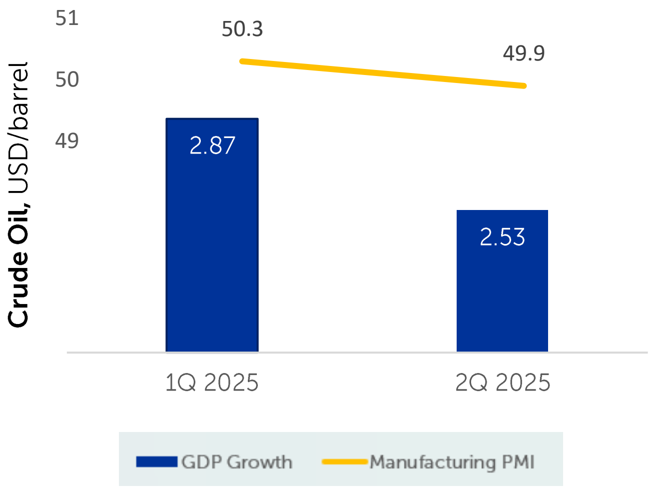
Such forward-looking statements are subject to certain risks and uncertainties, including but not limited to, the economic situation in Malaysia and countries in which we transact business internationally, increases in regulatory burdens in Malaysia and such countries, changes in import control or import duties, levies or taxes in international markets or in Malaysia, and changes in prices or demand for products produced by us, both in Malaysia and in international markets, as a result of competitive actions or economic factors. Such forward looking statements are also subject to the risks of increased costs in related technologies and such technologies producing expected results, and performance by third parties in accordance with contractual terms and specifications.

Should one or more of these uncertainties or risks, among others, materialise, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in capacity or performance may not be fully realised. Although We believe that the expectations of management as reflected by such forward looking statements are reasonable based on information currently available, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward looking statements. We undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Content

Global and Domestic Economies Remain Pressured by Trade Concerns





2Q 2025 Highlights

Global

- Global GDP growth decelerated amid persistent trade tensions, escalating geopolitical risks, and increased financial market volatility
- Global manufacturing PMI index fell into contraction, driven by declining new orders amid weak demand, and weak global trade

Malaysia

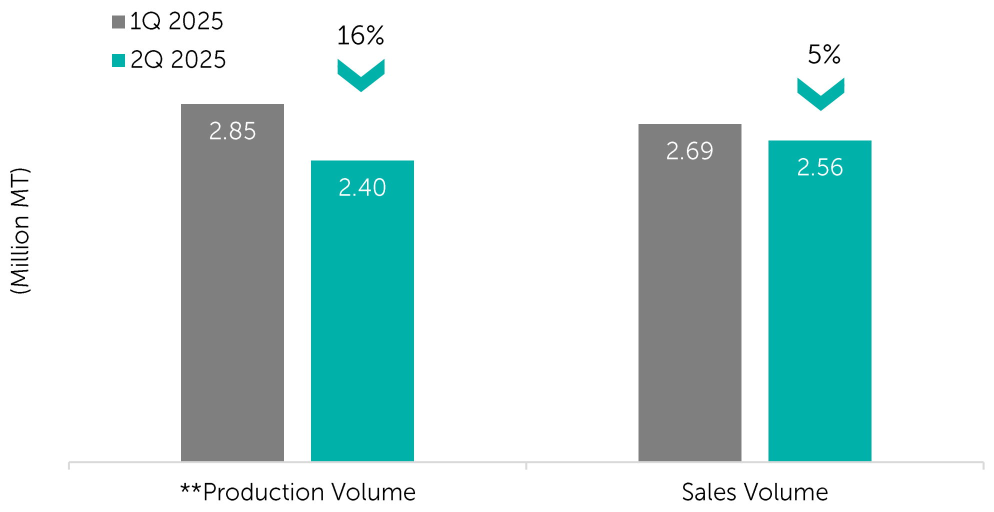
- Malaysia faces tariff hikes on goods exported to the US
- The revision of Sales Tax rates and the expansion of Service Tax scope
- Bank Negara Malaysia cut Overnight Policy Rate (OPR) by 25 basis points, to 2.75%

PCG

- Average product prices in Olefins & Derivatives, Fertilisers & Methanol declined quarter-on-quarter, while Specialty Chemicals were mixed
- The decline was due to weak downstream demand, as end market consumption weakened

*Source: market publications, PCG analysis

2Q 2025 vs 1Q 2025 Highlights: Profitability impacted by operational challenges and impairment of assets



	1Q 2025	2Q 2025	1Q 2025 (excluding forex)	2Q 2025 (excluding forex)
REVENUE *in RM Million*	7,656	6,437	7,656	6,437
EBITDA *in RM Million*	892	395	950	632
(LAT)/PAT *in RM Million*	18	(1,047)	210	(601)
EBITDA MARGIN *(%)*	11.7	6.1	12.4	9.8

***Excludes PIC*

Operational

- Plant Utilisation (PU) rate at 77.4% due to feedstock supply disruption at PC Fertiliser Kedah, and several repair and maintenance activities *(1Q 2025: 93.9%)*
- Lower production volume at 2.40 million MT, following lower commodities plant performance, as well as lower production from the Specialty Chemicals segment *(1Q 2025: 2.85 million MT)*

Commercial

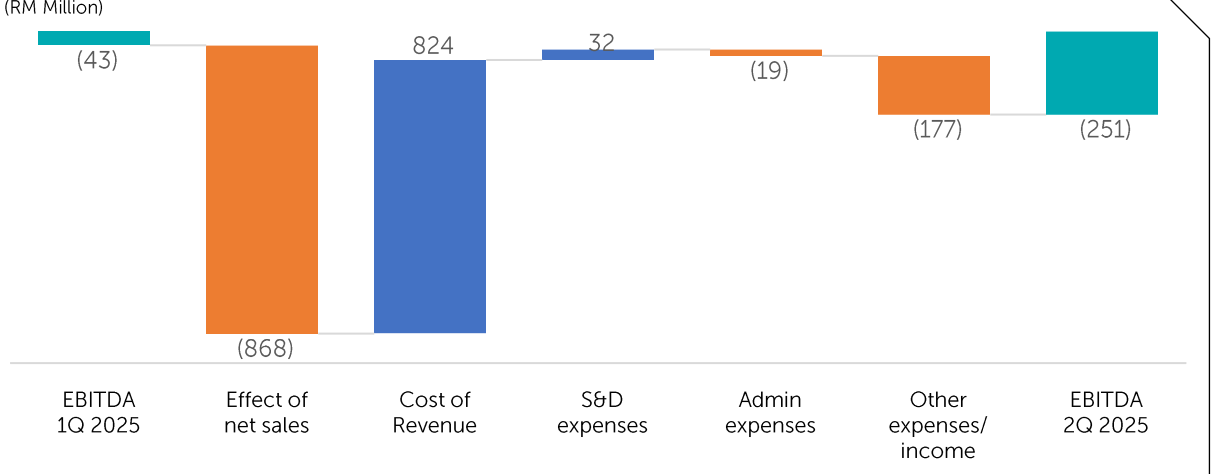
- Sales volume was lower at 2.56 million MT mainly for urea, methanol and paraxylene, in line with lower production volume *(1Q 2025: 2.69 million MT)*
- Average product prices declined 5% quarter-on-quarter, while Specialty Chemicals were comparable

Financial

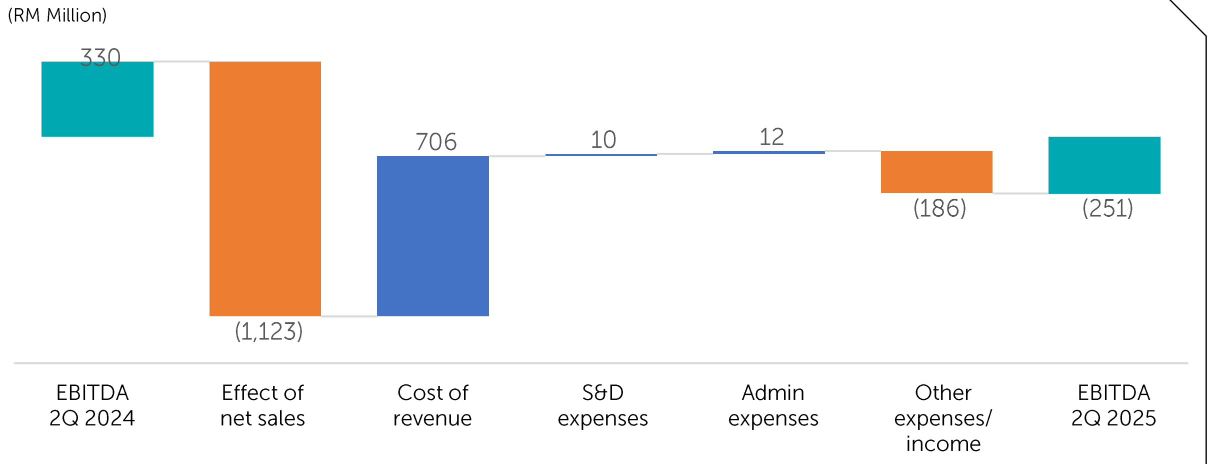
- Revenue declined due to lower sales volume, lower average product prices and weakening of USD against RM
- EBITDA declined mainly due to lower product spreads and higher unrealised forex loss from revaluation of payables at PPC. Correspondingly, EBITDA margin was lower at 6.1%
- LAT of RM1.0 bil mainly due to lower EBITDA, impairment of assets at Perstorp and unrealised forex loss on revaluation of shareholders loan to PPC

O&D: Lower revenue on lower sales volume and average product prices

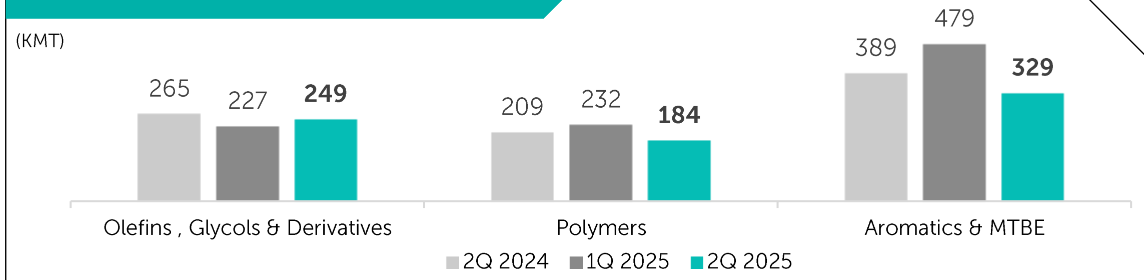
2Q 2025 vs 1Q 2025



2Q 2025 vs 2Q 2024



Product Sales Volume



	2Q 2024	1Q 2025	2Q 2025	Q-o-Q	Y-o-Y
* Plant Utilisation (PU) %	94.2	86.9	85.6	(1.3%)	(8.6%)
* Production Volume (KMT)	932	850	850	0.0%	(8.8%)
Sales Volume (KMT)	863	938	762	(18.8%)	(11.7%)
Revenue (RM mil)	3,768	3,513	2,645	(24.7%)	(29.8%)
EBITDA/LBITDA (RM mil)	330	(43)	(251)	(>100%)	(>100%)
EBITDA/LBITDA (RM mil) - excluding forex	359	(7)	(40)	(>100%)	(>100%)
LBITDA/EBITDA Margin (%)	8.8	(1.2)	(9.5)	8.3%)	(18.3%)

** Excludes PPC*

2Q 2025 vs 1Q 2025

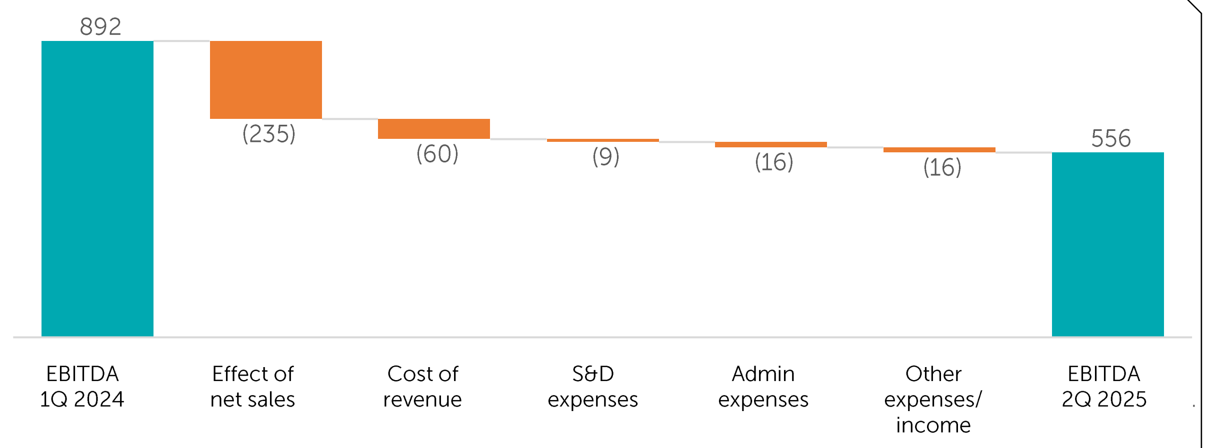
Plant Utilisation Rate: Lower due to repair and maintenance activities at PC Ethylene, PC MTBE and scaled back operations at PC Aromatics

Revenue: Lower on lower sales volume and average product prices

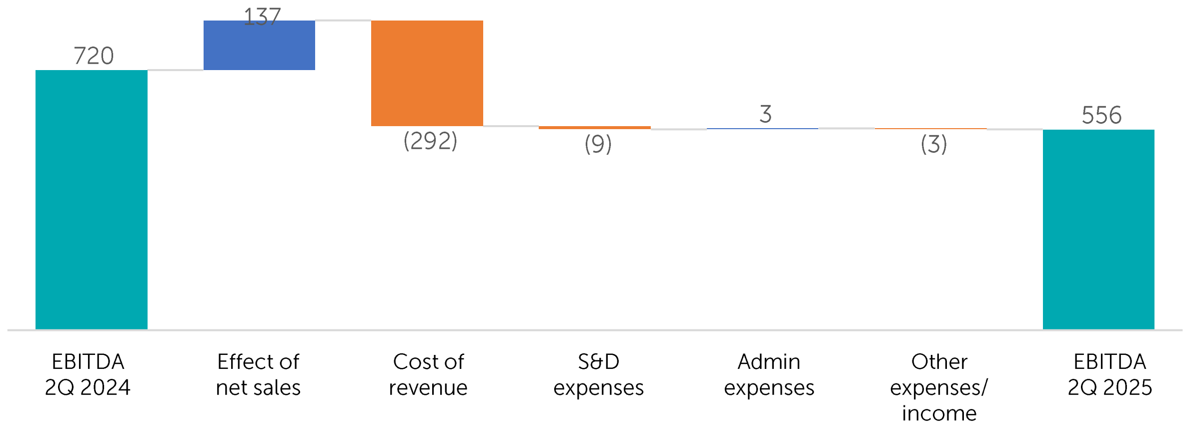
LBITDA: Mainly due to unrealised forex loss from revaluation of payables at PPC and lower product spreads

F&M: Lower revenue on the back of lower methanol price

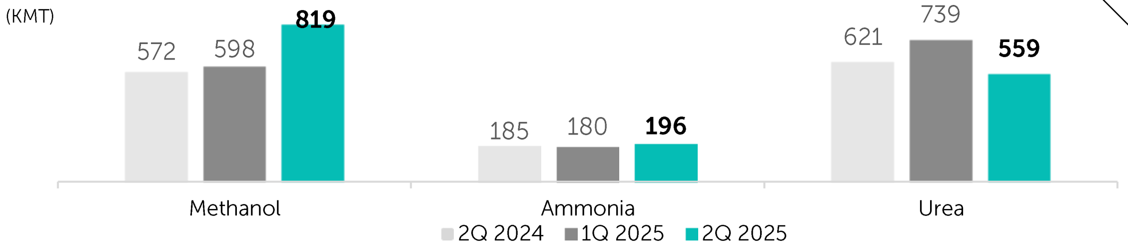
2Q 2025 vs 1Q 2025



2Q 2025 vs 2Q 2024



Product Sales Volume



	2Q 2024	1Q 2025	2Q 2025	Q-o-Q	Y-o-Y
Plant Utilisation (PU) %	86.4	97.8	72.8	(25.0%)	(13.6%)
Production Volume (KMT)	1,573	1,762	1,326	(24.7%)	(15.7%)
Sales Volume (KMT)	1,378	1,517	1,574	3.8%	14.2%
Revenue (RM mil)	2,126	2,498	2,263	(9.4%)	6.4%
EBITDA (RM mil)	720	892	556	(37.7%)	(22.8%)
EBITDA Margin (%)	33.9%	35.7	24.6	(11.1%)	(9.3%)

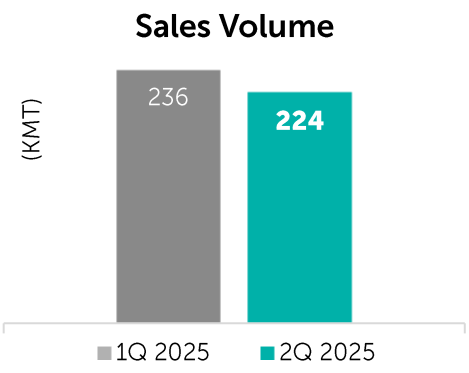
2Q 2025 vs 1Q 2025

Plant Utilisation Rate: Lower due to feedstock supply disruption at PC Fertiliser Kedah and planned shutdowns at PC Methanol and ABF

Revenue: Lower on the back of lower methanol price

EBITDA: Lower due to lower product spreads

Specialties: Improvement of EBITDA supported by sales of emission rights



	2Q 2024	1Q 2025	2Q 2025	Q-o-Q	Y-o-Y	Key Highlights
Revenue (RM mil)	1,819	1,632	1,514	(7.2%)	(16.8%)	Improvement of EBITDA supported by sales of emission rights
EBITDA (RM mil)	120	52	153	>100%	27.5%	
EBITDA Margin (%)	6.6	3.2	10.1	6.9%	3.5%	

Intermediates

Polyols
Lower sales volume against 1Q 2025 due to unfavourable market dynamic following trade and tariff tension

Oxo
Lower sales volume against 1Q 2025 due to soft demand

Formates
Lower demand against 1Q 2025 due to weak demand in oil drilling segment and seasonal demand of deicer during summer

Animal Nutrition
Higher sales volume against 1Q 2025 contributed by focused products (Gut Health), and higher contribution margin from favourable product mix in APAC and LATAM.

Specialties

Personal Care and Coating Solutions
Higher sales volume and contribution margin against 1Q 2025 following improved demand

Engineered Fluids Solutions
Lower sales volume and contribution margin against 1Q 2025 mainly contributed due to weak demand

Advanced Polymer Solutions
Lower sales volume and contribution margin against 1Q 2025 due to weak demand

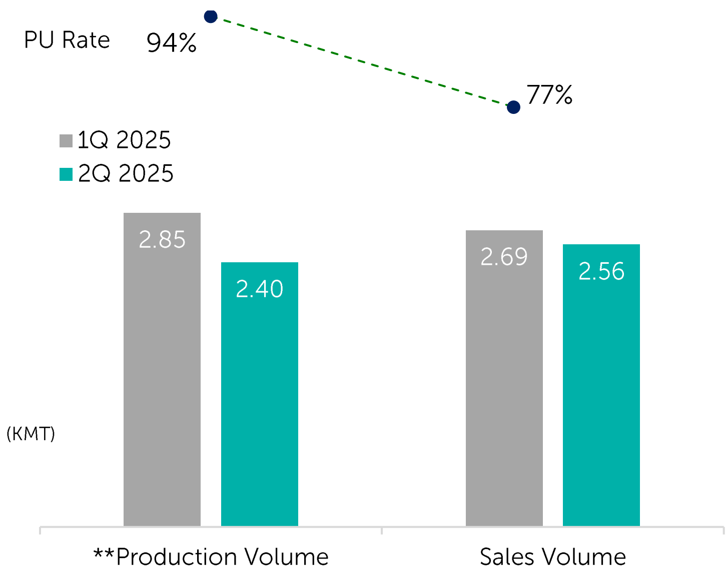
Silicones

Upstream:
Prices and margins remain under pressure as a result of growing competitive pressure from Asian suppliers shifting to other regions following rising entry barriers into the U.S. market

Downstream:
Higher sales volume and contribution margin against 1Q 2025 due to improved demand

Group: EBITDA declined due to lower product spreads and unrealised forex loss from revaluation of payables at PPC

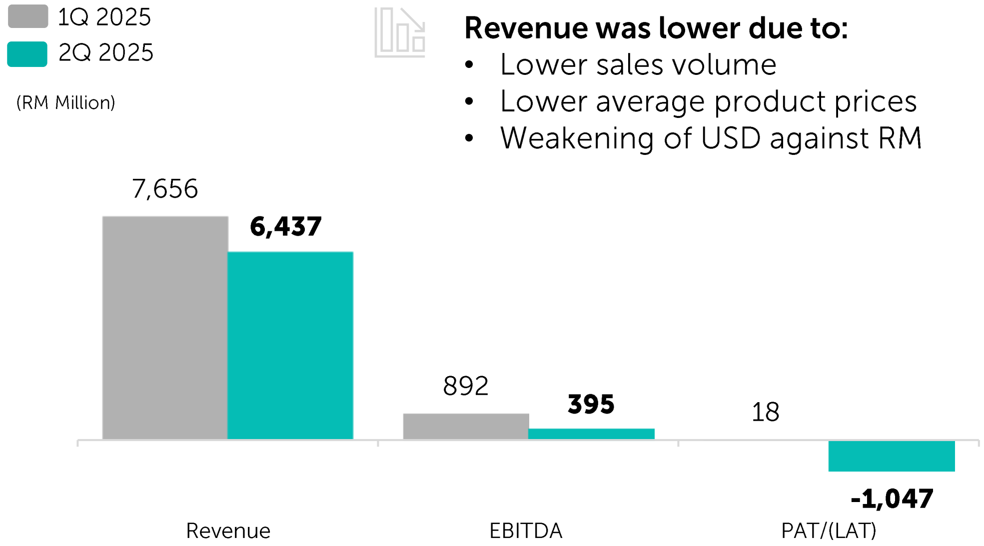
2Q 2025 vs 1Q 2025



Plant Utilisation Rate (PU)**:
Lower due to feedstock supply disruption at PC Fertiliser Kedah, and several repair and maintenance activities

Production Volume:
Lower production volume in F&M segment

Sales Volume:
Declined, mainly for urea, methanol and paraxylene



Revenue was lower due to:
- Lower sales volume
- Lower average product prices
- Weakening of USD against RM

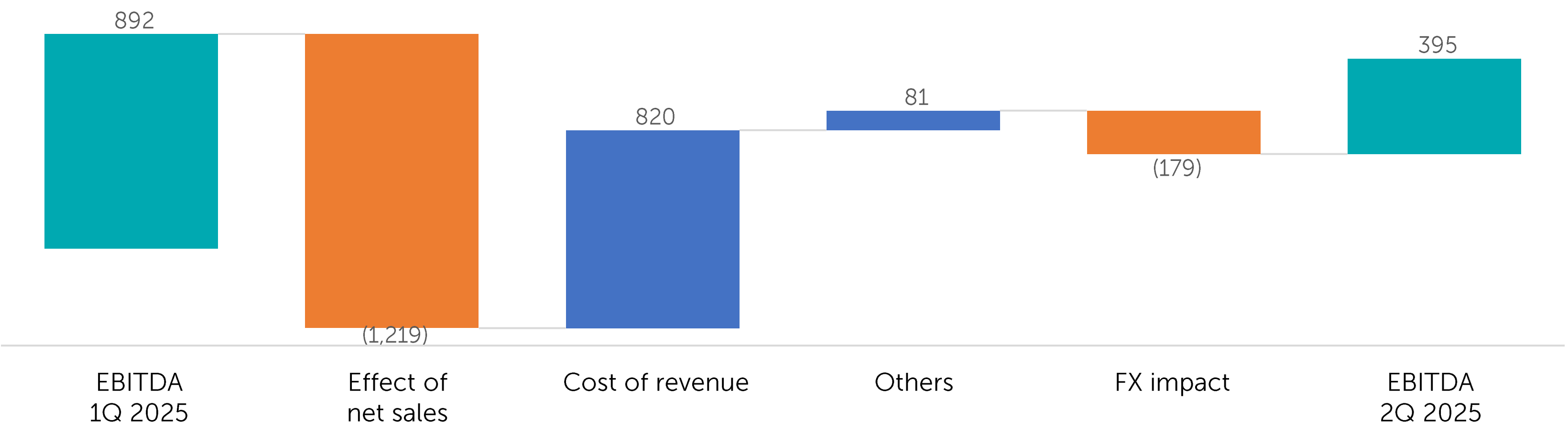
EBITDA was lower due to:
- Lower product spreads
- Unrealised forex loss from revaluation of payables at PPC

LAT due to:
- Lower EBITDA
- Impairment of assets at Perstorp
- Unrealised forex loss from revaluation of shareholders loan to PPC
- Remeasurement loss on deferred payment at PPC

EBITDA MOVEMENT

(RM Million)

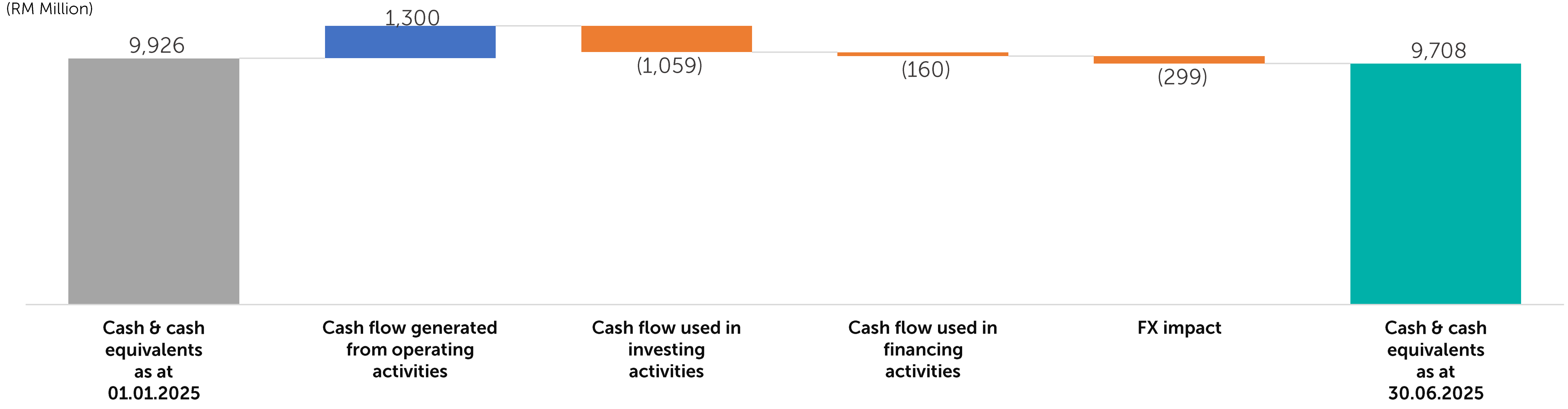
EBITDA Margin
1Q 2025: 11.7%
2Q 2025: 6.1%



*** Excludes PPC*

Lower cash balance due to purchase of PPE, foreign exchange impact and dividend paid out

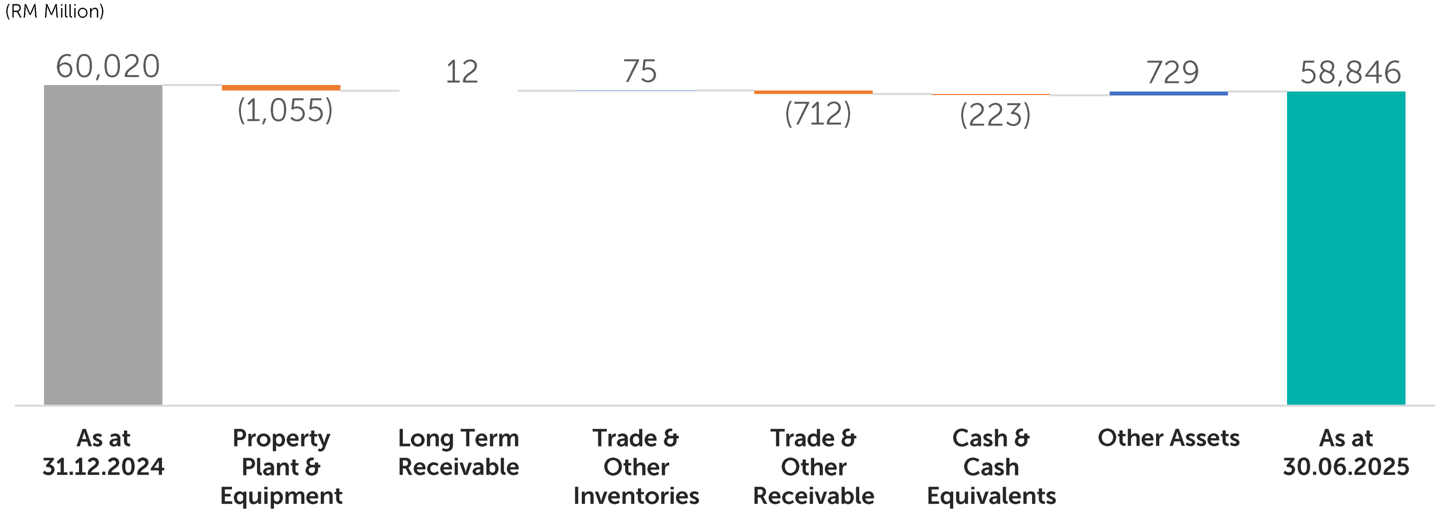
Cash Flow



- Net cash used in investing activities mainly related to the purchase of operational PPE and preparation of turnaround
- Net cash used in financing activities mainly due to payment of dividend to the shareholders of the company

Lower total assets mainly due to weakening of USD against RM and impairment of assets

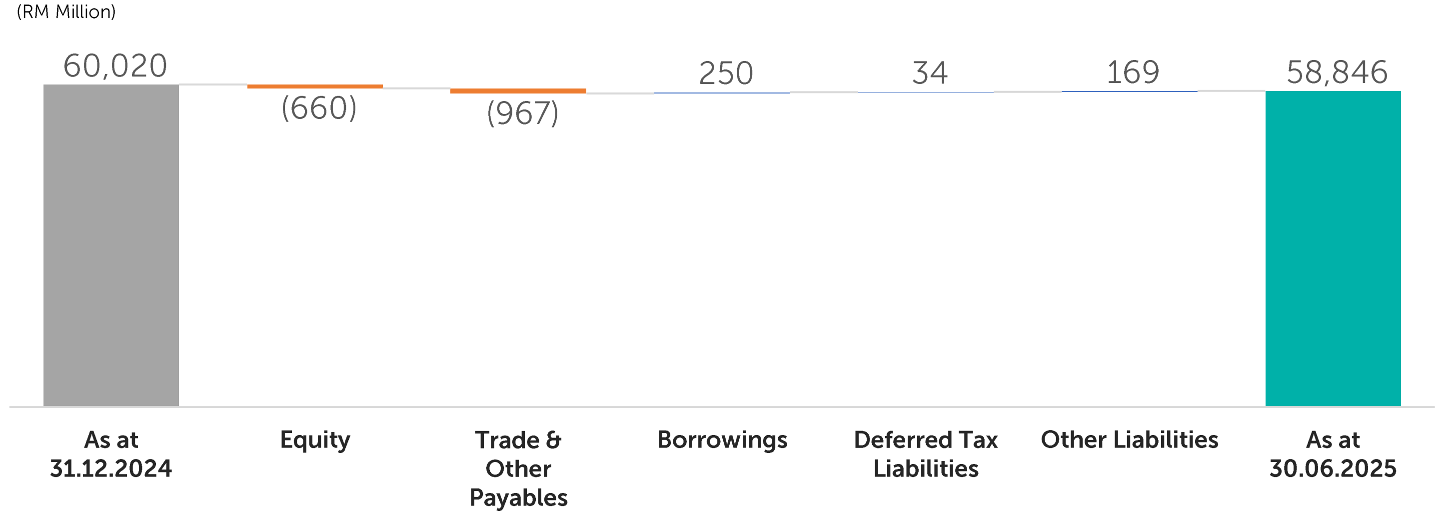
Total Assets



The Group's total assets were lower mainly due to:

- Weakening of USD against RM and impairment of assets at Perstorp
- Lower trade and other receivables in line with lower revenue
- Lower cash and cash equivalent mainly due to purchase of PPE and payment for FY2024 second interim dividend

Total Equity & Liabilities

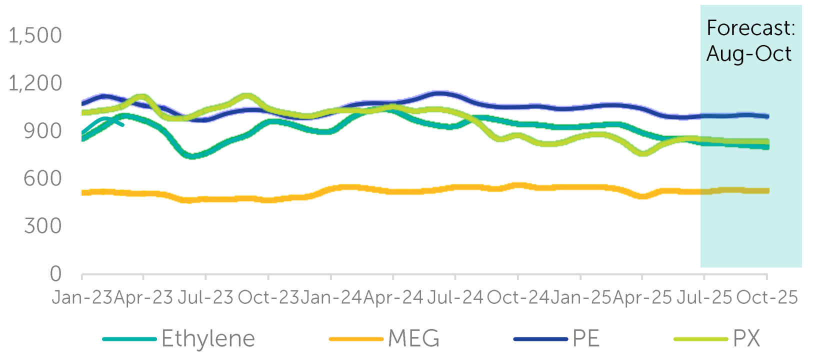


Lower equity mainly attributable to loss generated during the period and payment of second interim dividend for FY2024

Lower trade and other payables mainly due to settlement of turnaround costs and payables in Perstorp

Soft O&D market amid oversupply situation while F&M remains firm on strong urea demand. Specialties market faces mixed demand and ongoing margin challenges

O&D: Mixed outlook amidst sufficient supply in SEA & FEA, and weak downstream demand following trade policies' uncertainties



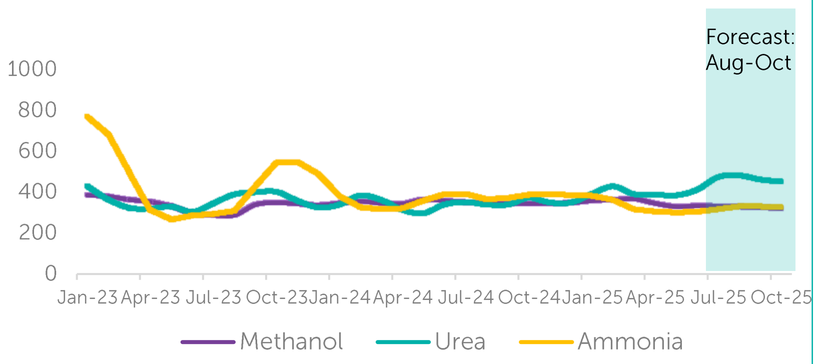
Ethylene:
The start-ups of PRefChem and Lotte Chemical Indonesia, coupled with muted downstream demand continues to pressure ethylene prices

Ethylene Glycols:
Prices expected to find support from balanced supply as polyester demand remains weak

Polyethylene:
Upcoming Chinese festivals expected to provide little boost to demand, although prices will be capped by ample supply

Paraxylene:
Stable outlook with scheduled maintenance in Asia, combined with flat demand from downstream sectors

F&M: Urea supported by Indian tender requirements; Methanol, stable on balanced supply



Urea:
Limited availability and strong Indian demand drive urea prices higher

Ammonia:
Stable prices following plant turnarounds in SEA despite persistent weak industrial demand

Methanol:
Market to remain steady with balanced supply and limited spot availability

Specialties: Demand faces strain from weak global macroeconomics

- Building & Construction: Residential construction softening, while infrastructure and industrial projects show stable growth. Rising material costs and labor shortages pose risks to the sector's outlook.
- Automotive: Outlook remains cautious due to high interest rate and inventory buildup.
- Consumer Goods: Stable, driven by resilient consumer spending. Uncertainty surrounding global trade and tariffs tension remain.
- Persistent oversupply, labor and cost pressures, as well as tariff impact continue to weigh on margins.

Key Priorities for 2H 2025

Maximise Value to Shareholders

Progress Growth Delivery Excellence

- Melamine Project: Achieved RFSU 30 July 2025
- Isononanol Plant: Achieved COD 12 August 2025

Value Creation and Cost Optimisation Effort of RM238 Million Realised YTD June 2025

Strengthen Operational Excellence & Commercial Excellence

Deliver HSE Excellence

Thank you.