



**PETRONAS**

# **PETRONAS Chemicals Group Berhad Analyst Briefing**

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Fourth Quarter and Year Ended 31 Dec 2025

23 Feb 2026

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# Welcome Onboard



**Flavio Kliger**

**Chief Executive Officer**  
Specialty Chemicals  
PETRONAS Chemicals Group Berhad  
(PCG)



**Zahrul Ali Abdullah**

**General Manager**  
Commercial Finance & Investor Relations  
PETRONAS Chemicals Group Berhad  
(PCG)

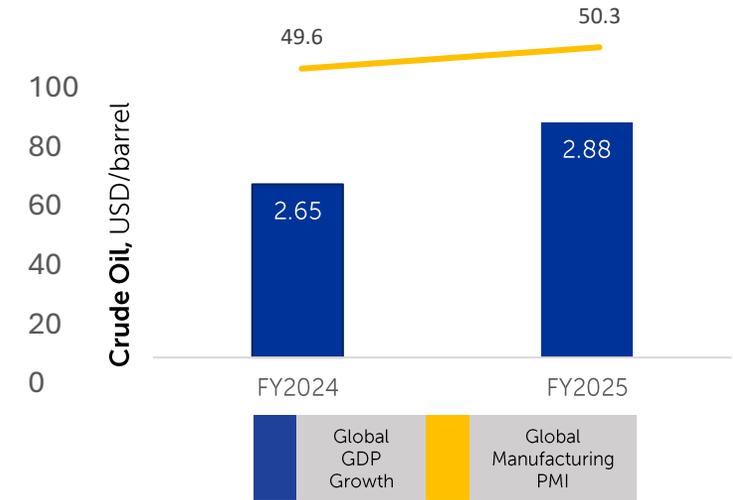
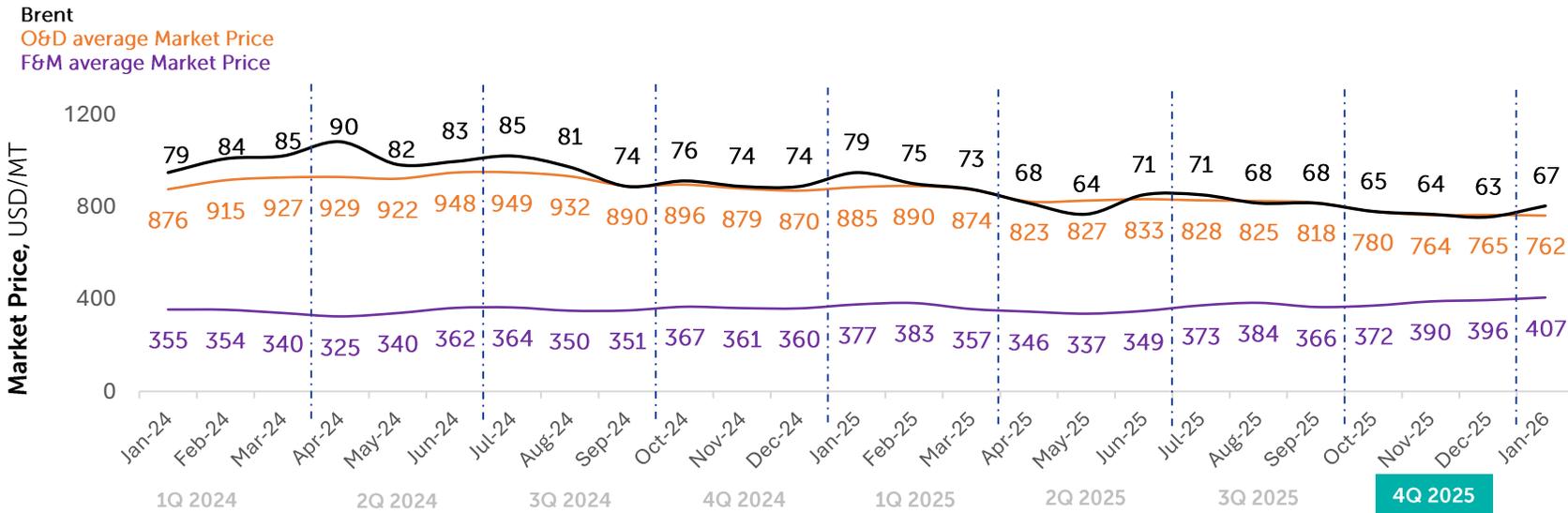
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# Global and domestic economies supported by strong fourth quarter momentum amid improving macro-financial conditions



## FY2025 Highlights



### Global

- Global GDP growth was driven by stronger emerging-market momentum towards year-end, improving macro-financial conditions, and broader easing of inflationary pressures that supported demand
- Global manufacturing PMI returned to expansion, supported by easing inflation and policy pressures, and continued improvements in supply chains



### Malaysia

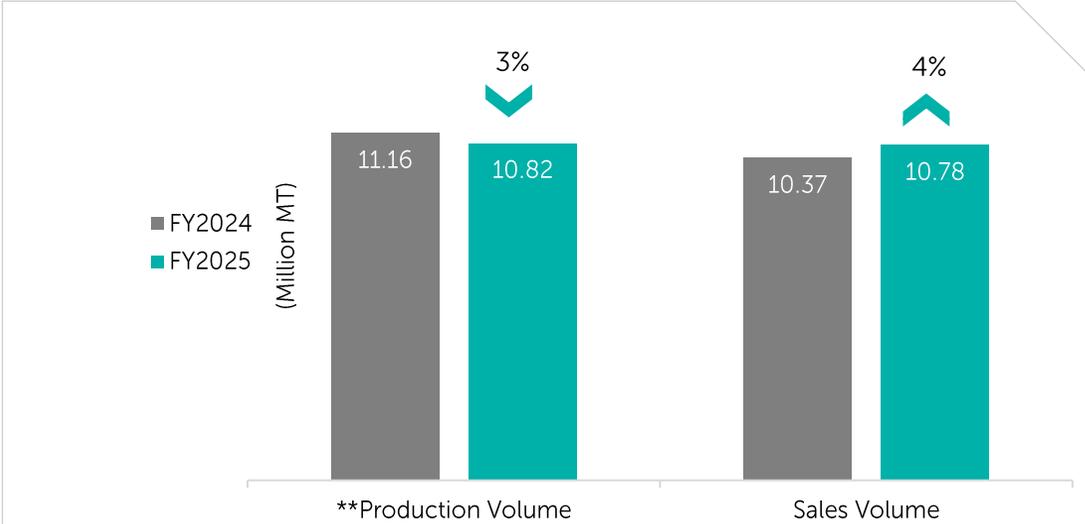
- GDP growth eased to 4.9% in FY2025, as compared to 5.1% in FY2024
- The full-year figure was underpinned by robust fourth quarter growth of 5.7%, reflecting broad-based expansion across all sectors, notably services, manufacturing, construction, and agriculture



### PCG

- Average O&D and Specialties product prices declined year-on-year, while average F&M prices improved.
- Downstream demand remains subdued. Benzene, MTBE and Ethylene registered the steepest decline

# FY2025 Highlights: Lower earnings reflecting market challenges



	FY2024	FY2025	FY2024	FY2025
			<i>(excluding Exceptional Items)</i>	
<b>REVENUE</b> <i>in RM Million</i>	30,671	27,480	30,671	27,480
<b>EBITDA</b> <i>in RM Million</i>	3,534	1,899	3,682	2,485
<b>PAT/(LAT)</b> <i>in RM Million</i>	1,289	(2,050)	896	(506)
<b>EBITDA MARGIN (%)</b>	11.5	6.9	12.0	9.0

\*\*Excludes PIC  
Exceptional Items include forex impact, impairment and remeasurement loss

## Operational

- Plant Utilisation (PU) rate was lower, at 88.2%, due to planned statutory turnarounds and shutdowns, as well as feedstock and utilities supply disruptions during the year (FY2024: 90.7%)
- Lower production volume at 10.82 million MT, in line with lower plant utilisation rate (FY2024: 11.16 million MT)

## Commercial

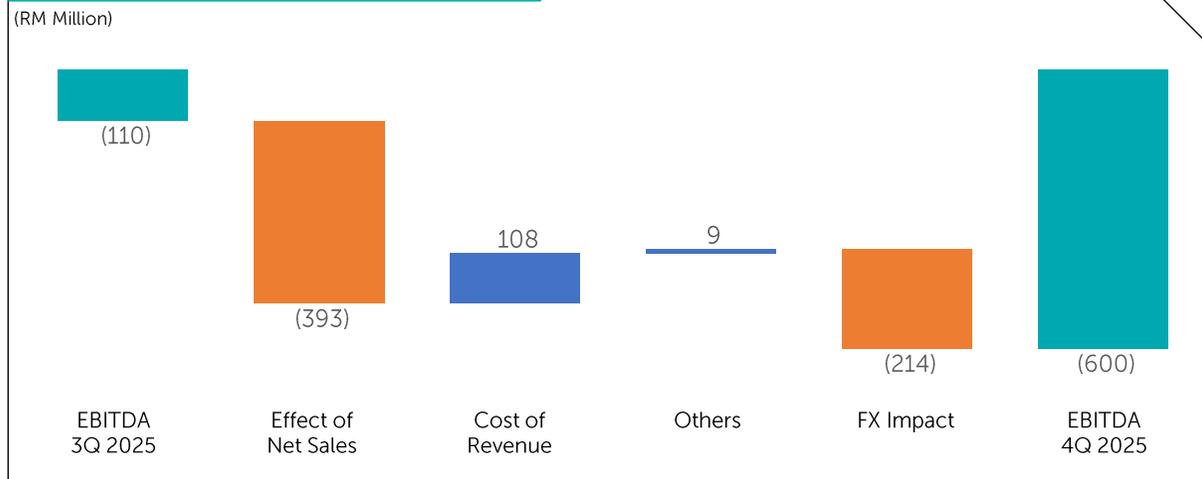
- Sales volume was higher at 10.78 million MT, supported by volume from strategic sourcing (FY2024: 10.37 million MT)
- Average O&D and Specialties product prices declined year-on-year, while F&M improved

## Financial

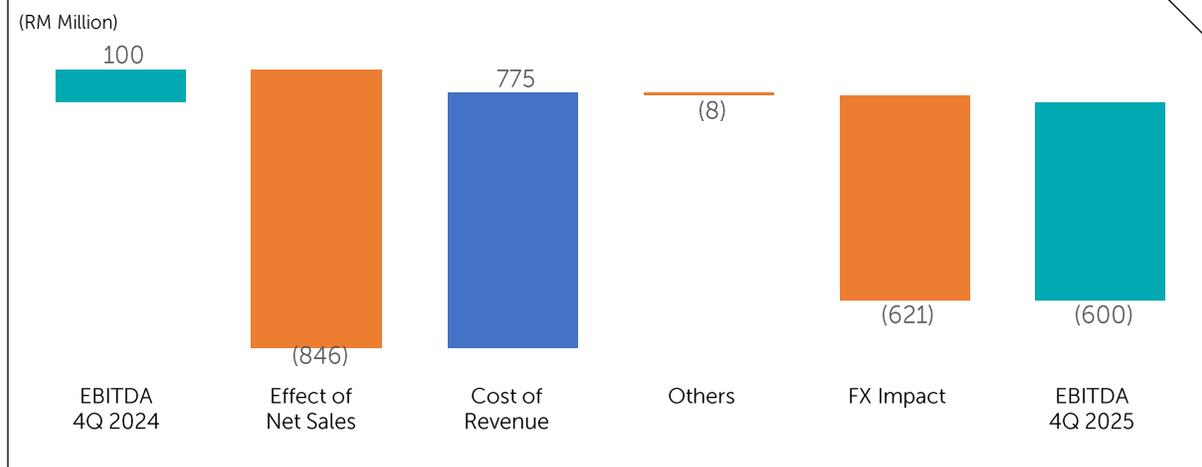
- Revenue was lower primarily due to strengthening of Ringgit Malaysia against US Dollar and lower average product prices
- EBITDA was lower mainly due to lower product spreads and higher unrealised forex loss from revaluation of payables at PPC. Correspondingly, EBITDA margin was lower at 6.9%
- LAT at RM2.1 bil mainly due to lower EBITDA, lower finance income arising from the adjustment of trade payable payments at PPC, impairment of assets at Perstorp and forex loss from financing activities at Perstorp

# O&D: Lower average product prices and lower contribution from PPC

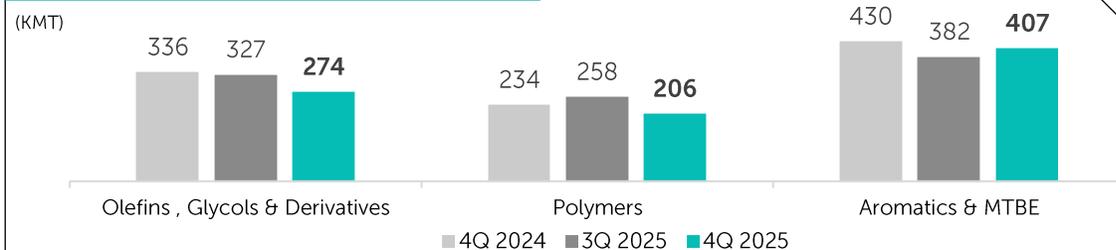
## 4Q 2025 vs 3Q 2025



## 4Q 2025 vs 4Q 2024



## Product Sales Volume



	4Q 2024	3Q 2025	4Q 2025	Q-o-Q	Y-o-Y
* Plant Utilisation (PU) %	88.7	90.0	91.5	1.5%	2.8%
* Production Volume (KMT)	884	873	964	10.4%	9.0%
Sales Volume (KMT)	1,000	967	887	(8.3%)	(11.3%)
Revenue (RM mil)	3,659	3,206	2,813	(12.3%)	(23.1%)
EBITDA/LBITDA (RM mil)	100	(110)	(600)	(>100%)	(>100%)
** EBITDA/LBITDA excluding Exceptional Items (RM mil)	(267)	(82)	(356)	(>100%)	(33.3%)

\* Excludes PPC

\*\* Exceptional Items include forex impact, impairment and remeasurement loss

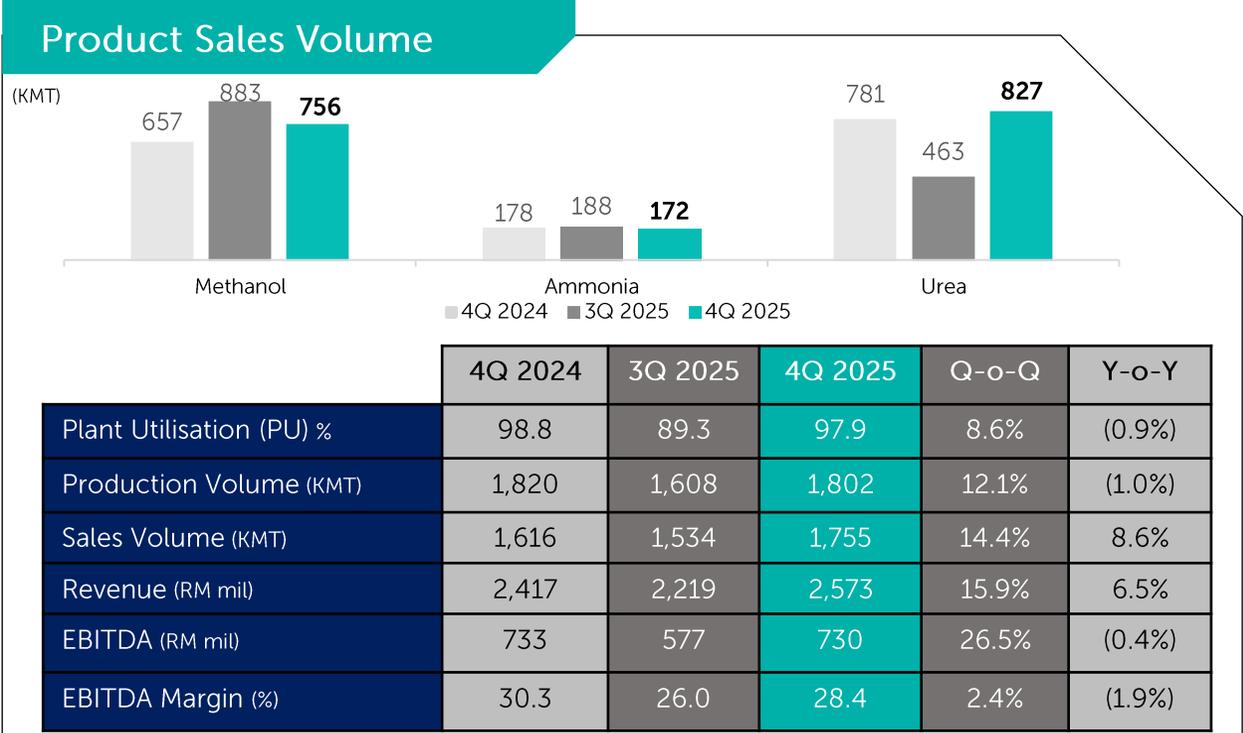
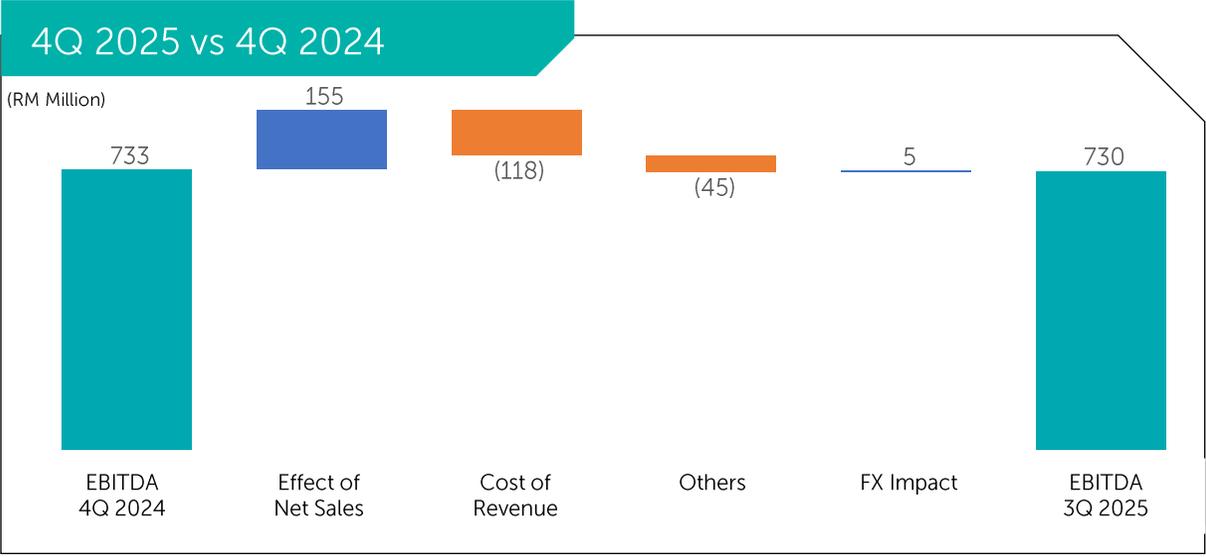
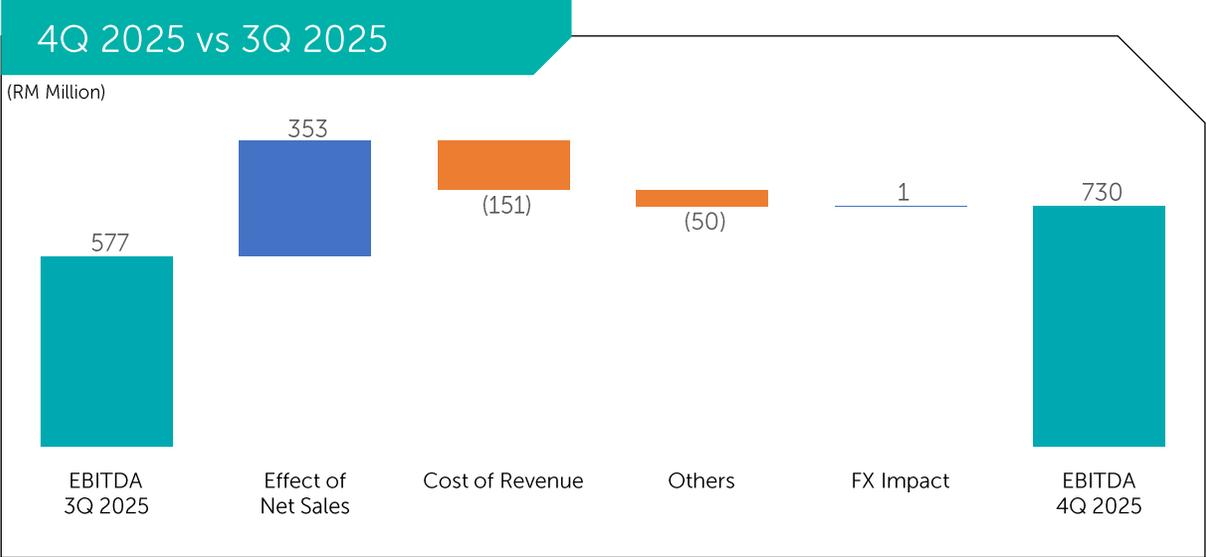
### 4Q 2025 vs 3Q 2025

**Plant Utilisation Rate:** Higher at 91.5% on better plant performance

**Revenue:** Lower due to lower average product prices and lower contribution from PPC

**LBITDA:** At RM600 mil, due to lower product spreads, higher unrealised forex loss on revaluation of PPC's payable and higher repair and maintenance costs

# F&M: Higher EBITDA due to higher product spreads and sales volume



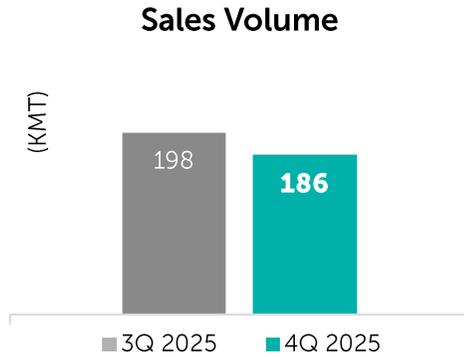
### 4Q 2025 vs 3Q 2025

**Plant Utilisation Rate:** Improved to 98% on better plant performance, following statutory turnaround at PC Fertiliser Sabah in the preceding quarter

**Revenue:** Higher by 16% on higher sales volume

**EBITDA:** Higher by 27% mainly attributable to higher product spreads

# Specialties: EBITDA declined amid continued intense competition



	4Q 2024	3Q 2025	4Q 2025	Q-o-Q	Y-o-Y	Key Highlights
Revenue (RM mil)	1,371	1,345	1,201	(10.7%)	(12.4%)	EBITDA declined in 4Q 2025 due to weaker volumes and on-going margin compression
EBITDA (RM mil)	15	49	(31)	(>100%)	(>100%)	
EBITDA Margin (%)	1.1	3.7	(2.6)	(6.2%)	(3.7%)	

## 4Q 2025 vs 3Q 2025

### Intermediates

#### Polyols

Lower volume and contribution margin due to weak demand, strong Asian competition, and product-specific pricing pressure

#### Oxo

Lower volume and contribution margin driven by year-end destocking, stronger competition from Chinese producers and lower Asia to Europe freight rates

#### Formates

Higher volume from strong Potassium Formates oil-drilling demand in EMEA, partly offset by reduced Deicer demand following a mild winter

#### Animal Nutrition

Lower volume due to softer demand in key gut-health products and reduced contribution margin from unfavourable mix in APAC and LATAM

### Specialties

#### Personal Care and Coating Solutions

Contribution margin in Personal Care declined amid weak demand and sustained pricing pressure from Chinese producers, while contribution margin in Coating Solutions increased on improved prices

#### Engineered Fluids Solutions

Lower sales volume due to weak demand

#### Advanced Polymer Solutions

Comparable sales volume and contribution margin quarter-on-quarter, as weak demand persists

### Silicones

#### Upstream:

Upstream performance weakened due to lower average selling prices particularly Silane and DM Fluid, and reduced sales volume. As a result, contribution margin fell, reflecting erosion in average selling prices and unfavourable product mix

#### Downstream:

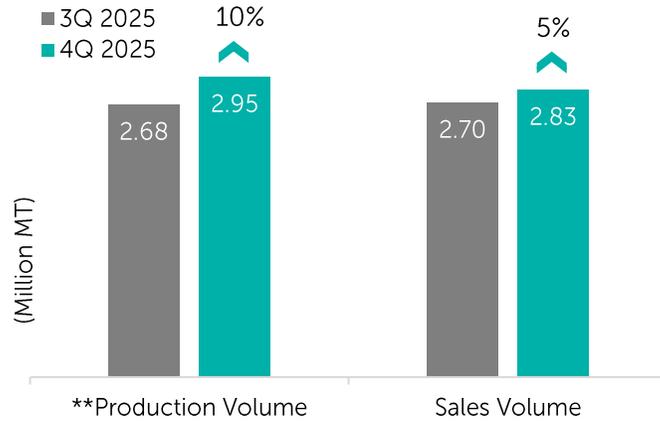
Sales volume and contribution margin are heavily impacted by reduced 4Q demand in coatings, construction, and industrial segments

# Group: EBITDA declined on continued market challenges, unfavourable forex impact and higher repair and maintenance costs

4Q 2025 vs 3Q 2025

## PU Rate

90%	96%
3Q 2025	4Q 2025



### Plant Utilisation Rate (PU)\*\*:

Higher on overall better plant performance, following statutory turnaround at PC Fertiliser Sabah (PCFS) in the preceding quarter



### Production Volume:

Higher production volume in O&D and F&M segments



### Sales Volume:

Higher, mainly for urea production from PCFS

3Q 2025  
4Q 2025  
(RM Million)

(RM Million)



### Revenue was lower due to:

- Lower average product prices
- Strengthening of Ringgit Malaysia against US Dollar



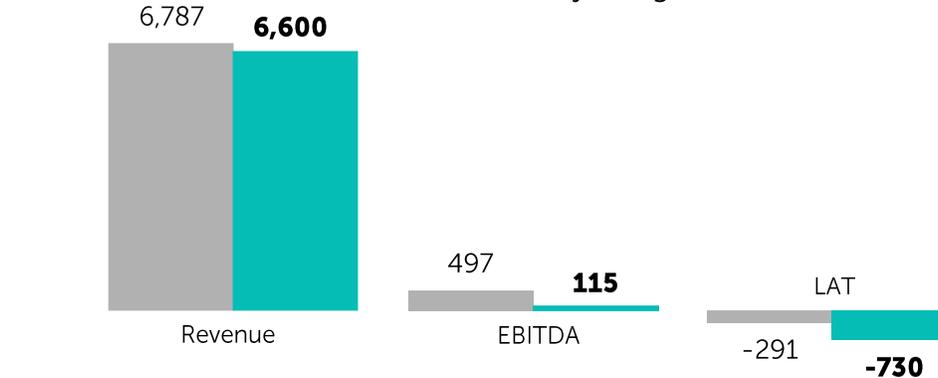
### EBITDA was lower due to:

- Higher unrealised forex loss from revaluation of payables at PPC
- Higher repair and maintenance costs



### Registered LAT following:

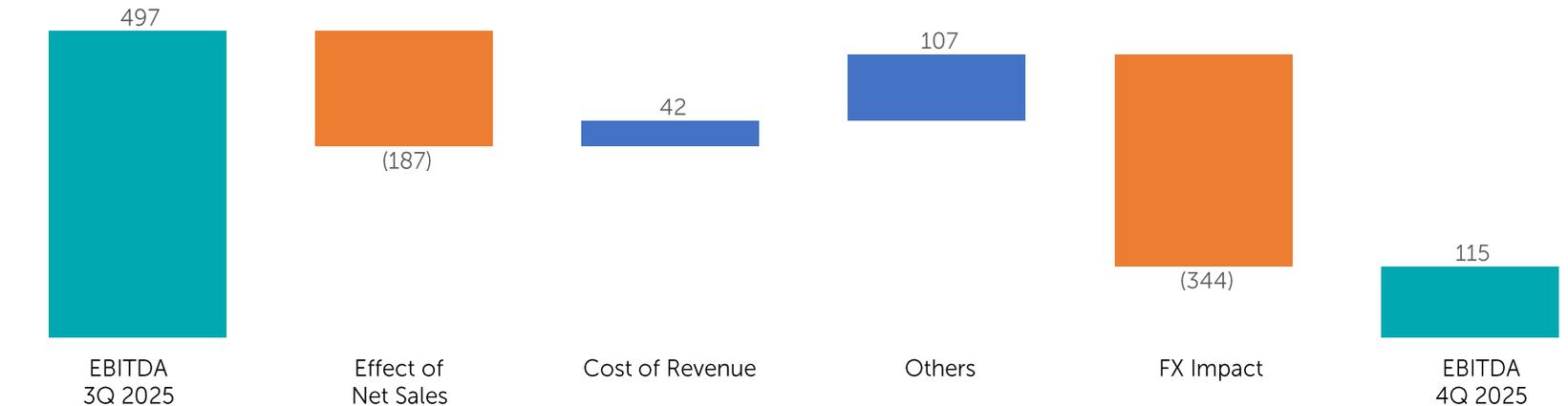
- Lower EBITDA
- Higher unrealised forex loss on revaluation of shareholders loan to PPC



## EBITDA MOVEMENT

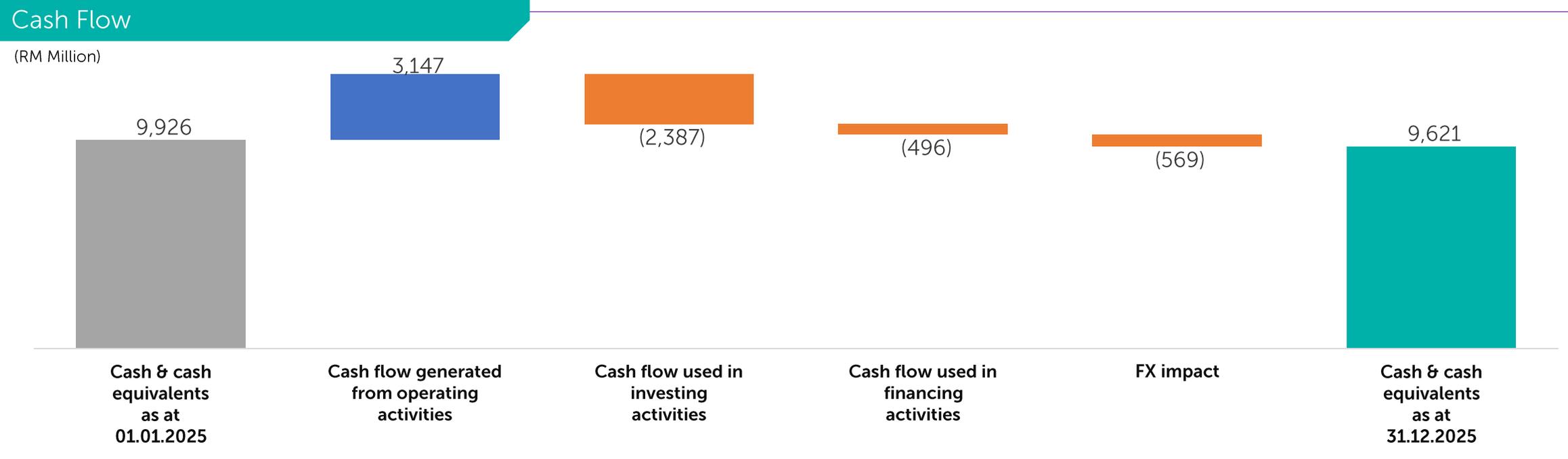
(RM Million)

EBITDA Margin  
4Q 2025: 1.7%  
3Q 2025: 7.3%



\*\* Excludes PPC

# Lower cash balance due to purchase of PPE and unfavourable forex impact

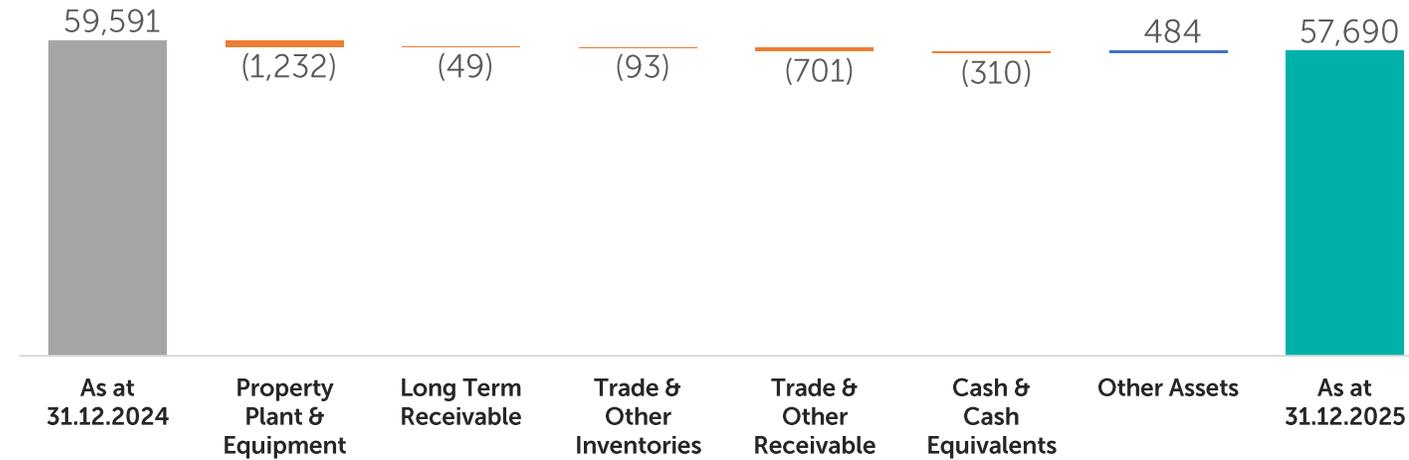


- Net cash used in investing activities mainly related to the purchase of PPE for statutory turnarounds and pitstops during the period, as well as additional investment in LG Petronas Chemicals Malaysia
- Net cash used in financing activities mainly due to payment of dividend to the shareholders of the Company

# Lower total assets mainly due to strengthening of MYR against USD and impairment of assets

## Total Assets

(RM Million)

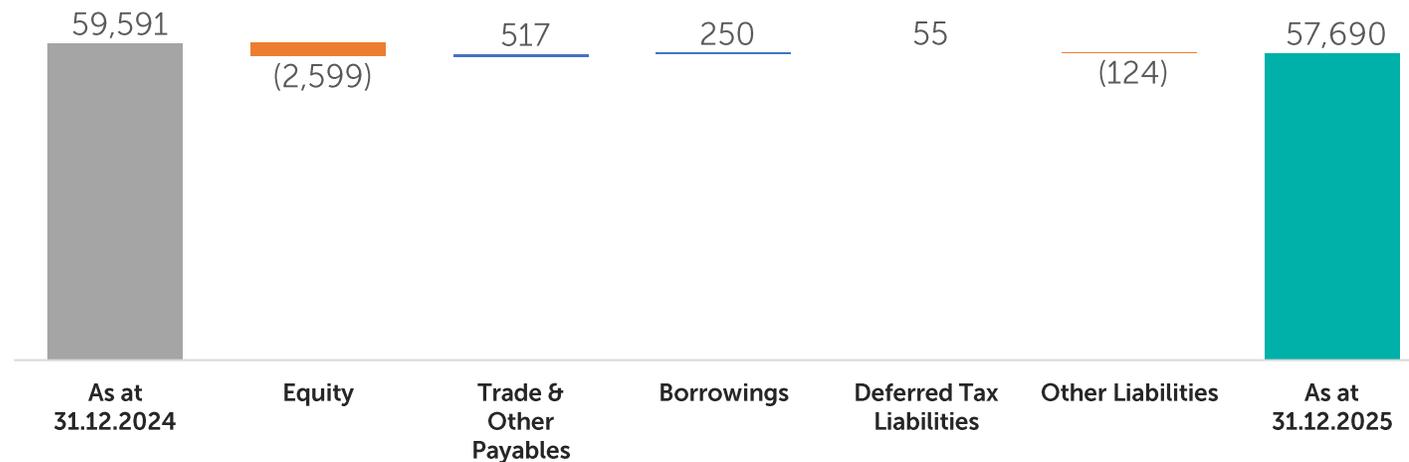


The Group's total assets were lower mainly due to:

- Strengthening of Ringgit Malaysia against US Dollar and impairment of assets at Perstorp
- Lower trade and other receivables in line with lower revenue

## Total Equity & Liabilities

(RM Million)

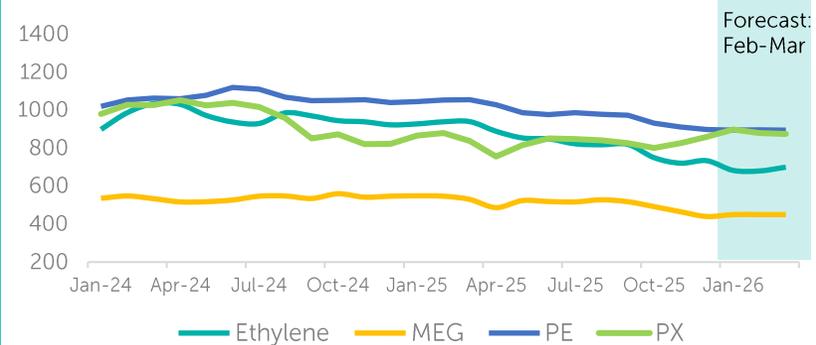


Lower equity mainly attributable to loss generated during the period and payments of dividend

Higher trade and other payables due to higher operating costs at PPC

# Limited upside in O&D on balanced market fundamentals, while strong urea demand continues to support F&M. Specialties market continues to face margin pressures amid subdued demand

**O&D:** Subdued downstream demand and oversupply in key regions continue to pressure prices and limit upside



## Ethylene:

Oversupply in SEA and NEA, coupled with weak downstream demand, limiting price upside

## Ethylene Glycols:

Stable, as slowing demand from polyester and PET production cuts is balanced by reduced supply in the Middle East and China

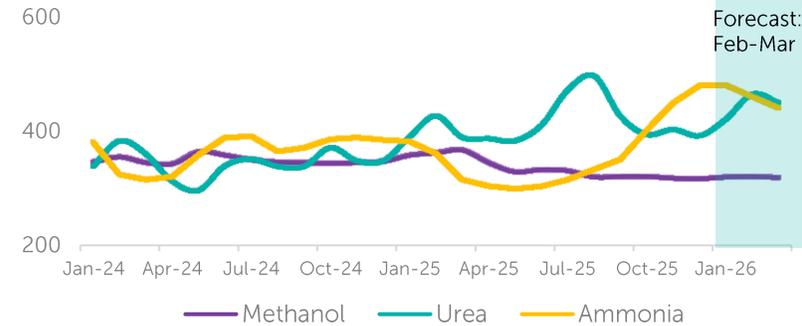
## Polyethylene:

Tight supply in Middle East and cargo delays from US give support to price despite sluggish downstream demand

## Paraxylene:

PX supply remains balanced, as plant restarts in Northeast Asia offset reduced operating rates elsewhere, while demand continues to be weak

**F&M:** Continue to be supported by Urea, while ample ammonia availability and sluggish methanol demand keep overall sentiment cautious



## Urea:

Limited supply availability from Middle East, China and SEA although demand may soften post Indian tender

## Ammonia:

Soft due to lengthening supply in Middle East and SEA while demand remains weak

## Methanol:

Stable as subdued demand is balanced by tight supply following planned turnarounds in SEA

**Specialties:** Demand remains under pressure from mixed end-market conditions



- The specialty chemicals outlook reflects continued weakness across key end-sectors
- Construction stabilises in 1Q 2026, with strength in data centres and public works, though residential remains constrained by affordability crisis in Western markets while APAC sustains development momentum
- Automotive production declines modestly, weighed by affordability constraints and policy uncertainty, though China maintains export strength despite slowing EV adoption in Americas and Europe
- Consumer spending remains resilient but cautious, as households prioritise essentials and value purchases while premium categories face scrutiny amid persistent affordability pressures

# 2025 Key Highlights



## Growth Project

- First Customer Delivery from Perstorp Amsterdam B.V.
- Opening of Application Lab in Shanghai



## Value Creation and Cost Optimisation

- RM574 Million Realised for FY2025



## Portfolio Rationalisation

- Strategic Reviews of Existing Portfolio, Associates and JVs



## Sustainability

- Zero Greenhouse Gas Emissions from Echt and Waspik Sites
- Reduction of GHG Emissions by 100 kilotonnes CO<sub>2</sub>e through NZCE Projects

# 2026 Focus Areas

## Operational Excellence

- Disciplined execution of planned statutory turnarounds and maintenance activities
- Portfolio high-grading focusing on asset optimisation, cost competitiveness and operational efficiency
- Continued value-optimisation and prudent cost discipline

## Commercial Excellence

- By strengthening market intelligence and portfolio optimisation
- Deeper customer collaboration and product co-creation opportunities

## Growth Delivery Excellence

- Ensure strategic investments are delivered with clarity and focus on long-term value creation, underpinned by sustainability principles
- Selective expansion into high demand markets, underpinned by sustainability-led solutions and customer-centric innovation



Thank you.

