

PETRONAS CHEMICALS GROUP BERHAD

QUARTERLY ANALYST BRIEFING

QUARTER ENDED 30 June 2021

25 August 2021
6.00PM – 7.00 PM



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PCG Key Management



Datuk Sazali Hamzah

Managing Director / Chief
Executive Officer



M Azli Ishak

Chief Financial Officer



Mohd Kabir Noordin

Chief Manufacturing
Officer



Shakeel Ahmad Khan

Chief Commercial Officer



Yaacob Salim

Head Strategic Planning &
Ventures



Akbar Md Thayoob

Head of Special Projects

KEY HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

MOVING FORWARD



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PERFORMANCE HIGHLIGHTS

MOVING FORWARD

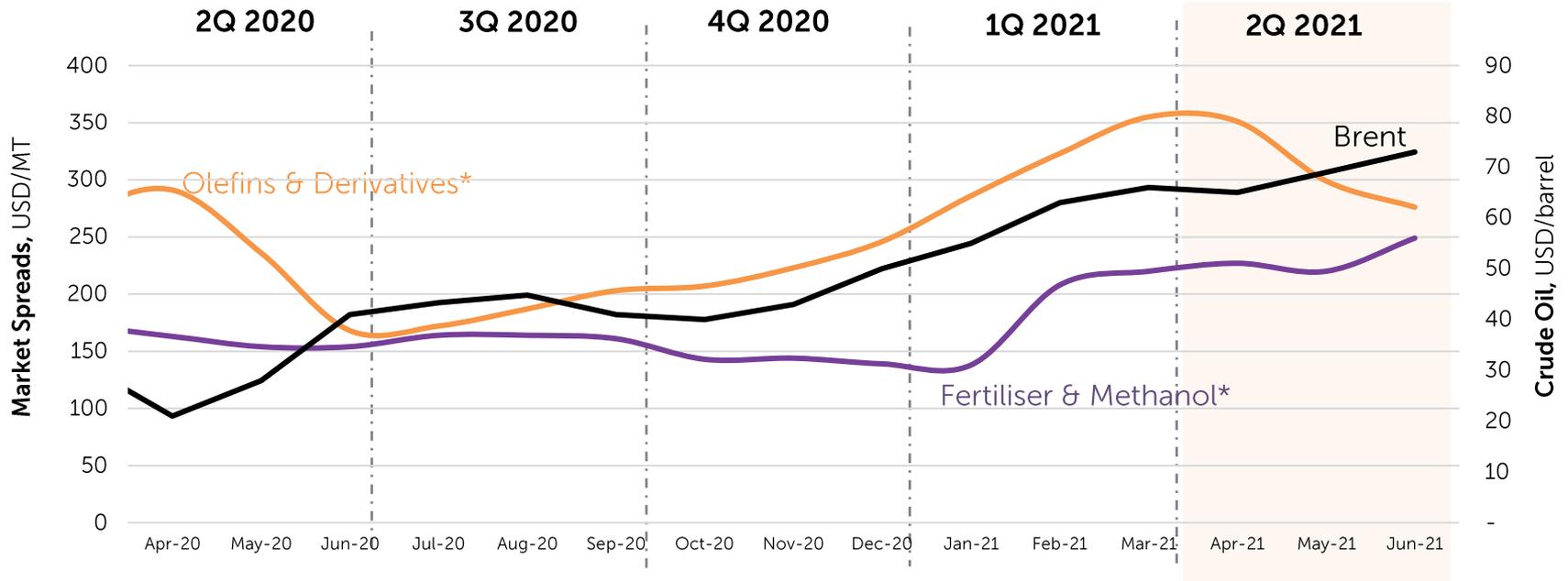


Continued economic growth, rising optimism



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PETROCHEMICAL MARKET SPREADS



*Left Axis

- Global GDP accelerated at 7.33% supported by rise in vaccination rates, easing of pandemic related lockdowns and increased consumer spending. PMI expanded to 54.5 on rising business optimism.
- Brent crude oil price increased 63% to USD65 per barrel compared USD40 per barrel last year, on positive market developments seen in 2021.
- Petrochemical product prices were higher y-o-y on higher feedstock prices, supply tightness amid strong demand.

Sustainability metrics on track



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People

Programs in 2021 aimed to reach at least 10,000 people



Environment

- ✓ Be Green
- ✓ ecoCare



Community Development & Well-being

- ✓ Safe Handling of Chemicals at School (SHOC4School)
- ✓ PCG COVID-19 Relief
- ✓ Sentuhan Kasih



Education

- ✓ Plastics, Sustainability & You Education (PSYE)



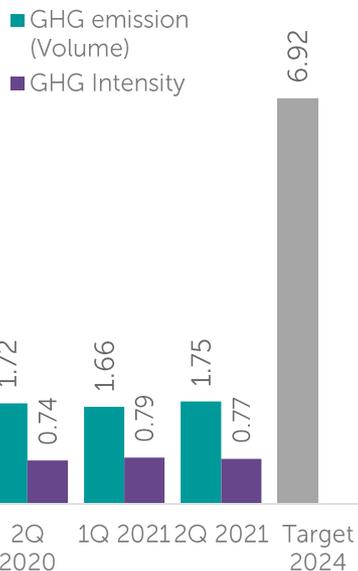
Social & Governance

- ✓ Assessment of *Human Rights* Practices among contractors

Planet

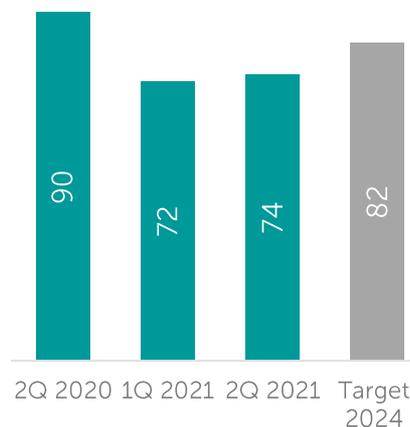
GHG Emissions
Intensity **0.77** tCO₂e/t
Volume **1.75** mil tCO₂e

GHG Emissions



Waste recycling rate from 3R
74%

Waste recycling rate (%)



Profit

Energy Intensity (EI)
15.68 GJ/t

Plant Utilisation (%)



Energy Intensity



Notes:

1. Annual Accumulative GHG reduction will be disclosed in FY2021 report as it is currently measured and reported on an annual basis
2. Disclosure of GHG Intensity target(s) will be made upon finalisation of technical studies

1H 2021 Highlights



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- Lower plant utilisation (PU) at 94% in 1H 2021 compared to 97% in 1H 2020
- Lower production volume year-on-year due to plant turnarounds activities at PC Methanol Plant 1, PDH plant and PC Fertiliser Kedah



- Sales volume lower 2% year-on-year
- Higher product prices on higher feedstock price, tight supply and strong demand
- Improved market conditions with returned business optimism



- Improved revenue on higher product prices
- Higher PAT with better contribution from JV and Associates
- EBITDA improved on widened spreads

KEY HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

MOVING FORWARD



Performance Highlights : Financials



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Key Financial Indicators	2Q 2021 Year-on-Year (YoY)	2Q 2021 Quarter-on-Quarter (QoQ)	1H 2021 Year-on-Year
Production Volume ('000 MTPA)	2Q 2021: 2,702 2Q 2020: 2,806 (4%)	2Q 2021: 2,702 1Q 2021: 2,506 8%	1H 2021: 5,208 1H 2020: 5,457 (5%)
Revenue (RM Million)	2Q 2021: 5,608 2Q 2020: 3,178 77%	2Q 2021: 5,608 1Q 2021: 4,675 20%	1H 2021: 10,283 1H 2020: 7,069 46%
Profit After Tax (RM Million)	2Q 2021: 1,856 2Q 2020: 185 >100%	2Q 2021: 1,856 1Q 2021: 1,466 27%	1H 2021: 3,322 1H 2020: 678 >100%
EBITDA (RM Million) EBITDA Margin (%)	2Q 2021: 2,154 (38%) 2Q 2020: 695 (22%) >100%	2Q 2021: 2,154 (38%) 1Q 2021: 1,695 (36%) 27%	1H 2021: 3,849 (37%) 1H 2020: 1,459 (21%) >100%

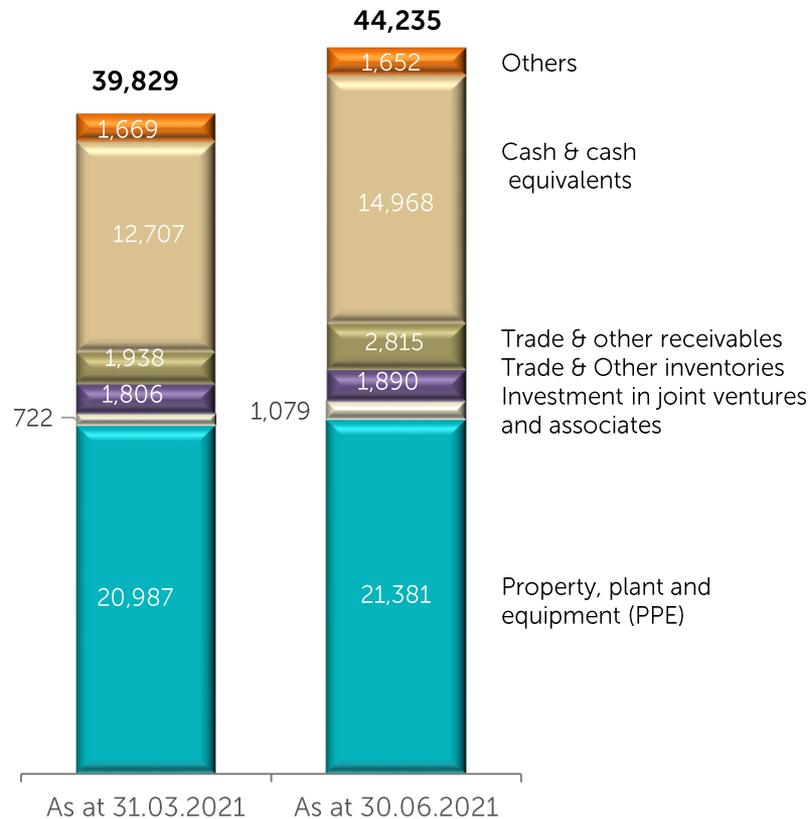
Balance Sheet as at 30 June 2021



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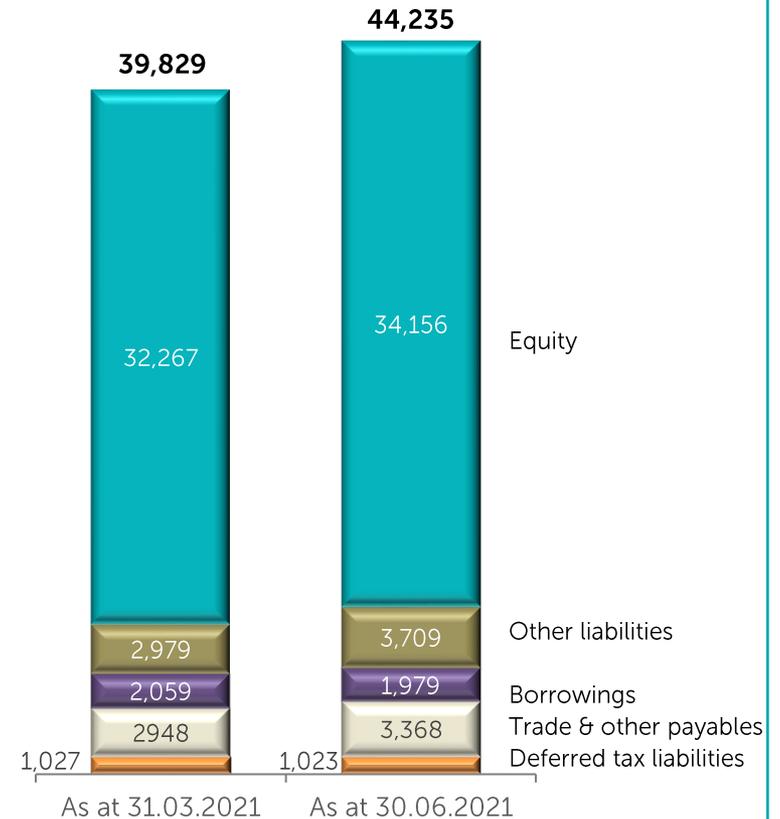
Total Assets

(RM million)



Total Equity & Liabilities

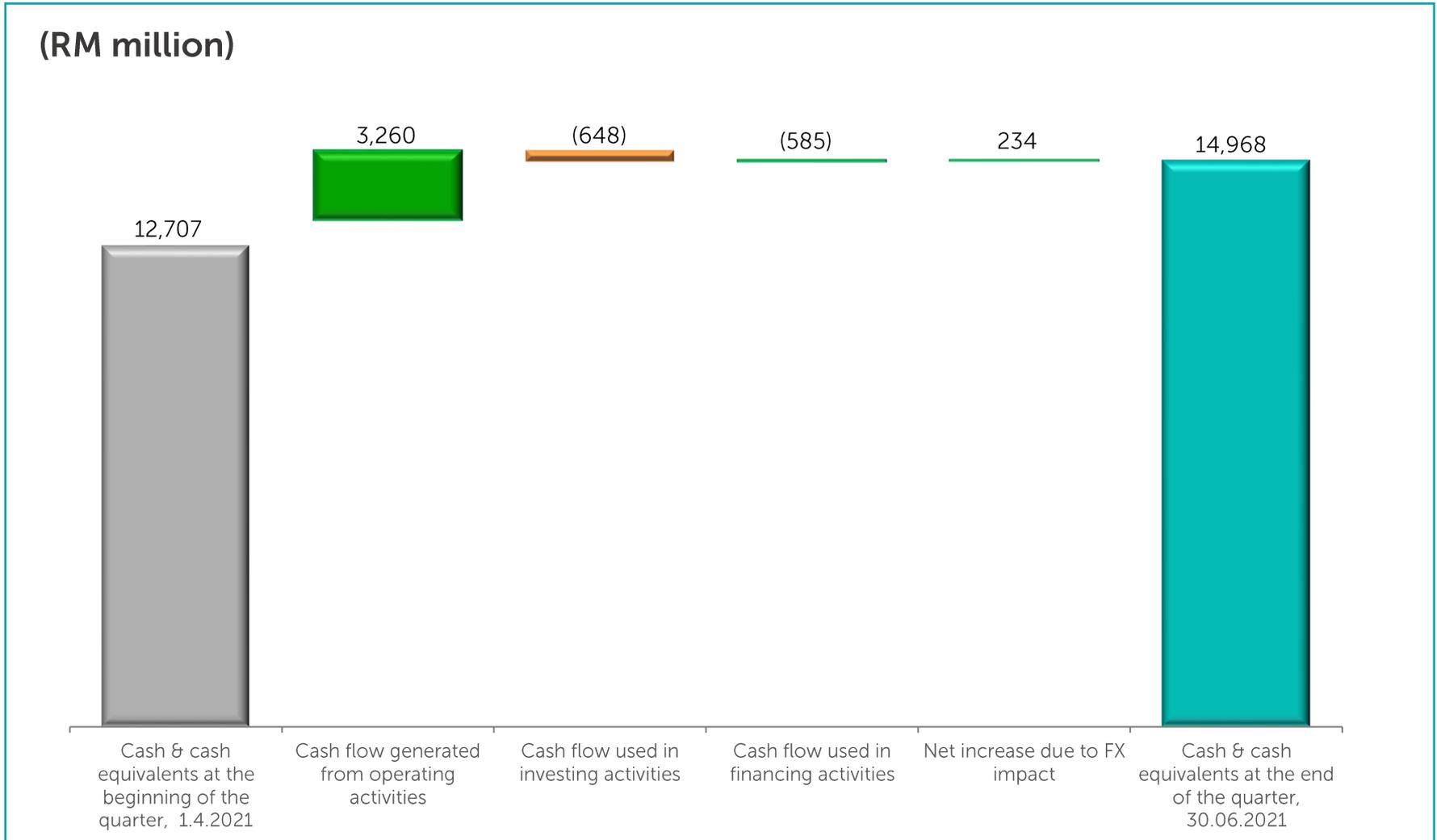
(RM million)



Cash Flows for quarter ended 30 June 2021



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Performance Highlights : Operational



PETRONAS

Sustained high Group Plant Utilisation at

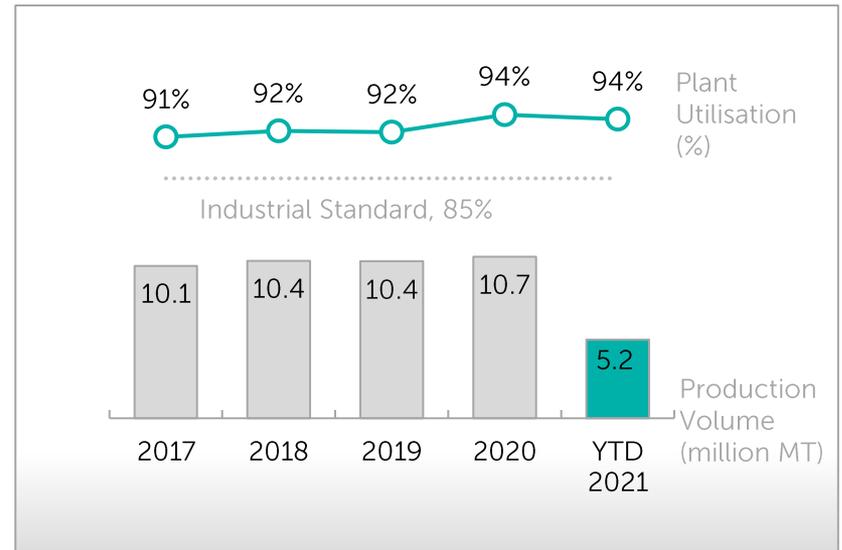
97%

- Stable operations at both Olefins & Derivatives and Fertiliser & Methanol segments
- Secure reliable feedstock supply to facilities despite total lockdown in June

Quarterly Group Performance



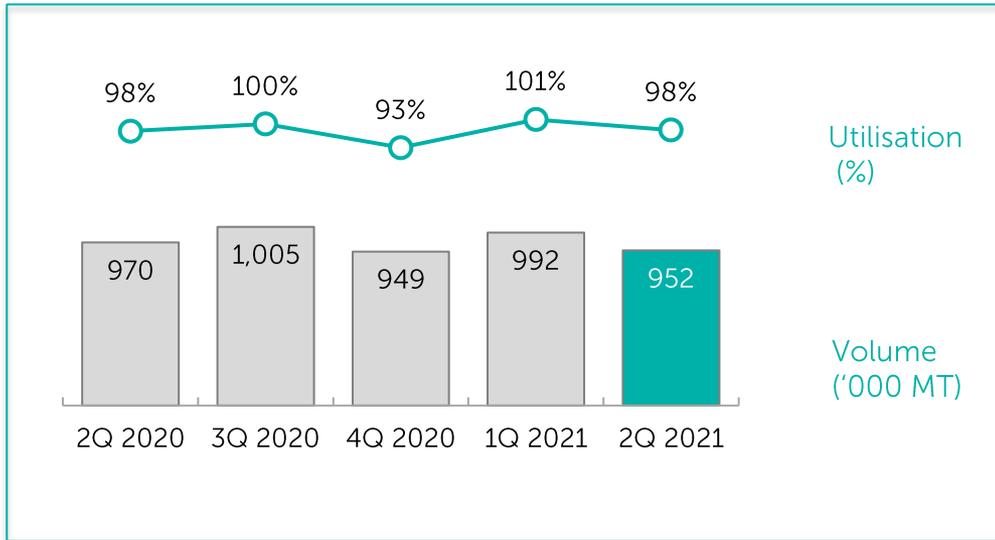
Annual Group Performance



Performance Highlights : Segmental Operational

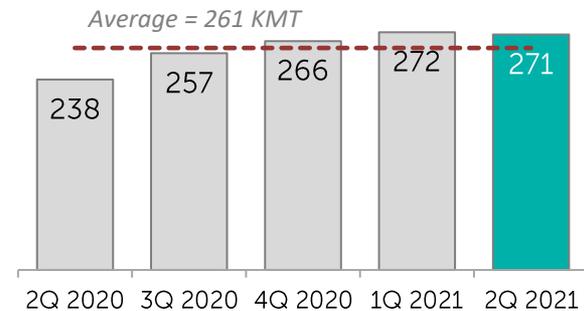


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Ethylene Production

Quarterly Volume ('000 MT)

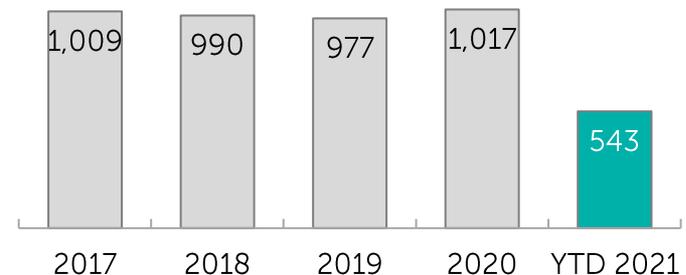


OLEFINS AND DERIVATIVES (O&D)



- Comparable ethylene production qoq with reliable cracker operations at PC Olefins and PC Ethylene
- High plant utilisation rate of 98% despite challenges at downstream units

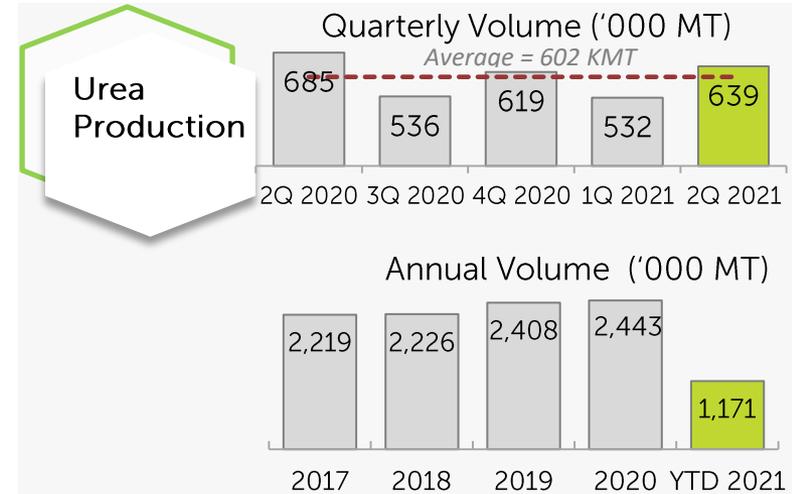
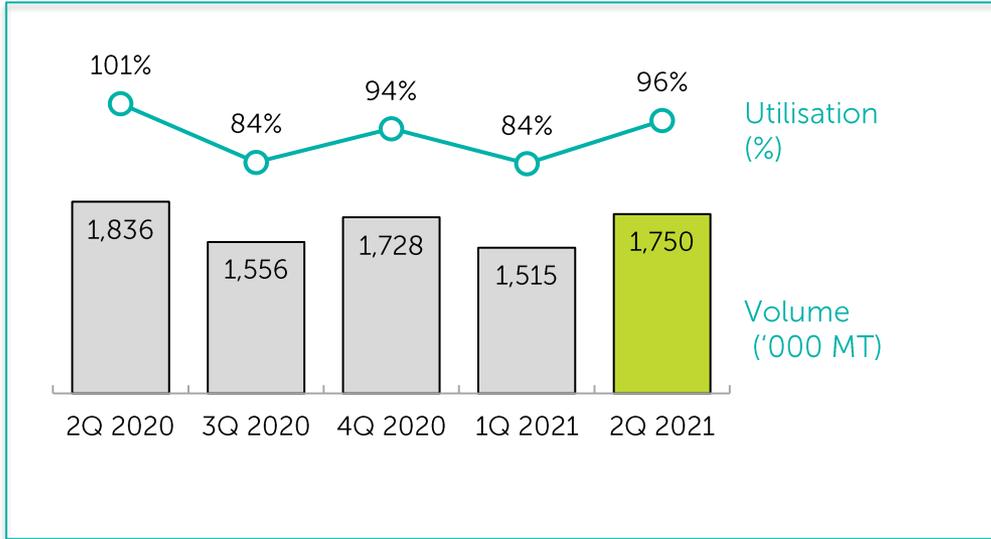
Annual Volume ('000 MT)



Performance Highlights : Segmental Operational



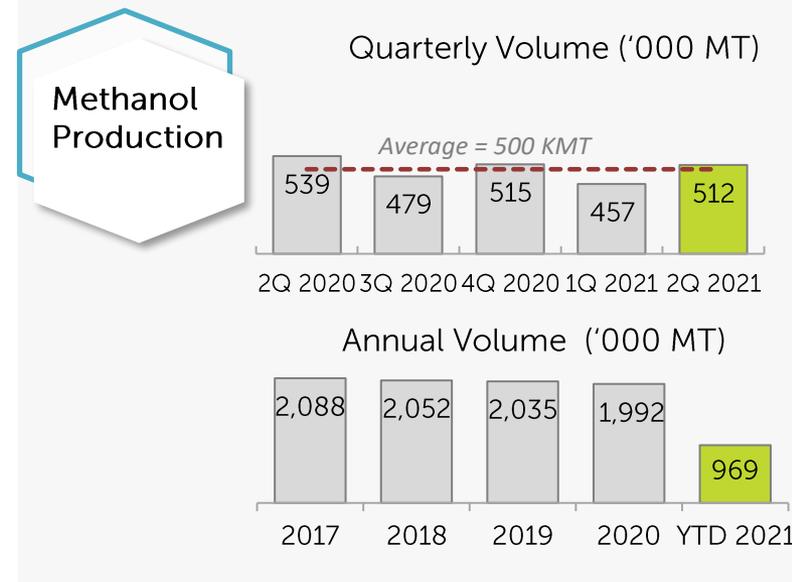
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FERTILISER AND METHANOL (F&M)



- High segmental plant utilisation rate of 96%
- Turnaround activity at PC Fertiliser Kedah completed
- Delivered above average quarterly product volumes following reliable plant operations





PIC for COVID 19 vaccinations, visited by the Johor State Health and Environment Committee Chairman (Mr Vidyananthan a/l Ramanadhan)



HDPE Plant

- Excellent HSE performance for PIC-PETCHEM project, with no loss time injury and fatality recorded
- Enhancement of PIC Entry Requirement and PIC Vaccination Program as part of COVID-19 management to keep start-up progress on track



Ethylene



Q2 2021
(vs Q1 2021)



- Delayed restart of key Japanese exporter facility
- Healthy downstream demand

Outlook
(3 Months)



- Balanced supply with cracker TA and new capacity coming on stream
- Stable downstream demand

Polymers



Q2 2021
(vs Q1 2021)



- Increase in supply due to China capacity start ups
- Economic uncertainties due to new waves of COVID-19
- Supported by firm crude prices

Outlook
(3 Months)



- Stable supply amidst new start up and logistic issues.
- Demand to strengthen prior to Golden Week holiday in Oct'21

MEG



Q2 2021
(vs Q1 2021)



- Tight supply
- Strong downstream polyester demand at the start of Q2
- Strong crude & naphtha prices provide support.

Outlook
(3 Months)



- Increase in supply amid new capacities and production restart.
- Polyester demand picking up.

Paraxylene



Q2 2021
(vs Q1 2021)



- Upbeat market sentiment amid upcoming new PTA plants.
- Strong downstream demand
- Firmer crude and naphtha markets.

Outlook
(3 Months)



- Balanced supply amidst uncertain new plant start up.
- Recovery of PTA demand on new capacities.



Urea



Q2 2021
(vs Q1 2021)



- Limited supply due to outages in SEA and ME
- Healthy India and China domestic demand

Outlook
(3 Months)



- Tight global supply remains coupled with China's minimal export volume
- Strong demand from India tender

Ammonia



Q2 2021
(vs Q1 2021)



- Global tight supply
- Healthy downstream demand

Outlook
(3 Months)



- Tight supply with volume shortage from ME
- Healthy downstream demand in India and South Korea

Methanol



Q2 2021
(vs Q1 2021)



- Sufficient supply
- Weak demand due to resurgence of Covid-19 pandemic

Outlook
(3 Months)



- Sufficient supply
- Stable China and South Korea demand

KEY HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

MOVING FORWARD



Positive recovery momentum, volatility to stay



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Business Environment

- ⊕ Continuing economic recovery
- ⊕ Stable crude oil prices
- ⊖ Linger impact of pandemic, new variants



Focus Areas

- Uphold Health, Safety and Environmental practices
- Enhance operational and commercial capabilities thru digital platforms
- Strict adherence to financial discipline
- Ongoing refinement of Sustainability Strategy



Growth Delivery

- Gearing for full start up Pengerang Integrated Complex
- Investments in derivatives and specialty chemicals
- Continued investment in R&D



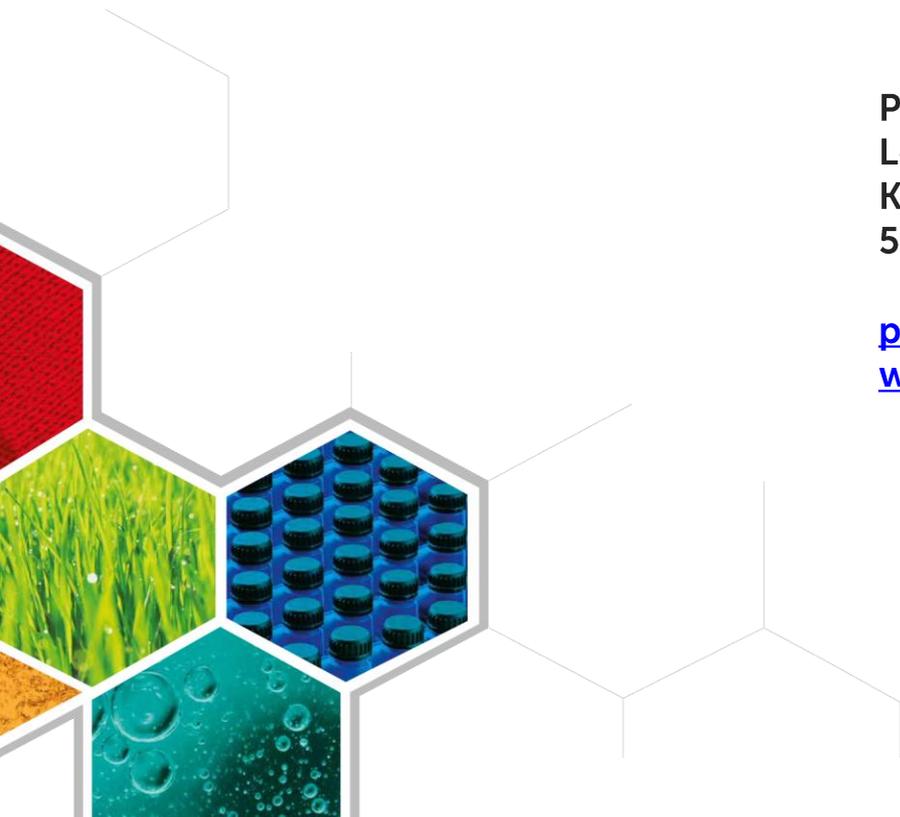
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THANK YOU

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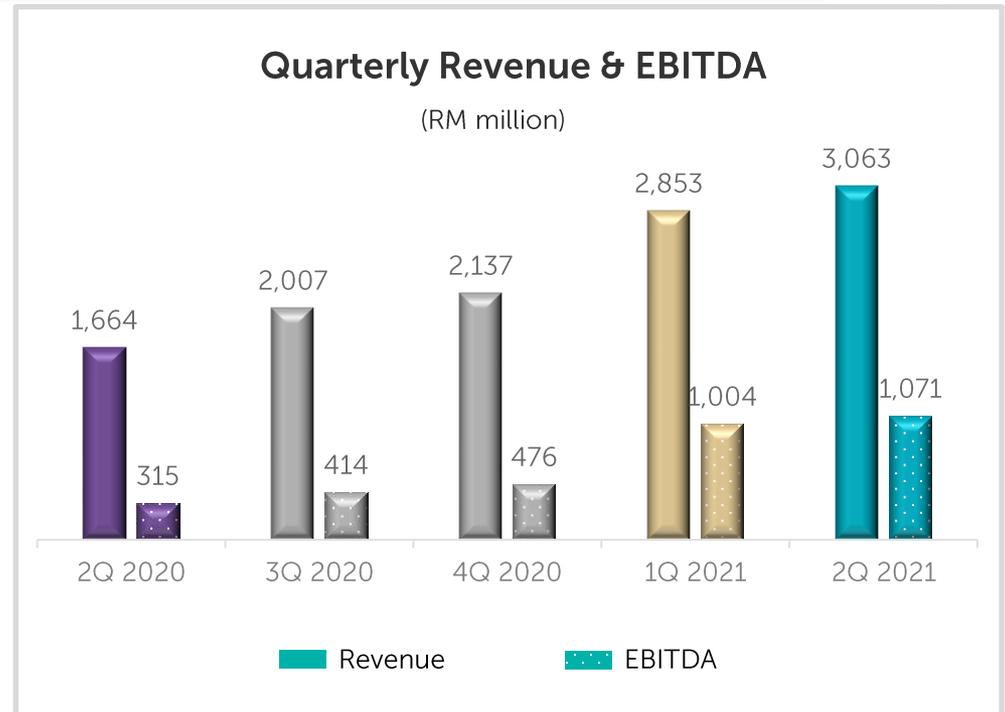
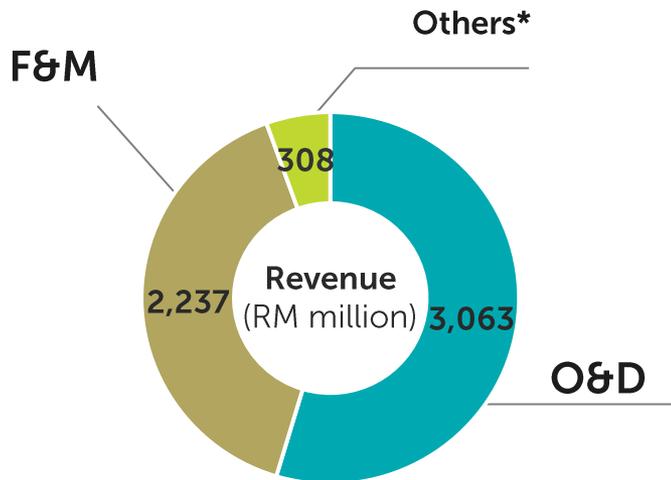


Performance Highlights : Financials



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Olefins & Derivatives



- **Comparable plant performance at 98% against the corresponding quarter on stable feedstock supply and reliable cracker performance**
- **Higher average product prices year-on-year due to higher crude oil prices amid tight supply and demand recovery**

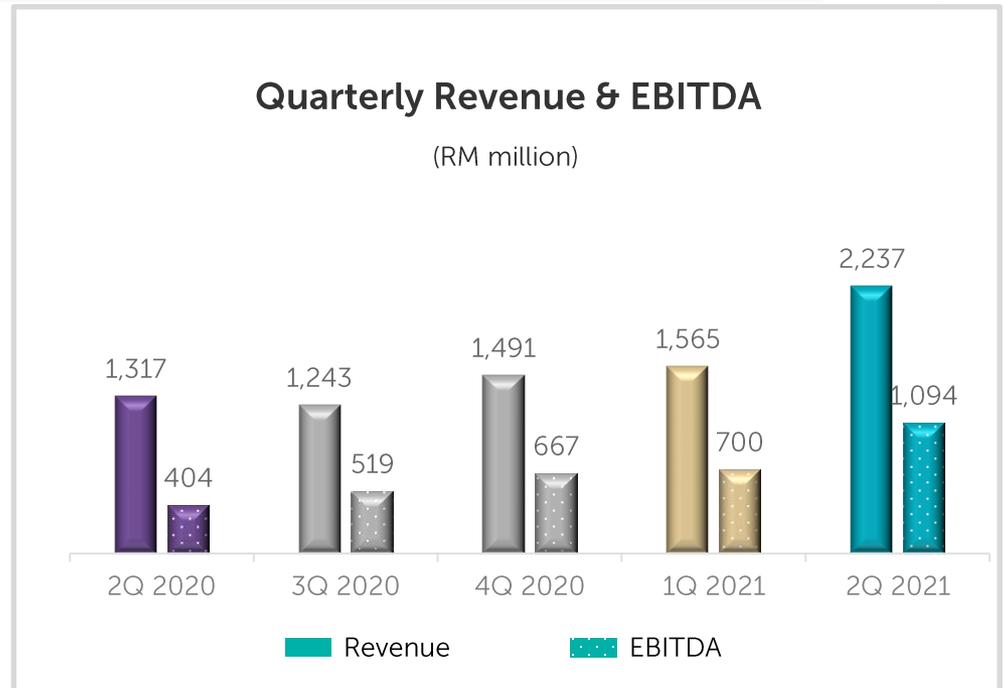
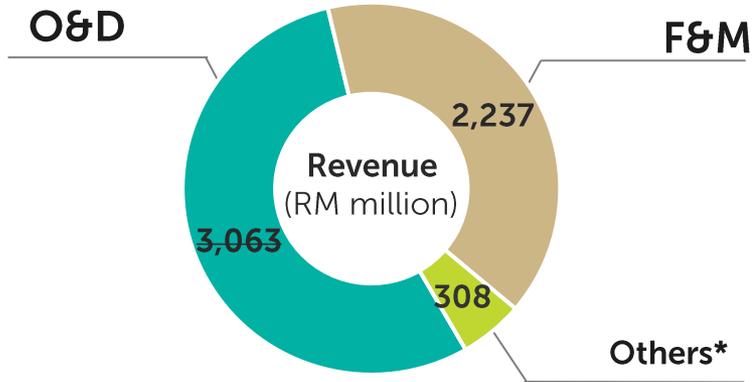
* Others include other non-reportable segments which comprise of operations related to port services that provide product distribution infrastructure to the Group as well as activities related to specialty chemicals, and unallocated assets.

Performance Highlights : Financials



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Fertilisers & Methanol



- Lower plant performance year-on-year following turnaround activities
- Higher average product prices year-on-year, supported by higher crude oil prices and demand recovery

* Others include other non-reportable segments which comprise of operations related to port services that provide product distribution infrastructure to the Group as well as activities related to specialty chemicals, and unallocated assets.