PETRONAS CHEMICALS GROUP BERHAD

Analyst Briefing

Second Quarter Ended 30 June 2026

19 August 2026

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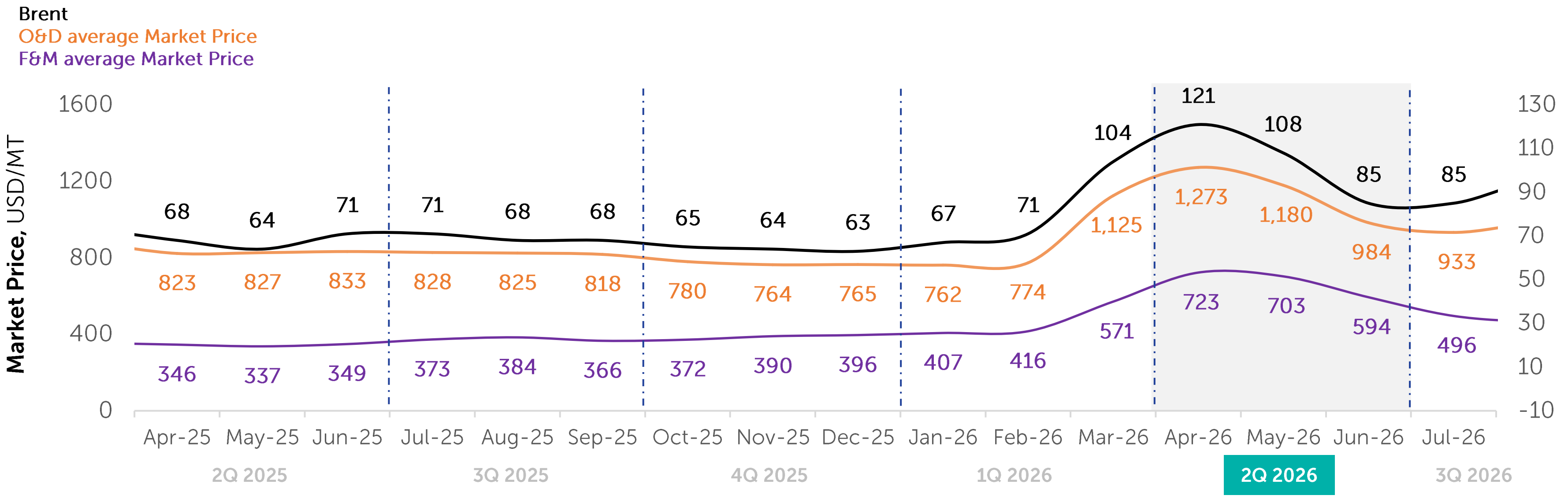
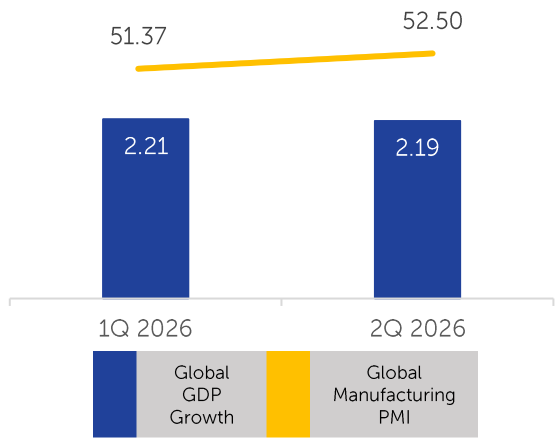
Content

Rising tensions in West Asia tightened supply, lifting chemicals prices amid market uncertainty





2Q 2026 Highlights

Global

- Global GDP growth softened as the escalation of West Asia conflict lifted energy prices, increased uncertainty and weighed on supply and demand dynamics
- Global manufacturing PMI remained in expansion, driven by precautionary inventory building amid market volatility

Malaysia

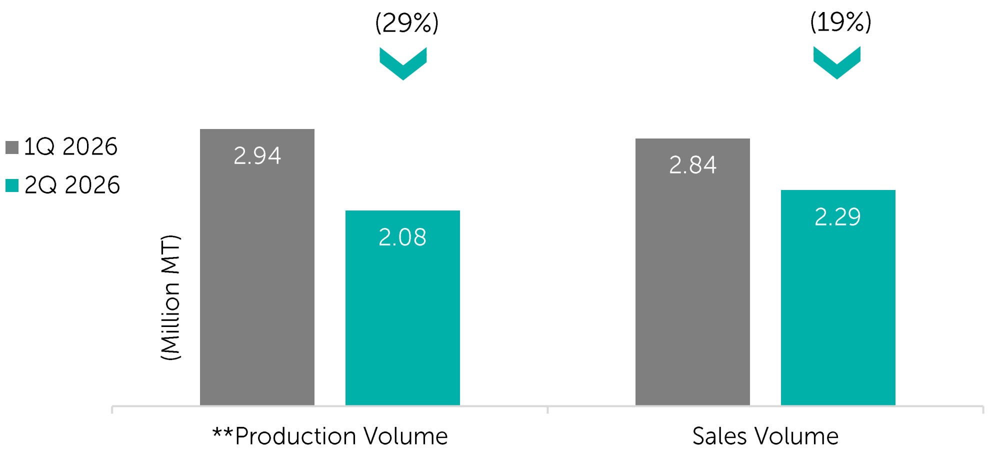
- Malaysia's economy remain resilient and expanded by 6%, supported by growth in all economic sectors except for Agriculture
- Manufacturing and Mining sectors led the growth quarter-on-quarter

PCG

- Average product prices for both Commodities and Specialty Chemicals increased
- The improvement in prices was largely driven by supply constraints arising from the West Asia conflict

*Source: market publications, PCG analysis

2Q 2026 vs 1Q 2026 Highlights: Solid earnings on the back of improved product spreads amid major turnaround activities



	1Q 2026	2Q 2026
REVENUE *in RM Million*	7,015	7,903
EBITDA *in RM Million*	1,175	1,318
PAT *in RM Million*	427	445
EBITDA MARGIN *(%)*	16.7	16.7

***Excludes PIC*

Operational

- Plant Utilisation (PU)* rate declined to 73% due to major planned turnaround activities (1Q 2026: 97%)
- Lower production volume at 2.08 million MT, in line with plant utilisation rate (1Q 2026: 2.94 million MT)

Commercial

- Lower sales volume at 2.29 million MT, in line with production volume following turnaround activities (1Q 2026: 2.84 million MT)
- Average product prices improved across Commodities and Specialty Chemicals portfolio

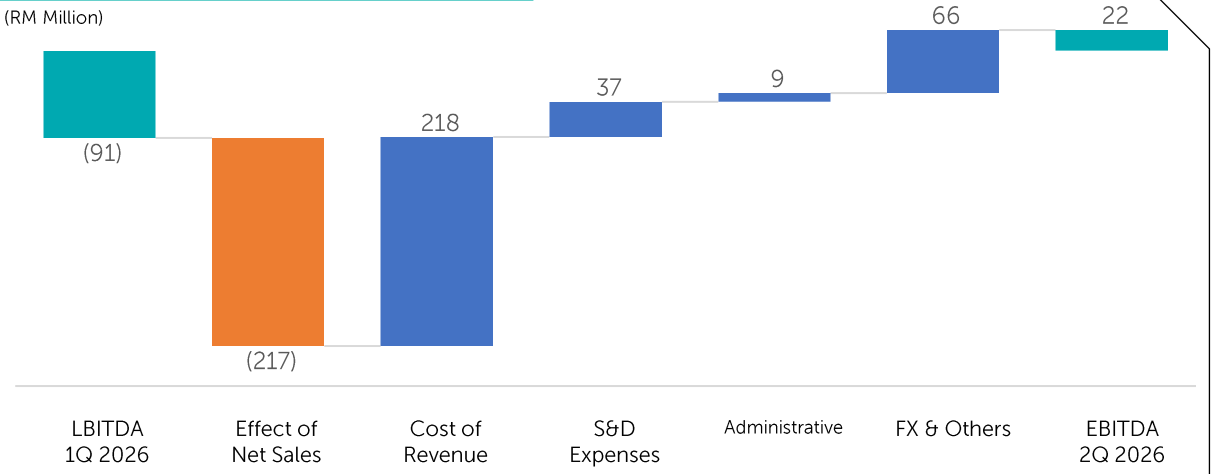
Financial

- Revenue improved driven by higher average product prices for Commodities and Specialty Chemicals products
- EBITDA increased on higher product spreads, and contribution from value creation and cost optimisation efforts
- Recorded PAT of RM445 mil, in line with higher EBITDA despite RM88 mil impairment on projects in progress

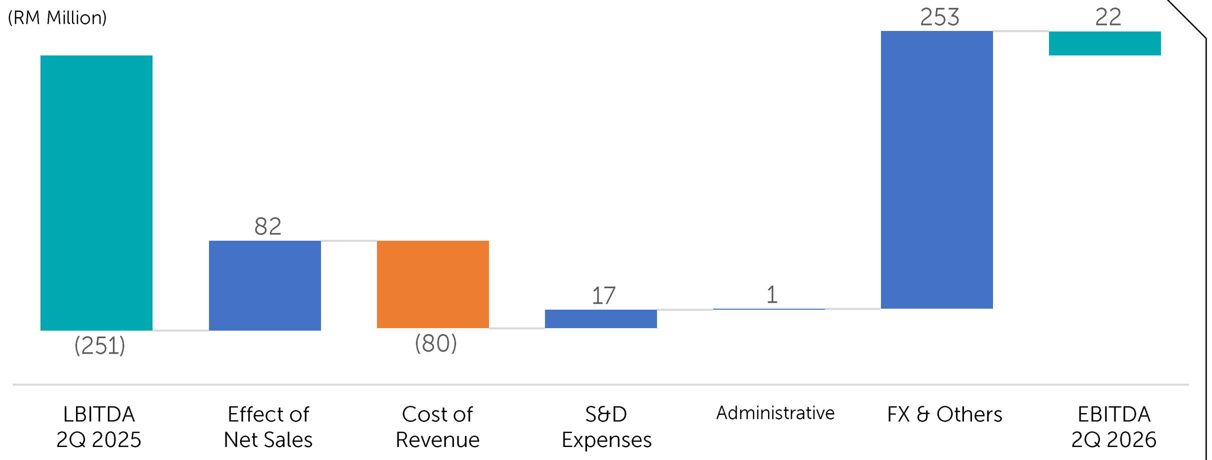
**Excludes Specialty Chemicals and PIC*

O&D: Lower operational performance due to major planned turnaround activities

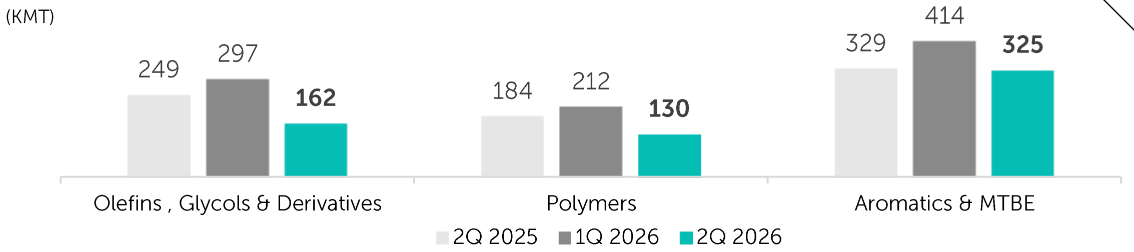
2Q 2026 vs 1Q 2026



2Q 2026 vs 2Q 2025



Product Sales Volume



	2Q 2025	1Q 2026	2Q 2026	Q-o-Q	Y-o-Y
* Plant Utilisation (PU) %	85.6	87.4	56.3	(31.1%)	(29.3%)
* Production Volume (KMT)	850	919	495	(46.1%)	(41.8%)
Sales Volume (KMT)	762	923	617	(33.2%)	(19.0%)
Revenue (RM mil)	2,645	2,944	2,727	(7.4%)	3.1%
LBITDA/ EBITDA (RM mil)	(251)	(91)	22	>100%	>100%
LBITDA/ EBITDA Margin (%)	(9.5)	(3.1)	0.8	3.9%	10.3%

** Excludes PPC*

2Q 2026 vs 1Q 2026

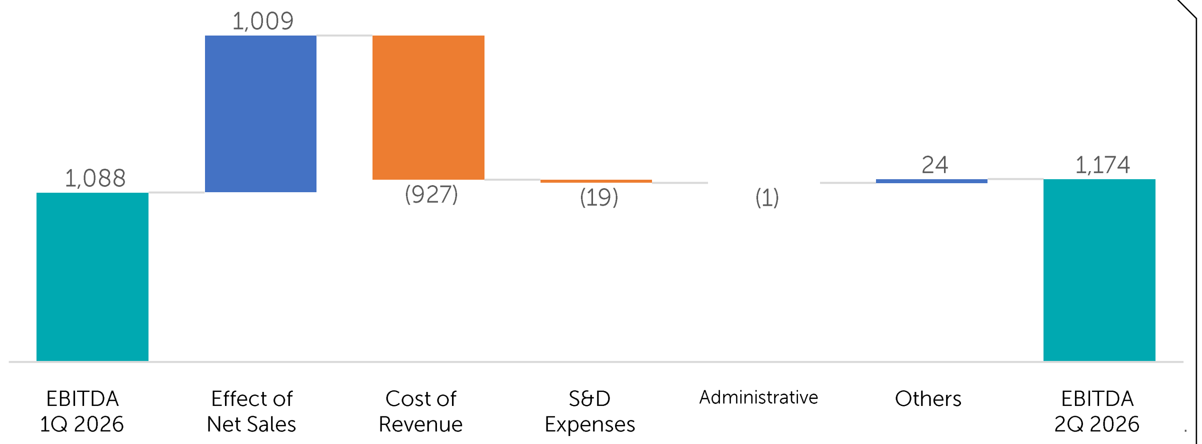
Plant Utilisation Rate: Lower at 56% mainly due to major planned turnaround activities undertaken at several facilities in Kertih Integrated Petrochemical Complex

Revenue: Declined 7% mainly due to lower sales volume, partially mitigated by increase in product prices

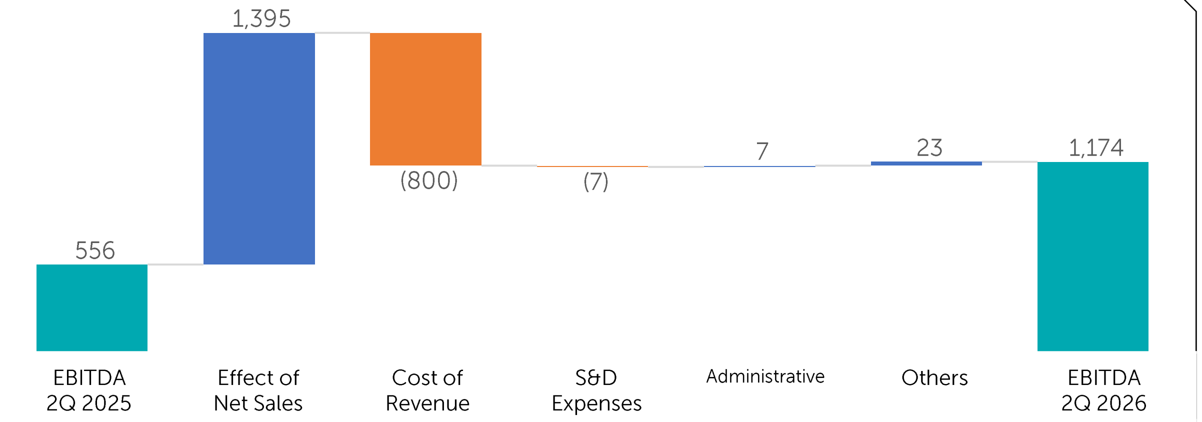
EBITDA: Returned to positive, on improved product spreads

F&M: Earnings improved driven by stronger product spreads despite planned turnaround activities

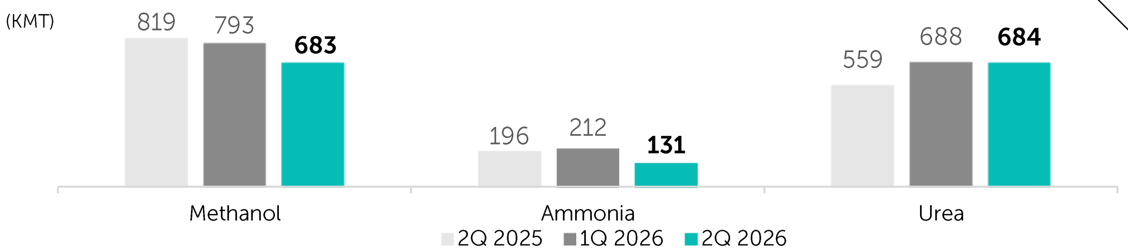
2Q 2026 vs 1Q 2026



2Q 2026 vs 2Q 2025



Product Sales Volume



	2Q 2025	1Q 2026	2Q 2026	Q-o-Q	Y-o-Y
Plant Utilisation (PU) %	72.8	102.7	80.4	(22.3%)	7.6%
Production Volume (KMT)	1,326	1,850	1,465	(20.8%)	10.5%
Sales Volume (KMT)	1,574	1,693	1,498	(11.5%)	(4.8%)
Revenue (RM mil)	2,263	2,649	3,658	38.1%	61.6%
EBITDA (RM mil)	556	1,088	1,174	7.9%	>100%
EBITDA Margin (%)	24.6	41.1	32.1	(9.0%)	7.5%

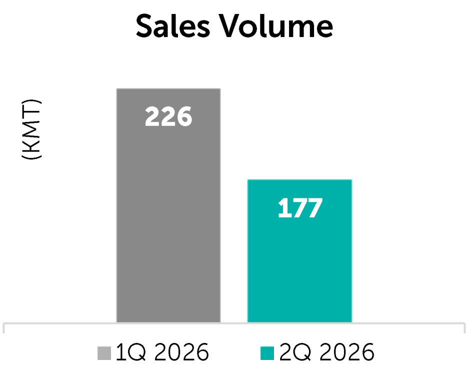
2Q 2026 vs 1Q 2026

Plant Utilisation Rate: Lower at 80% mainly due to planned turnaround activities at ASEAN Bintulu Fertilizer and PETRONAS Chemicals Ammonia

Revenue: Higher by 38% due to improved average product prices and better contribution from strategic sourcing and trading activities

EBITDA: Higher, at RM1.2 bil, on improved product spreads

Specialties: EBITDA improved on stronger contribution margins excluding emission-rights gains



	2Q 2025	1Q 2026	2Q 2026	Q-o-Q	Y-o-Y	Key Highlights
Revenue (RM mil)	1,514	1,405	1,508	7.3%	(0.4%)	Operational EBITDA improved on stronger contribution margins and cost optimisation efforts, despite soft demand
EBITDA (RM mil)	153	198	140	(29.3%)	(8.5%)	
EBITDA Margin (%)	10.1	14.1	9.3	(4.8)	(0.8)	

2Q 2026 vs 1Q 2026

Intermediates

Polyols
Contribution margin improved on the back of higher selling price, reflecting the impact of the West Asia conflict and pricing strategy

Oxo
Sales volume declined due to customer destocking activities and soft demand

Formates
Sales volume declined, reflecting lower seasonal deicer demand

Animal Nutrition
Contribution margin declined due to lower sales volumes and selling prices

Specialties

Coating Solutions
Higher sales volumes and selling prices supported improved margin

LAC
Contribution margin improved on higher selling prices and favourable product mix

Personal Care
Contribution margin improved on higher selling prices

Advanced Polymer Solutions
Higher selling prices partly offset lower sales volumes, resulting in broadly stable margin

Engineered Fluids Solutions
Higher sales volumes on demand recovery

Silicones

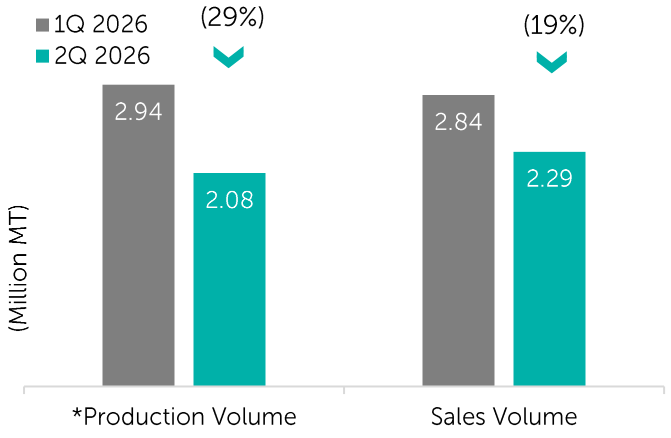
Contribution margin declined due to high raw material costs, despite high selling price

Group: EBITDA improved on higher product spreads and contribution from value creation and cost optimisation efforts

2Q 2026 vs 1Q 2026

PU Rate

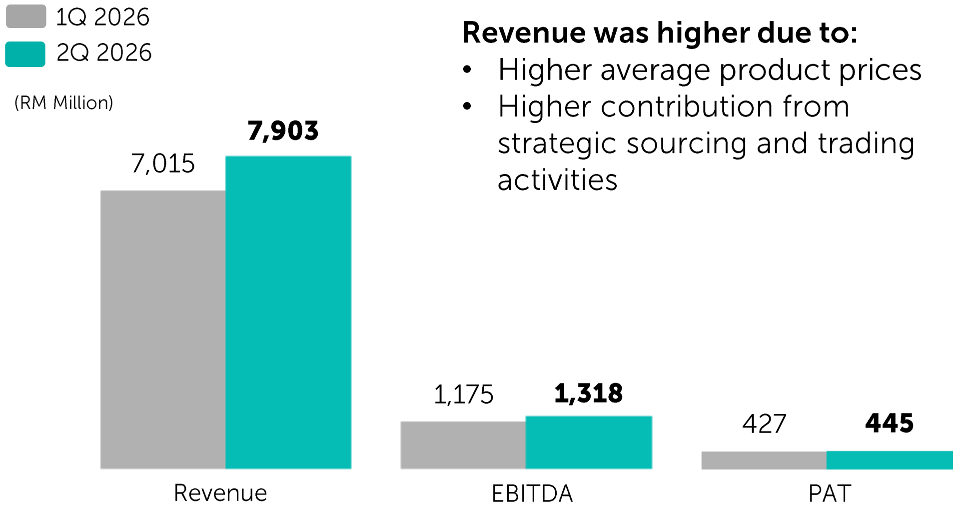
1Q 2026	2Q 2026
97%	73%



Plant Utilisation Rate (PU)**:
Declined due to major planned turnaround activities in KIPC and ABF

Production Volume:
Lower production volume due to major planned turnaround activities

Sales Volume:
Lower sales volume, in line with production volume



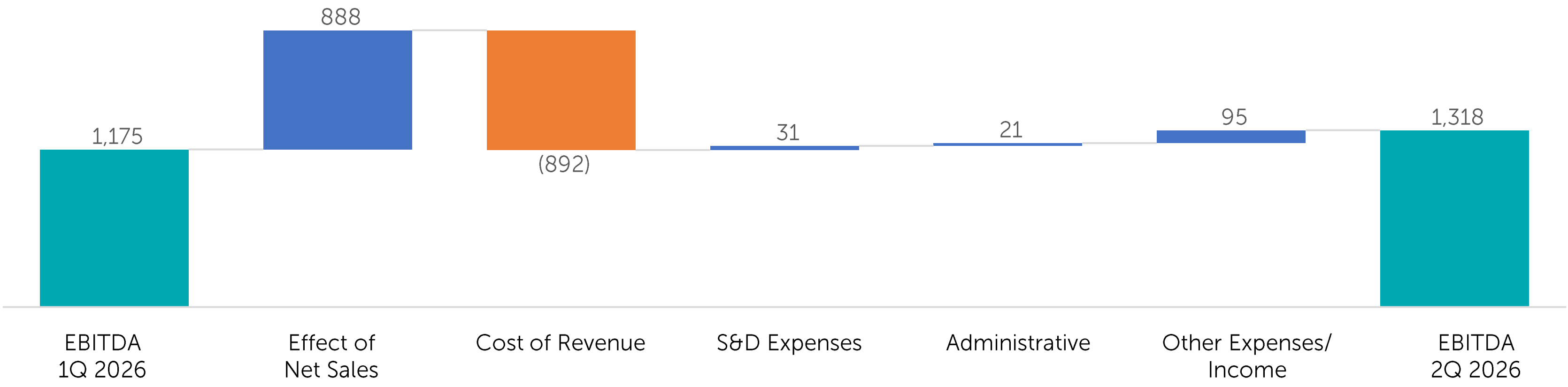
Revenue was higher due to:
- Higher average product prices
- Higher contribution from strategic sourcing and trading activities

EBITDA was higher due to:
- Higher product spreads
- Higher contribution from value creation and cost optimisation efforts

Higher PAT:
- In line with higher EBITDA
- Partially offset by impairment of projects in progress

EBITDA MOVEMENT
(RM Million)

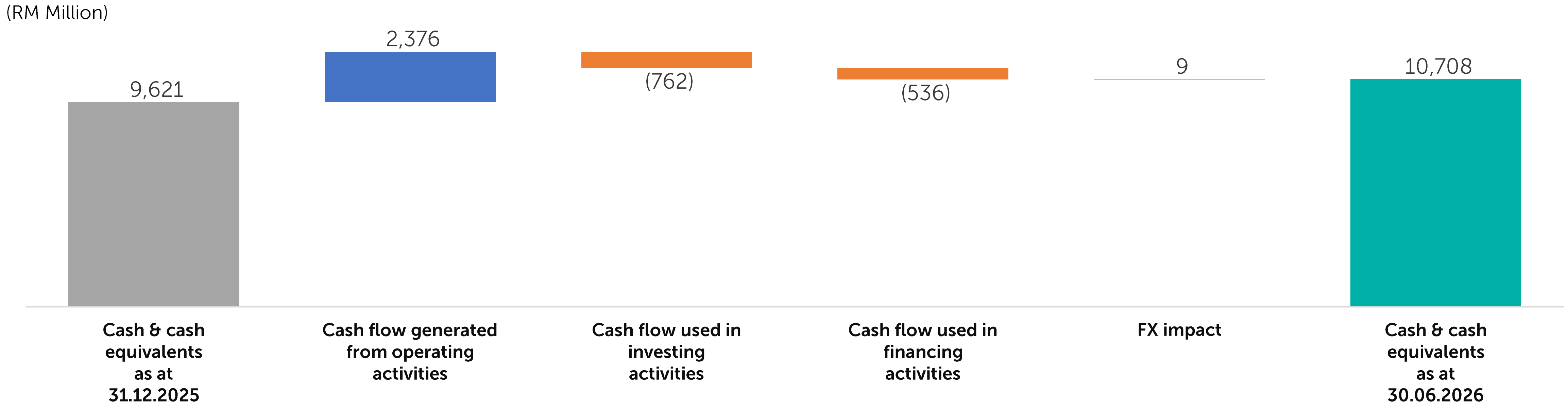
EBITDA Margin
1Q 2026: 16.7%
2Q 2026: 16.7%



Excludes PPC
*** Excludes PPC and Specialty Chemicals*

Higher cash balance mainly contributed by CFFO, in line with profit generated for the period

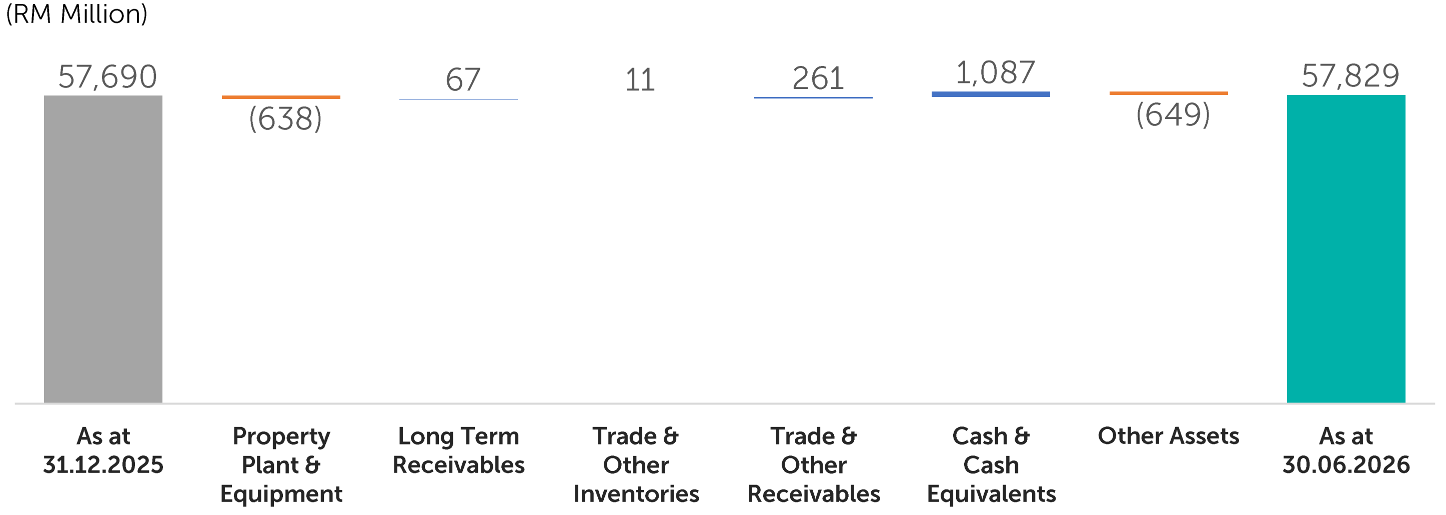
Cash Flow



- Net cash generated from operating activities in line with profit generated for the period.
- Net cash used in investing activities mainly comprise of purchase of PPE for turnaround activities during the period.
- Net cash used in financing activities mainly for higher net repayment of revolving credit and dividend payment to shareholders.

Higher Total Assets, reflecting the cash generated from operating activities during the period

Total Assets



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

- Higher cash and cash equivalents from cash generated from operating activities
- Higher trade and other receivables

partially offset by;

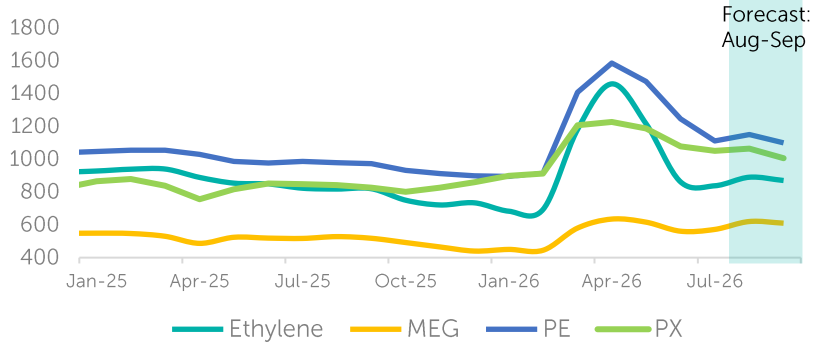
- Lower intangible assets due to strengthening of Ringgit Malaysia against Swedish Krona
- Depreciation during the period

Total Equity & Liabilities

Higher trade and other payables due to higher feedstock and utilities costs

O&D prices expected to remain stable, while F&M will be supported by firm urea price. Construction and automotive demand remains broadly weak in Specialties

O&D: Prices to remain stable, as supply constraints and feedstock uncertainty continue to weigh on the market despite soft demand



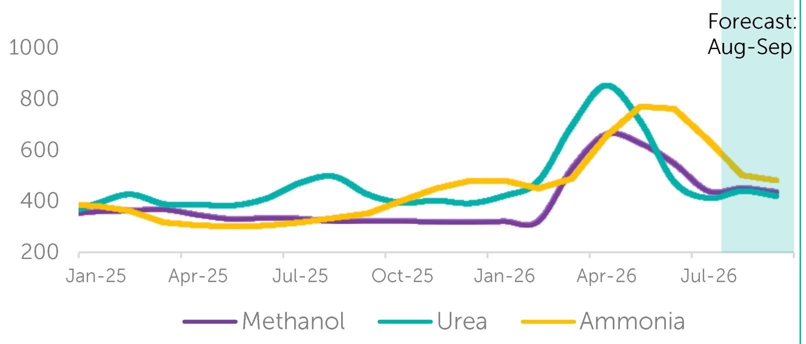
Ethylene:
Stable as price support from West Asia trade flow disruptions and regional outages in Southeast Asia likely to be offset by subdued downstream demand

Ethylene Glycols:
Stable on tight inventories and constrained supply despite subdued polyester demand

Polyethylene:
Stable driven by supply tightness arising from West Asia tensions, alongside seasonal demand support

Paraxylene:
Stable on balanced supply and demand outlook

F&M: Fertiliser demand remains supported by food security needs, while methanol stabilises on the back of balanced supply-demand fundamentals



Urea:
Urea prices supported by food security needs and supply tightness

Ammonia:
Ample supply availability outweighs cautious buying across key Asian markets

Methanol:
Stable, underpinned by balanced market fundamentals as supply recovery keeps pace with demand

Specialties: Demand remains soft in key end-sectors, with modest growth shown in consumer good

Construction activity remains soft, amid broad cyclical and structural pressures. Pockets of growth observed in the rest of Asian markets

Automotive production seeing modest decline, weighed by affordability constraints and changing policies. Europe shows selective improvement, China maintains export strength, while the rest of Asia shows growth

Consumer goods demand remains value driven, concentrated in everyday essentials and personal care

2026 Key Highlights

Portfolio Rationalisation

- Portfolio high-grading focusing on asset optimisation and cost competitiveness

Operational Excellence

- Safe and smooth execution of turnaround activities at PETRONAS Chemicals Methanol Plant 2 and continue ramp-up of PPC

Commercial Excellence

- Unlock market upside opportunities
- Strengthen strategic sourcing and trading activities

Value Creation and Cost Optimisation

- RM324 Million Realised for 1H 2026

GOLD | Top 5%
ecovadis
Sustainability Rating
JUL 2026

PETRONAS

PETRONAS Chemicals Group Berhad

Thank you

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.

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