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PETRONAS CHEMICALS GROUP BERHAD

Corporate Presentation

January 2018

A PRESENTATION BY
PETRONAS CHEMICALS GROUP BERHAD (459830-K)

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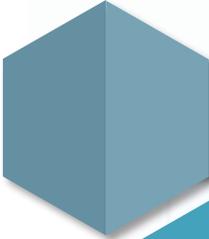
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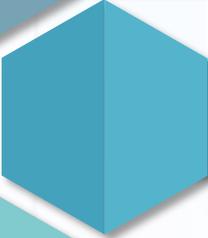
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EXCELLENCE. DYNAMIC GROWTH



Company Overview



Petrochemicals Market



Performance Highlights



Growth



Outlook

**EXCELLENCE.
DYNAMIC GROWTH**



Company Overview

Outlook

PETRONAS Chemicals Group Berhad at a glance



PETRONAS

THE LEADING INTEGRATED
**CHEMICALS
PRODUCER**
IN MALAYSIA



OPERATES A TOTAL OF 13
WORLD-CLASS
PRODUCTION SITES



A TOTAL COMBINED
PRODUCTION CAPACITY OF

12.7 MILLION

METRIC TONNES PER ANNUM



OVER
THREE DECADES
OF EXPERIENCE IN THE
CHEMICAL INDUSTRY

30
YEARS

DIVERSIFIED RANGE OF
**CHEMICAL
PRODUCTS**



PCG competitive advantages



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Fully integrated **facilities and infrastructure**



Secure and competitive **feedstock supply**



Proximity to **key growth markets**



Greater **market leadership**

PETRONAS CHEMICALS GROUP BERHAD



Portfolio expansion with **leading edge technology**



Large scale and diversified **product portfolio**

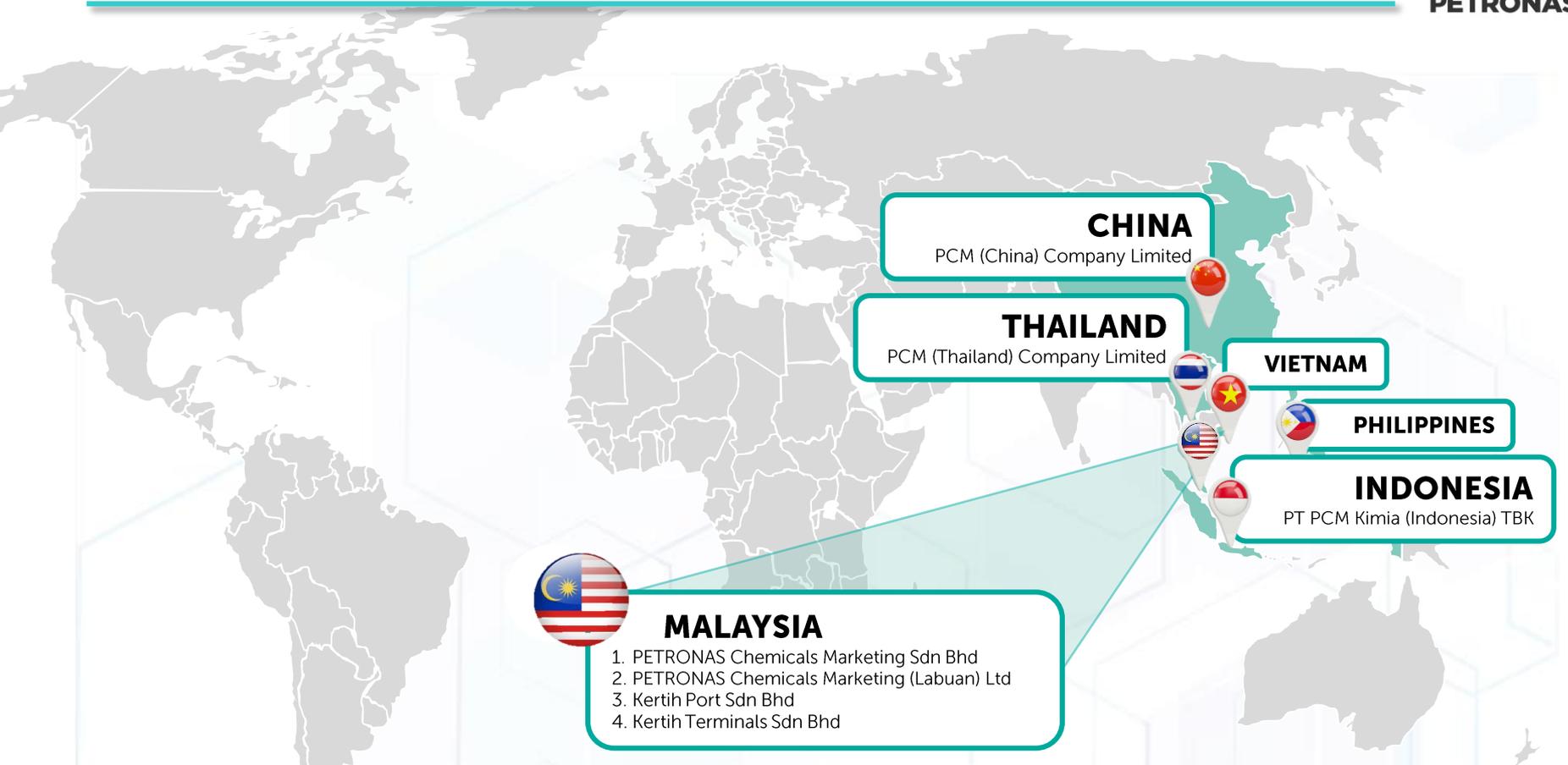


Competitive **world scale plants**

Established local presence in key regional markets to better serve our customers



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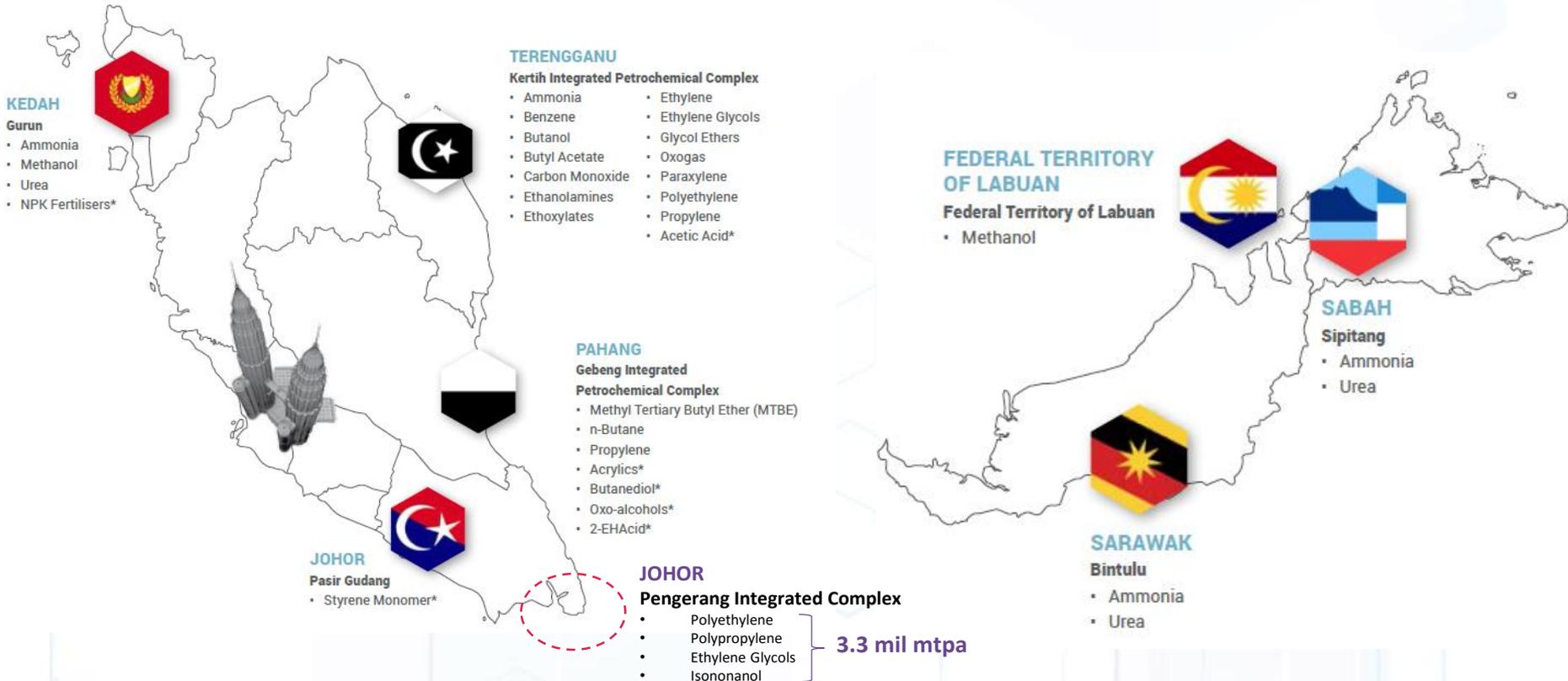
- Higher netback market particularly in **Southeast Asia**
- Internationally present in **Thailand, China, Indonesia, Vietnam** and the **Philippines**
- Well-established port & terminal facilities in **Malaysia**

Operates world scale plants with diversified product portfolio



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Business segmented into Olefins & Derivatives and Fertilisers & Methanol



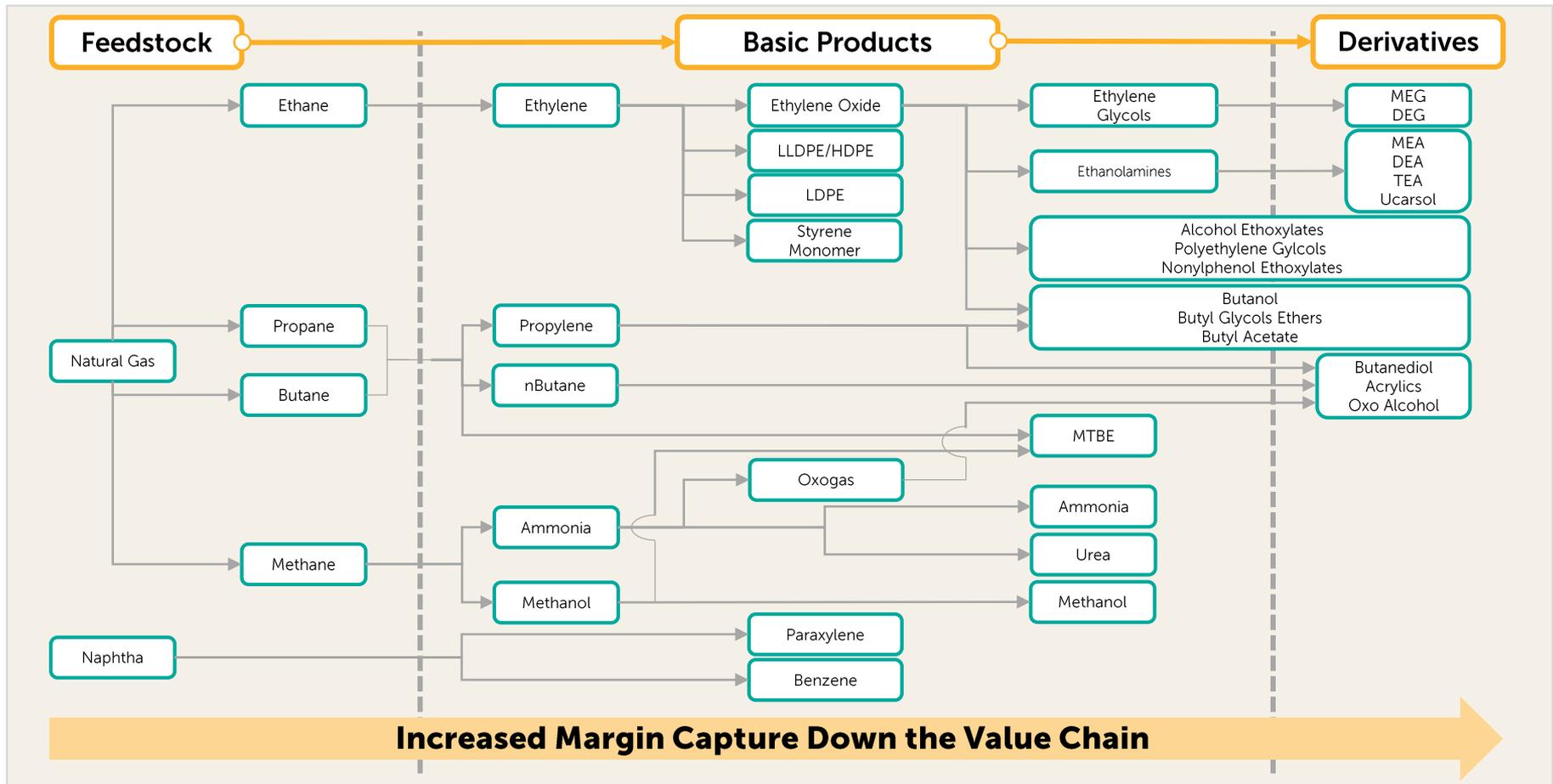
4.9 MILLION MTPA
PRODUCTION OF OLEFINS
AND DERIVATIVES

7.8 MILLION MTPA
PRODUCTION OF
FERTILISERS AND METHANOL

Fully integrated facilities resulting in lower cost, optimum yields and greater flexibility



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- ◆ **Operational flexibility** to **modify product mix**, minimize molecule loss, and **optimize profits** across the entire value chain
- ◆ **Integrated support** and **ancillary services** leading to substantial **operational and logistic efficiencies**

**EXCELLENCE.
DYNAMIC GROWTH**



Petrochemicals Market

Outlook

Riding on key industry trends while pursuing growth



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Macro driver

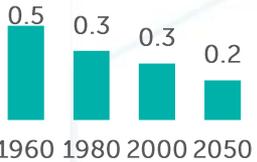
by 2030



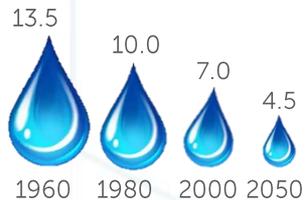
Increase in world population
+1.1 bil → 8.5 bil



Rising global GDP per capita
+US\$11k → US\$21k



Less arable land



Less freshwater

Industry driver

by 2030



Higher global demand for food and beverages



Higher middle income class population
+2.4 bil → 4.9 bil



Greater demand for business and personal mobility

PCG Strategic Positioning



Methane Derivatives:
Fertiliser, surface coatings & engineering plastics



Surfactants:
Cleaning agents, detergents



Compounding:
Automobile, electricals & electronics



Polyolefin derivatives:
Automobile, industrial products



Synthetic Rubber & Hydrocarbon Resins:
Industrial products



Supported by steady petrochemical demand growth in Asia Pacific



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Asia's GDP is expected to remain stable slightly below 5%

Annual GDP Growth Rate of Asia Pacific, China and SEA
%



Source: Company analysis

**EXCELLENCE.
DYNAMIC GROWTH**



Performance Highlights

Outlook

We continue to focus on pursuing excellence



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Operational Excellence

- ❑ Sustain world-class operational performance and strengthen HSE culture
- ❑ Optimise production via high level plant reliability and effective plant turnaround

Commercial Excellence

- ❑ Deliver value-adding products to customers
- ❑ Optimised and efficient logistics arrangements

Innovation Excellence

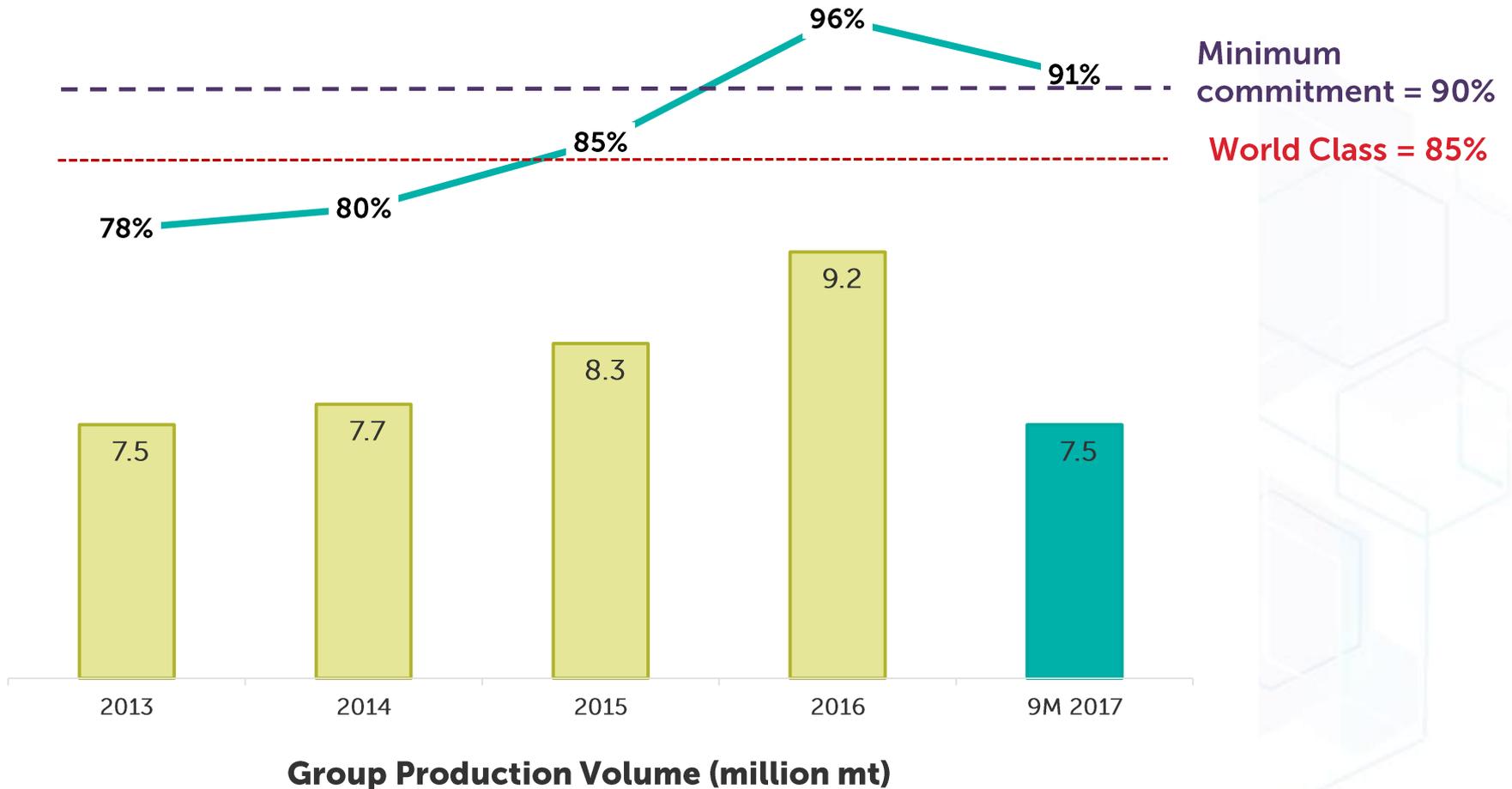
- ❑ Co-creation of new products based on customer requirements
- ❑ Digitalisation programme to enhance product efficiencies
- ❑ R&D on niche applications

Robust asset management framework resulting in high plant performance



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Group Plant Utilisation Rate



Best results despite challenging market conditions



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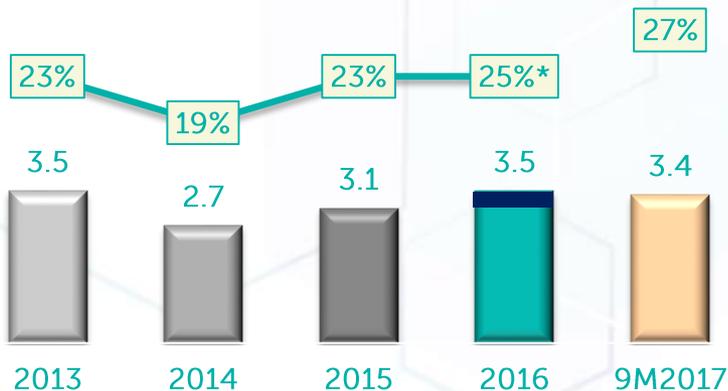
Brent Crude Oil (USD/barrel)



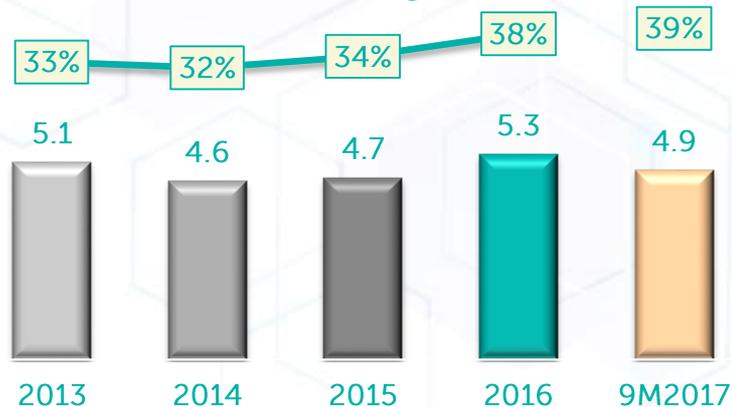
Revenue (RM Billion)



PAT (RM Billion) PAT Margin



EBITDA (RM Billion) EBITDA Margin



*Note: 2016 PAT = RM3,466 million excluding elastomers project write-off amounting to RM244 million.
Post write-off, PAT = RM3,222 million and PAT Margin = 23%.

EXCELLENCE. DYNAMIC GROWTH

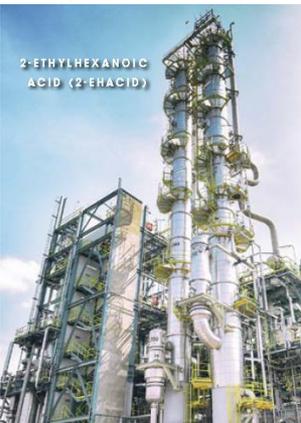


Growth

PCG Growth Projects

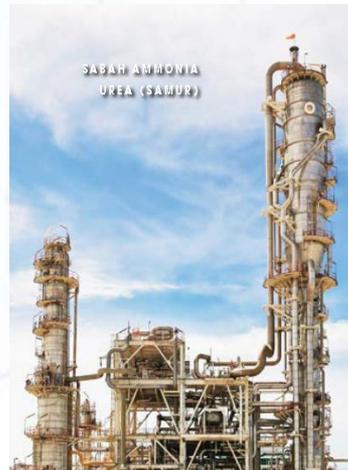


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2016
2EHAcid

2017 SAMUR



2018 AROMA &
HRPIB

2019 PIC
Petrochemical
Projects
(RAPID)

Beyond 2020



Pengerang Integrated Complex (PIC)



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PIC Overall Plot Layout: 6,242 acres (~7.5 km x 4km)



Capacity =
3.3 mil mtpa

Capex = USD 3.2
billion

Target
commissioning =
2019

PCG Plants

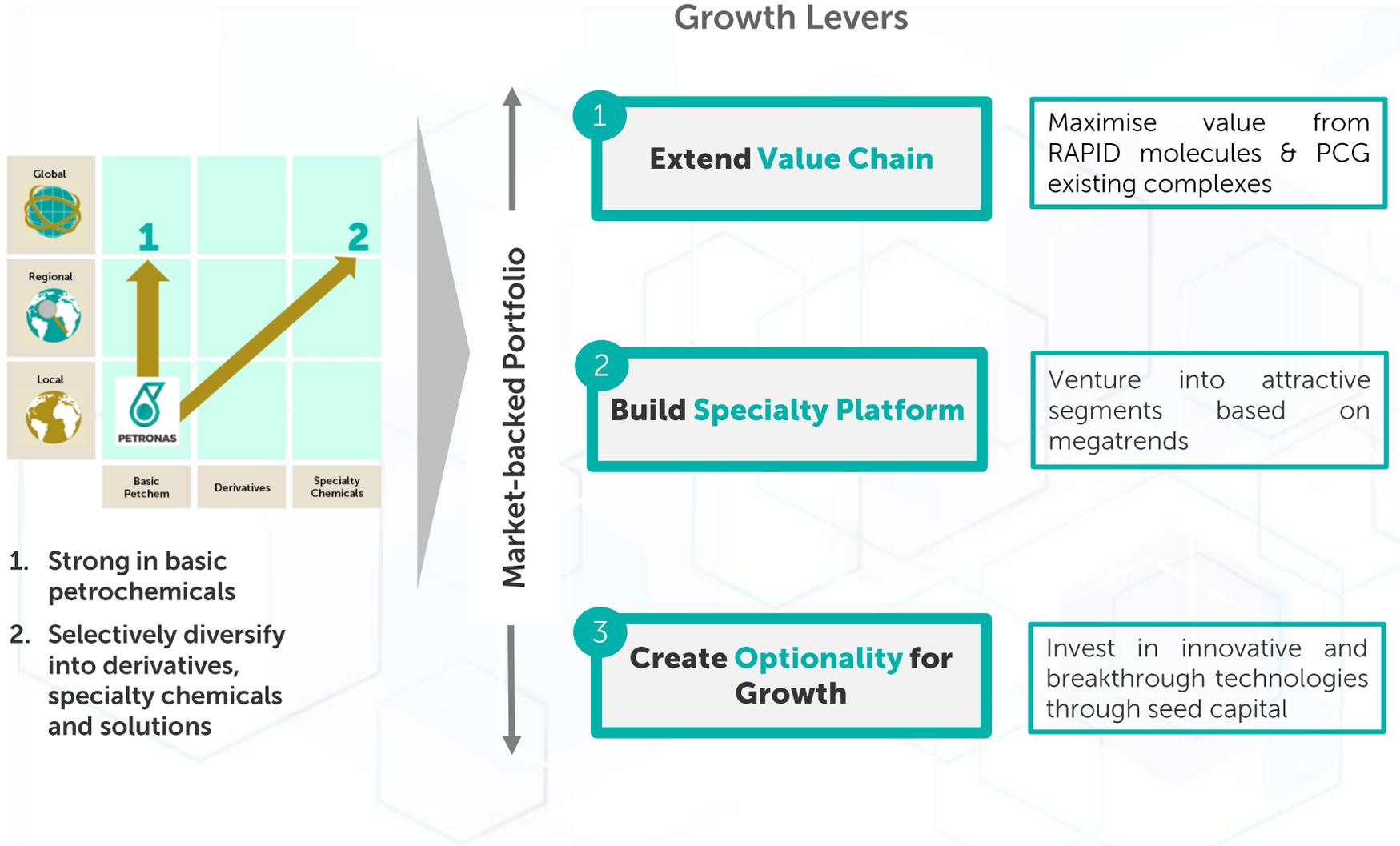
- Polymers
- Glycols
- Isononanol



PCG has a clear strategy to grow specialty chemicals portfolio and future proof our business



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

**EXCELLENCE.
DYNAMIC GROWTH**

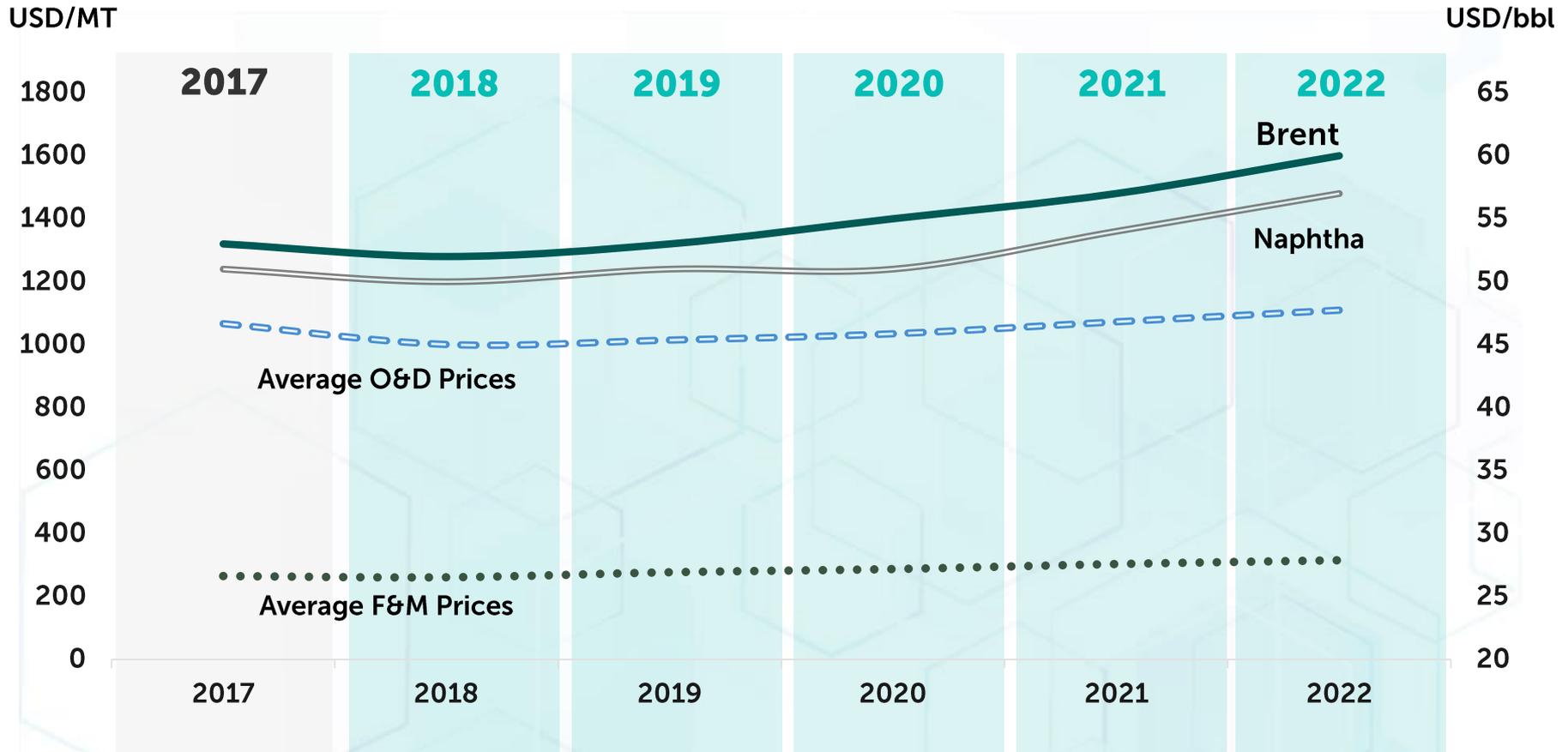


Outlook

Prices are set to recover on robust demand from petrochemical sectors



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- Operational Excellence: Sustain group plant utilisation of 90%**
- Overall operational performance is expected to be similar to 2017**
- Market Outlook is expected to be better than 2017 attributed to steady demand growth supported by improving crude oil price**



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Thank You

For enquiries please contact us at:

PETRONAS Chemicals Group Berhad
Level 14, Tower 1, PETRONAS Twin Towers
KUALA LUMPUR CITY CENTRE,
50088 KUALA LUMPUR, MALAYSIA

petronaschemicals_ir@petronas.com
www.petronaschemicals.com