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# **PETRONAS CHEMICALS GROUP BERHAD**

**(Corporate updates)**

**CIMB Corporate Day 2019**

**3 & 4 January 2019**

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## 9M 2018 Key Highlights

### Key Highlights

- Plant utilisation (PU) at 91 %
  - 6 statutory TA completed to date
  - Higher on-stream days
- Sales volume increased 5% y-o-y
  - Healthy demand for petrochemical products
  - Higher product prices
- 12% PAT improvement
- Improved EBITDA with;
  - Better spreads, higher sales volumePartially negated by;
  - Higher maintenance cost
  - Strengthening MYR against USD

# Year-to-date plant utilisation rate and production volume sustained despite high turnaround



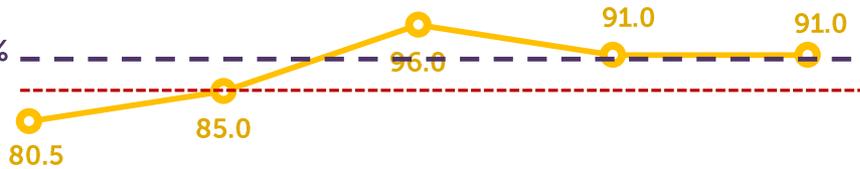
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## Operational Performance

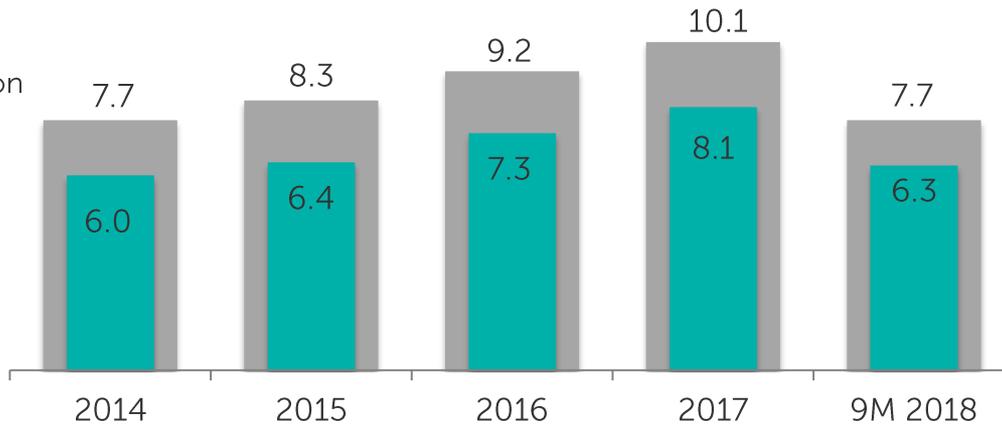
Group Plant Utilisation Rate (%)

Minimum commitment = 90%

World Class = 85%



Sales  
Production



Group Production and Sales Volume (million mt)

## Operational excellence

- Sustained **high plant utilisation** despite heavy turnaround activities
- Sustainable operations with **improved feedstock supply** through close relationship with supplier
- Improved earnings with higher **production efficiency**

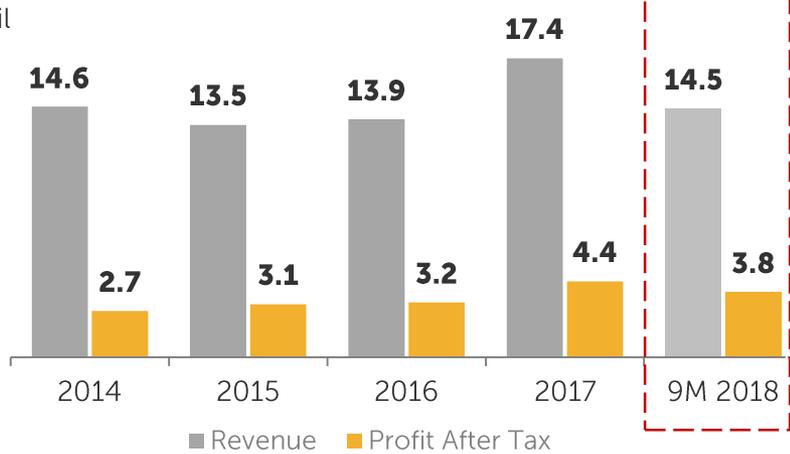
# Profitability in line with operational and market performance, Capital expenditure is on track



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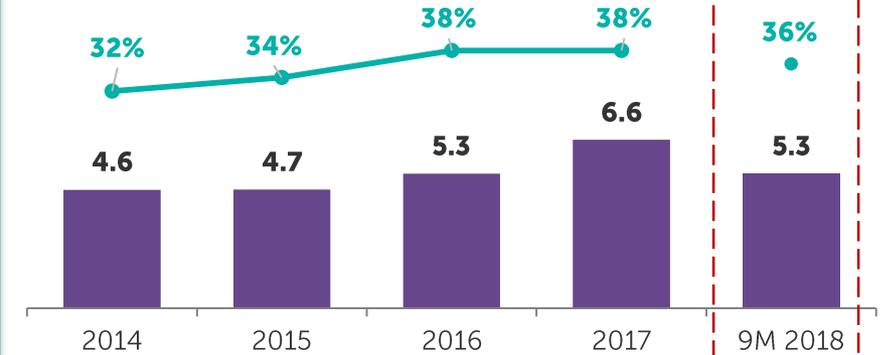
## Earnings

RM Bil



## EBITDA

RM Bil



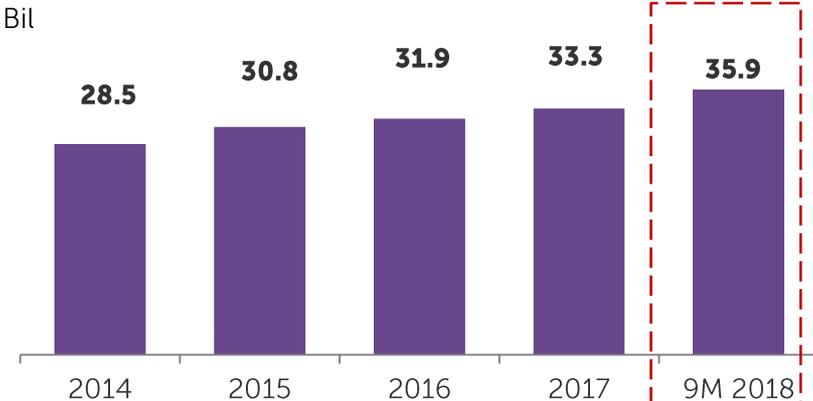
## Capital expenditure

RM Bil



## Total assets

RM Bil



# Strategic expansions are progressing as planned



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## Aroma Plant

citral | citronellol | L-menthol

- Isoprenol, Citral and Citronellol plants have achieved stable operation
- L-menthol plant progressing as planned



## HR-PIB

highly reactive polyisobutene

All grades achieved specification and product validation / qualification by key customers are on-going



## Pengerang Integrated Complex

Petrochemical plants construction are progressing as planned at 93% completion. Target start-up remains in 2H 2019.

### OPERATION & MAINTENANCE READINESS



Deployment



Training



Management System

Celebrated significant milestone on 31<sup>st</sup> October 2018 – First Crude In to the Refinery Crude Distillation Unit (CDU).

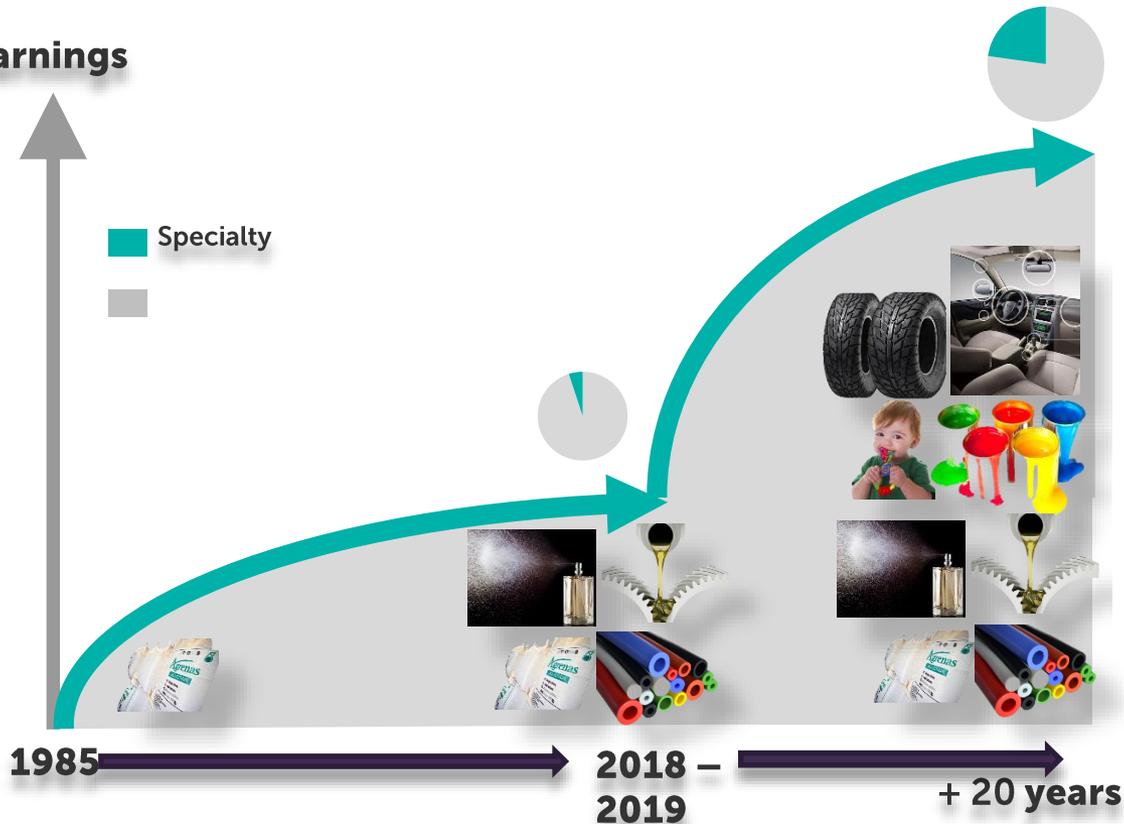
Petrochemical plants to be ready for commercial operation by 2H 2019, in stages.

# We are developing our specialty product portfolio over the next 20 years



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Earnings



Market-backed Portfolio

- 1 **Extend Value Chain**  
 Maximise value from RAPID molecules & PCG existing complexes
- 2 **Build Specialty Platform**  
 Venture into attractive segments based on megatrends
- 3 **Create Optionality for Growth**  
 Invest in innovative and breakthrough technologies through seed capital

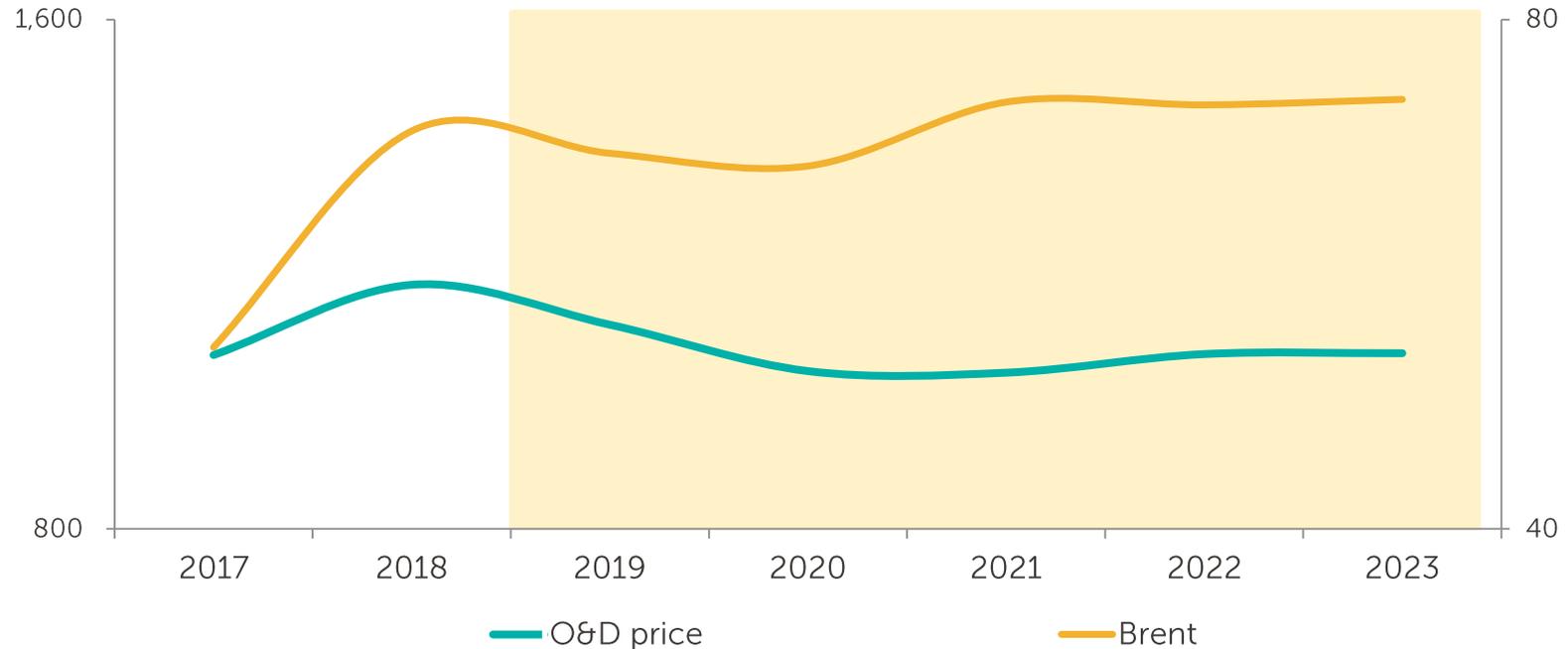
# Olefins & Derivatives: Price to soften in immediate term due weaker demand on the back of increasing supply



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O&D Core Average Price (USD/MT)

Brent (USD/bbl)



**Ethylene** ↓



- Wave of US new plants
- Ample supply from Middle East

**Polymers** ↓



- Lower feedstock price
- Diversion of US cargoes

**MEG** ↓



- Softening in ethylene price
- Lackluster downstream demand

**Paraxylene** ↓

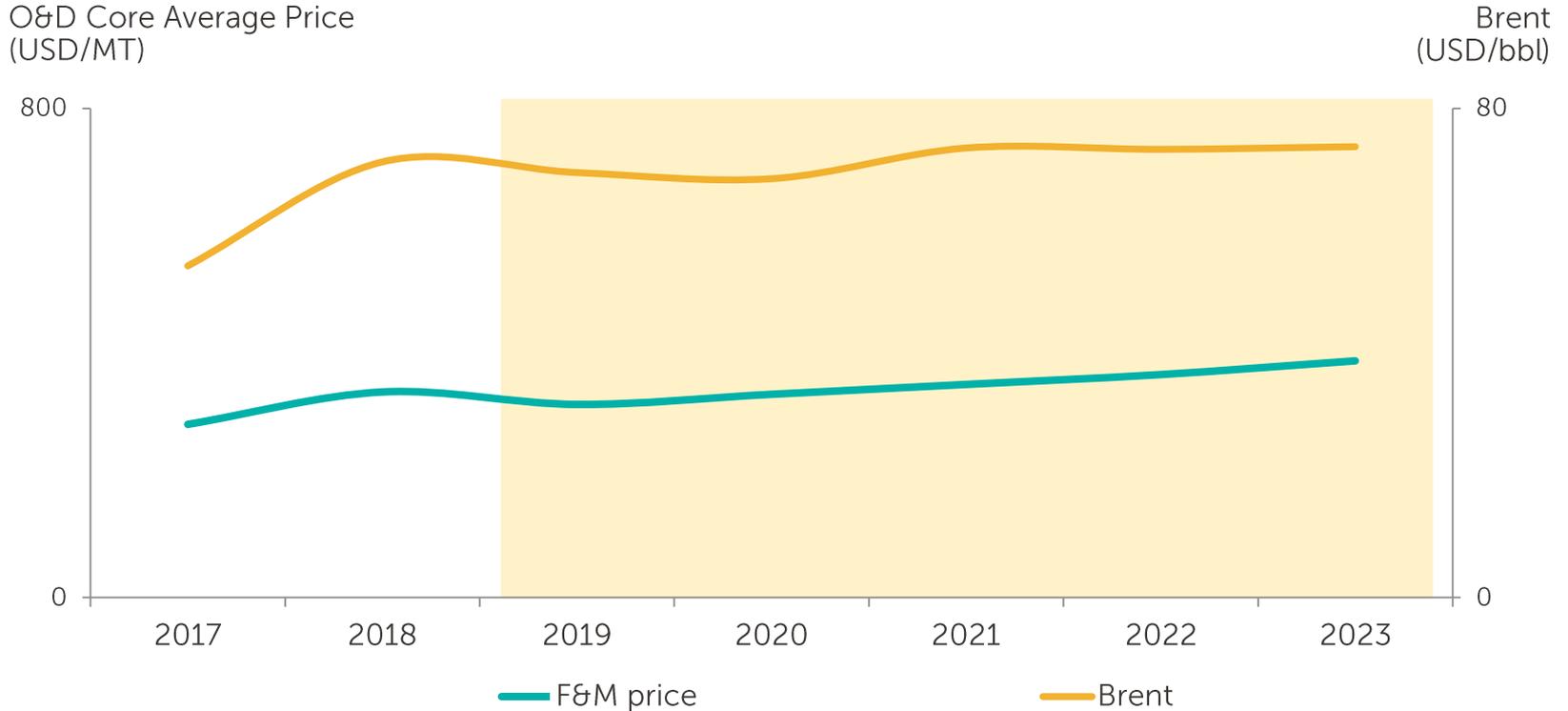


- Weak feedstock price
- Weak PTA & PET demand

# Fertiliser & Methanol: Stable price level supported by demand for Urea offset slight softening for Methanol



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**Urea** ↓

- ◆ Various capacity additions
- ◆ Moderate demand growth
- ◆ Lower energy costs

**Ammonia** ↔

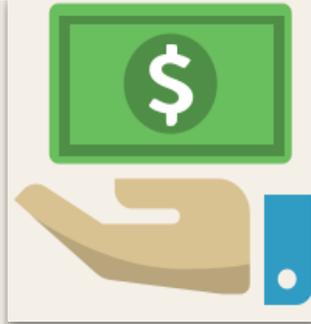
- ◆ New capacity additions
- ◆ expansion of Africa's phosphates plants

**Methanol** ↓

- ◆ New US capacity
- ◆ Lower energy costs
- ◆ Weakening demand in MTO



**Sustain world class operational excellence**



**Deliver Commercial & Innovation Excellence**



**Execute growth project effectively**



**Grow portfolio and future proof business**

4 Turnaround Maintenance shutdown planned for the year, to be completed without incidences

1. Continue to strive to achieve best value for PCG products.
2. Deliver Innovative Solution for customer needs

Business readiness for PIC's commercial operation in 2H2019

Continued assessment of suitable projects, to complement and boost PCG's product portfolio in specialty chemicals.



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# Thank you

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