

# PETRONAS CHEMICALS GROUP BERHAD

## QUARTERLY ANALYST BRIEFING

QUARTER ENDED 31 MARCH 2021

27 MAY 2021  
5.00PM – 6.00 PM



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# KEY HIGHLIGHTS

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# PERFORMANCE HIGHLIGHTS

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# MOVING FORWARD

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# KEY HIGHLIGHTS

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## PERFORMANCE HIGHLIGHTS

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## MOVING FORWARD

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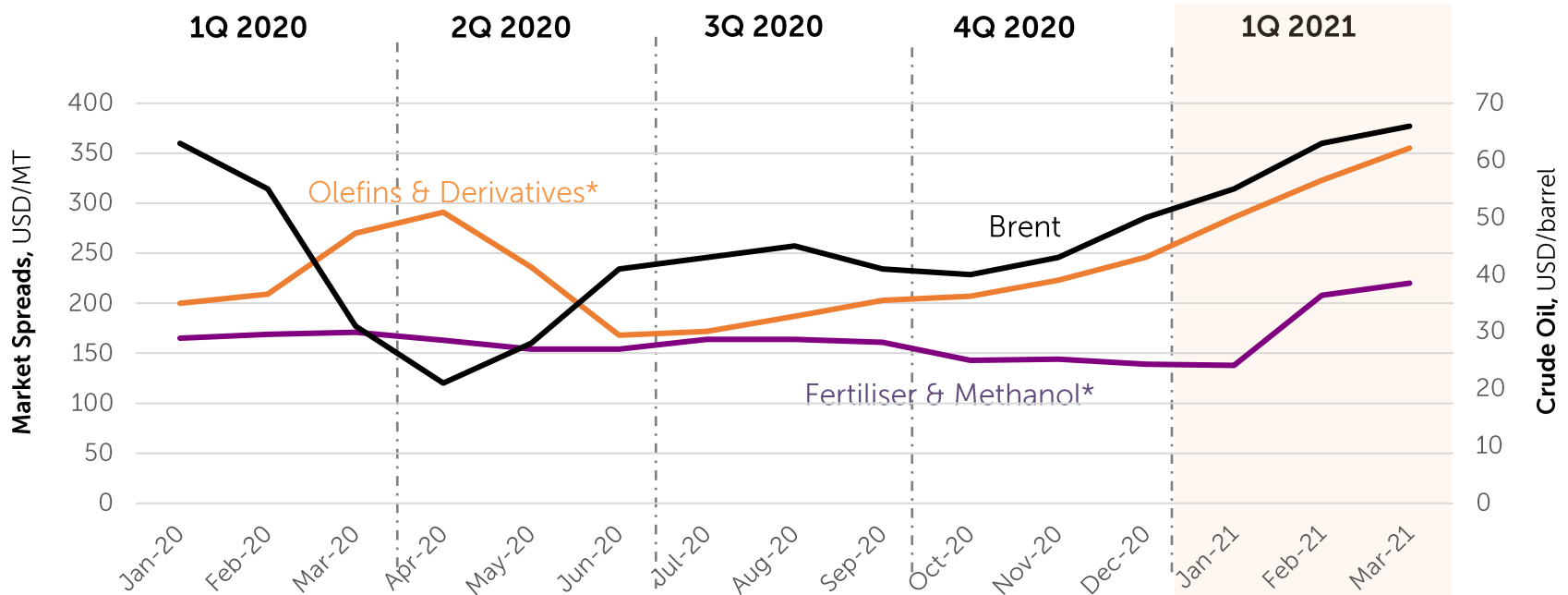


# Rising confidence, positive start to 2021



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## PETROCHEMICAL MARKET SPREADS



\*Left Axis

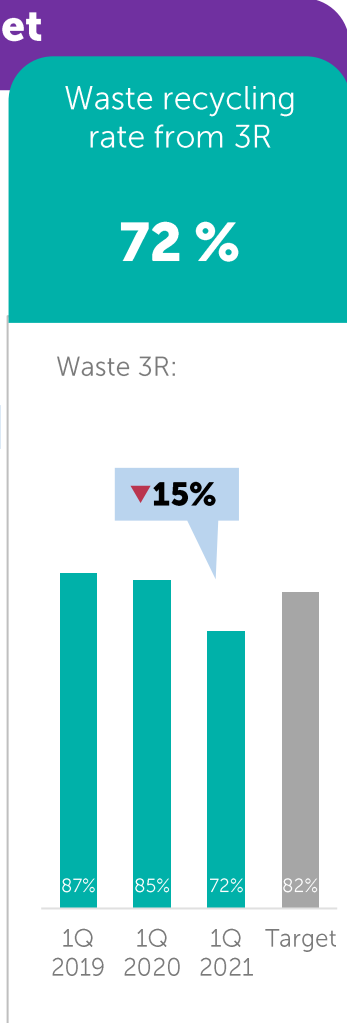
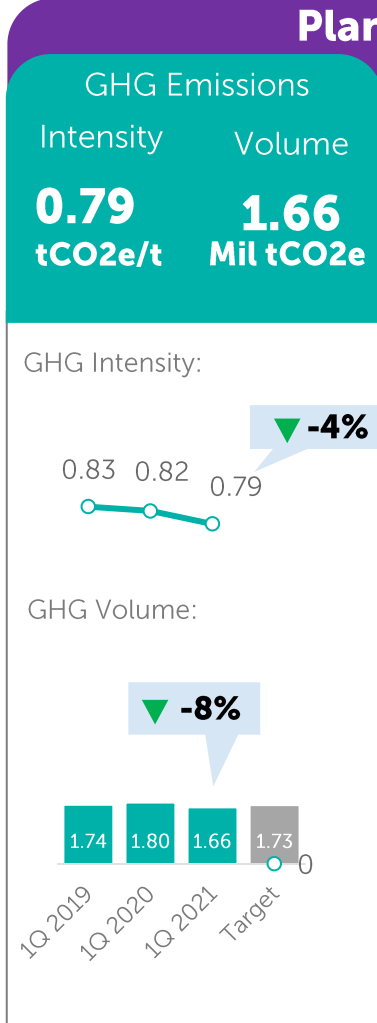
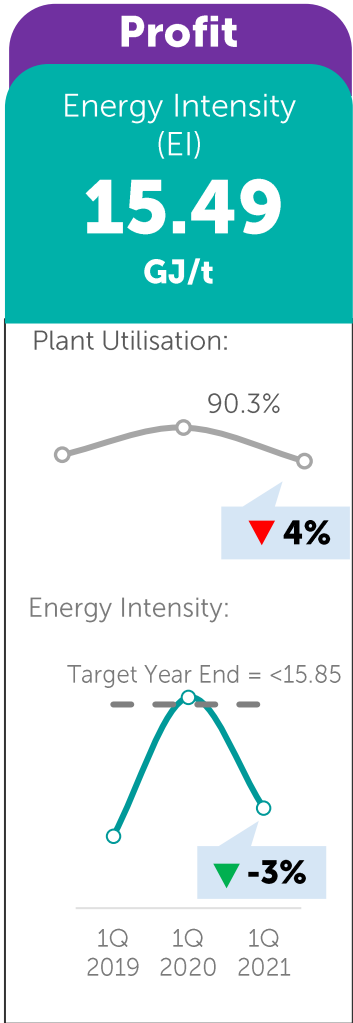
- Global GDP accelerated in 1Q2021 recording 3.31%, on continuing economic recovery supported by the deployment of vaccines and easing of lockdowns. PMI expanded to 54.2 amid demand increase and better business outlook.
- Brent crude oil price averaged 22% higher at USD61 per barrel compared USD50 per barrel last year, on reduced supply following voluntary cuts by OPEC+ members and supply disruption in the US.
- Petrochemical product prices were higher y-o-y on higher feedstock prices, supply tightness amid healthy demand.

\*Source: market publications, team analysis

# Ongoing sustainability efforts



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### People

**3 Focus areas for CSR programs in 2021 to reach at least 10,000**

- Environment**
  - ✓ Be Green
  - ✓ ecoCare
- Community Development & Well-being**
  - ✓ Safe Handling of Chemicals at School (SHOC4School)
  - ✓ PCG Community Relief
- Education**
  - ✓ Plastics, Sustainability & You Education (PSYE)

**2021 overall program**

**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

# 1Q 2021 Highlights



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- Lower plant utilisation (PU) at 90% in 1Q 2021 compared to 94% in 1Q2020
- Lower production volume year-on-year due to plant turnarounds and other maintenance works



- Comparable sales volume year-on-year
- Higher product prices on tight supply and healthy demand
- Improved market with more optimistic outlook



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

## KEY HIGHLIGHTS

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## PERFORMANCE HIGHLIGHTS

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## MOVING FORWARD

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# Performance Highlights : Financials



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Key Financial Indicators	1Q 2021 Year-on-Year (YoY)	1Q 2021 Quarter-on-Quarter (QoQ)
<b>Production Volume (‘000 MTPA)</b>	1Q 2021: 2,506 1Q 2020: 2,651 Change: -6%	1Q 2021: 2,506 4Q 2020: 2,677 Change: -6%
<b>Revenue (RM Million)</b>	1Q 2021: 4,675 1Q 2020: 3,891 Change: +20%	1Q 2021: 4,675 4Q 2020: 3,836 Change: +22%
<b>Profit After Tax (RM Million)</b>	1Q 2021: 1,466 1Q 2020: 493 Change: >100%	1Q 2021: 1,466 4Q 2020: 456 Change: >100%
<b>EBITDA (RM Million)</b> EBITDA Margin (%)	1Q 2021: 1,695 1Q 2020: 764 Change: >100% Margin: 36% (1Q 2021) vs 20% (1Q 2020)	1Q 2021: 1,695 4Q 2020: 1,149 Change: 48% Margin: 36% (1Q 2021) vs 30% (4Q 2020)

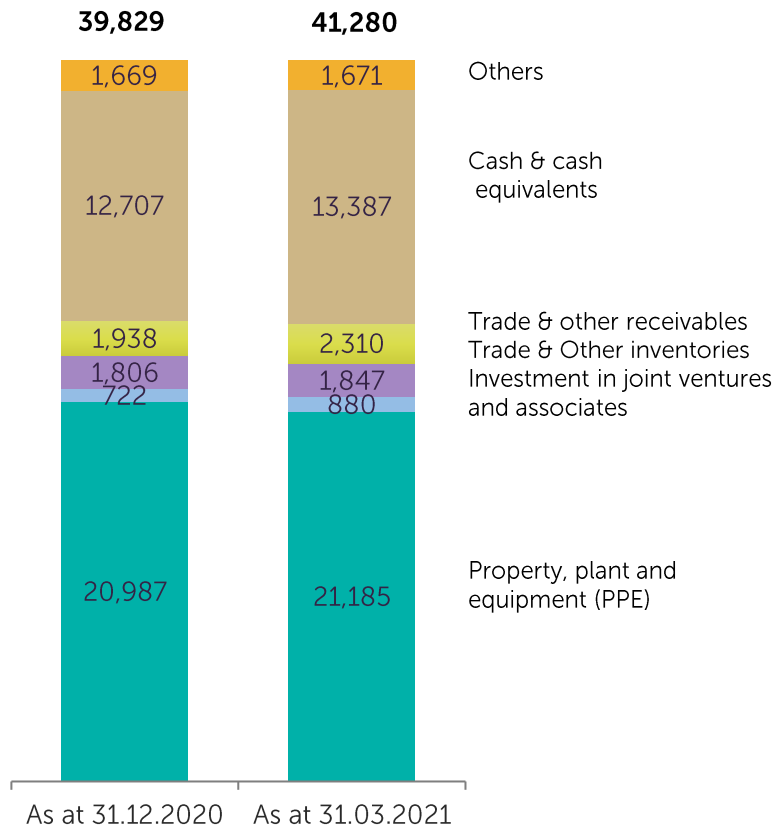
# Balance Sheet as at 31 March 2021



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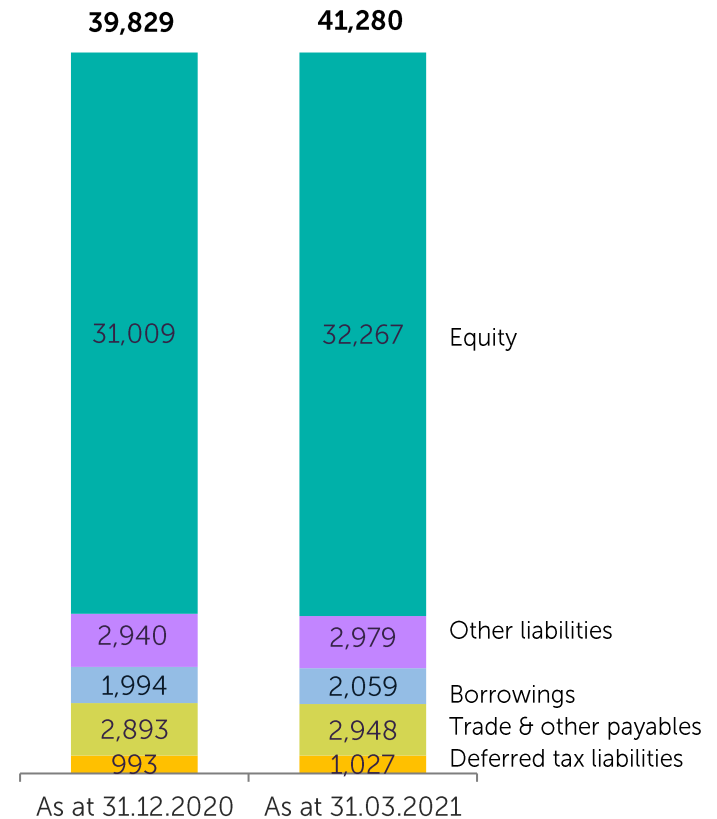
## Total Assets

(RM million)



## Total Equity & Liabilities

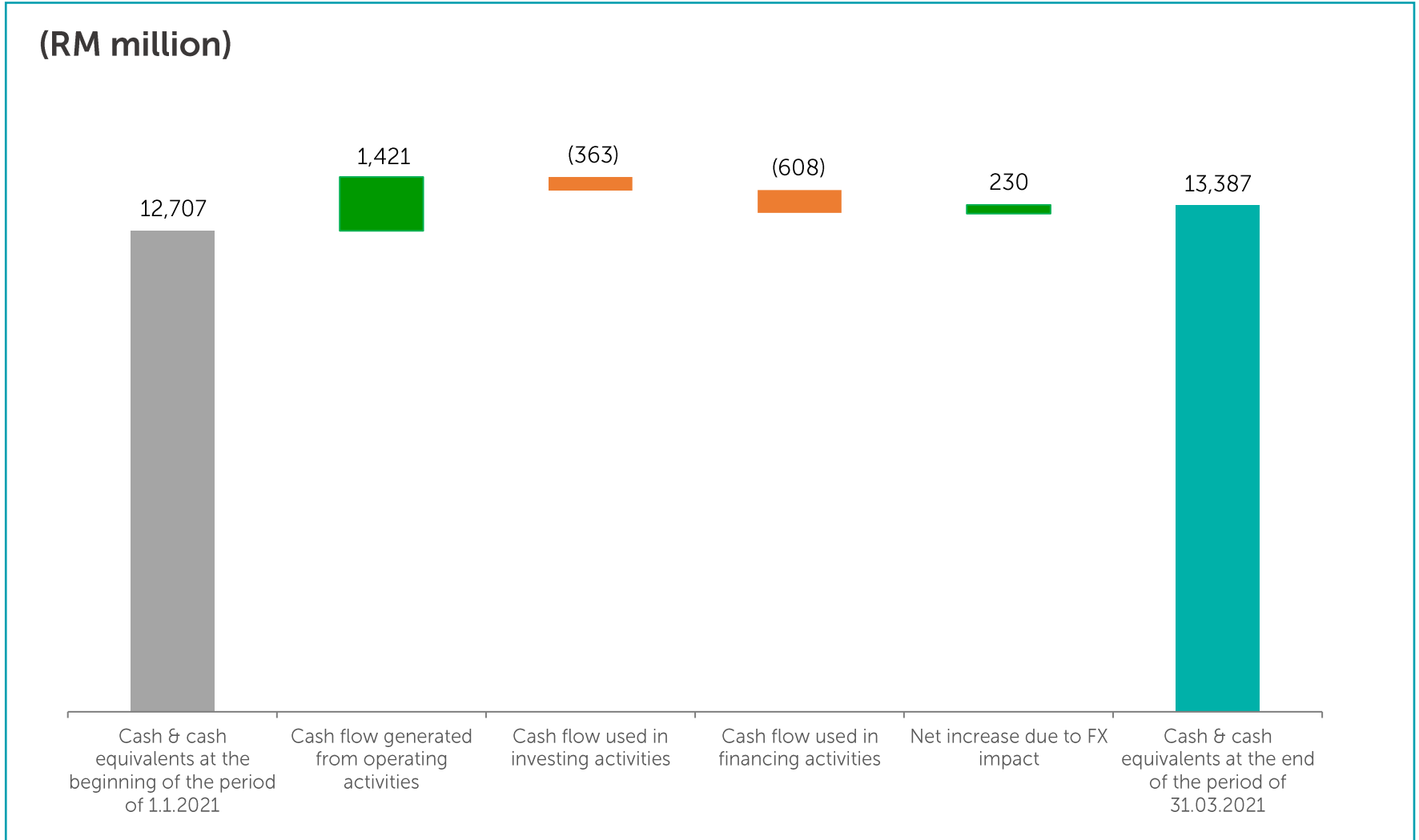
(RM million)



# Cash Flows for the year ended 31 March 2021



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# Performance Highlights : Operational



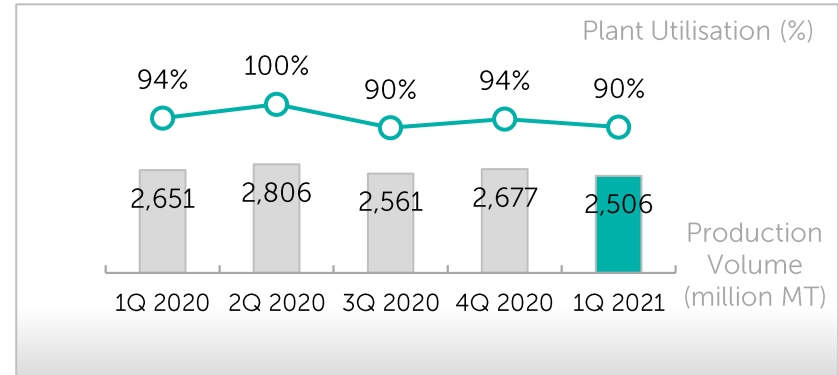
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## 90%

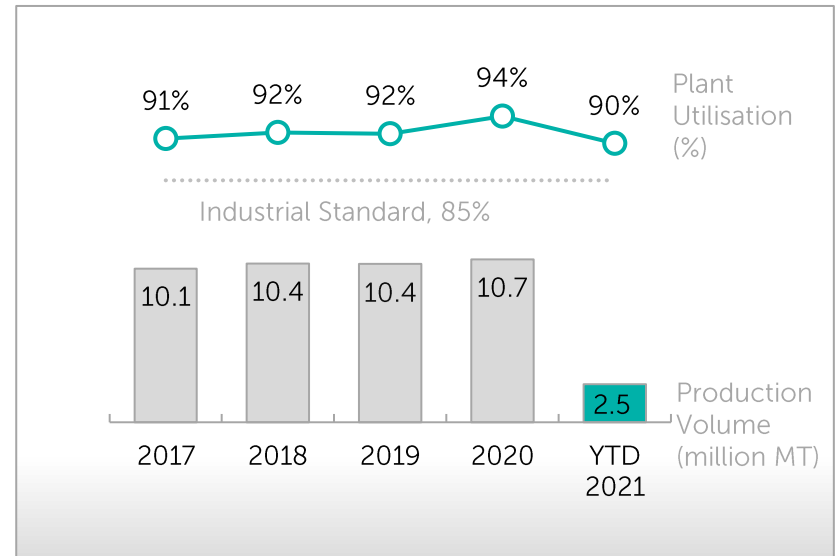
**Plant Utilisation amidst turnaround and maintenance activities**

- Turnarounds at PDH plant Gebeng and Methanol Plant 1 in Labuan
- Strong performance of O&D segment boosted by reliable gas supply and uninterrupted ethylene production
- F&M segment impacted by corrective maintenance activities at ABF, PC Fertiliser Sabah and PC Fertiliser Kedah

## Quarterly Group Performance



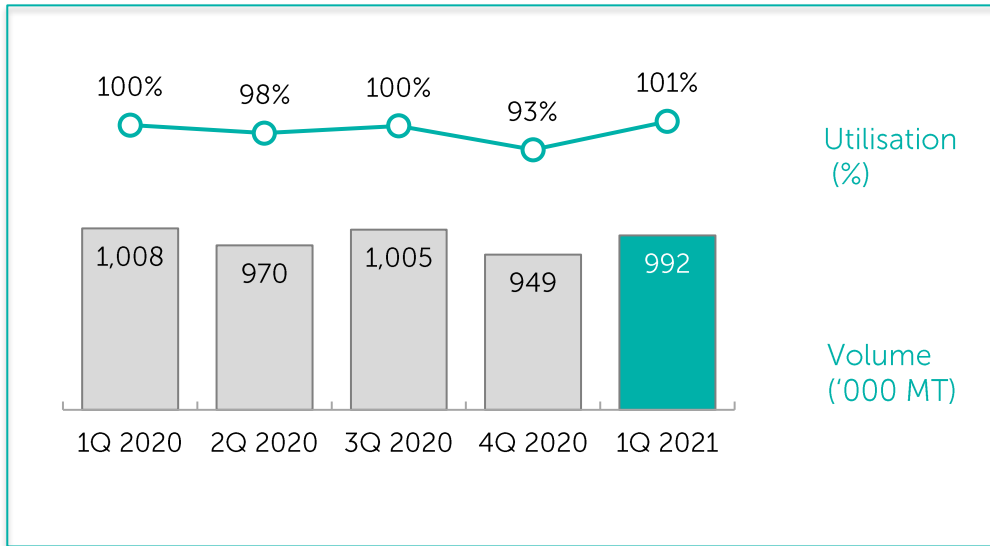
## Annual Group Performance



# Performance Highlights : Segmental Operational

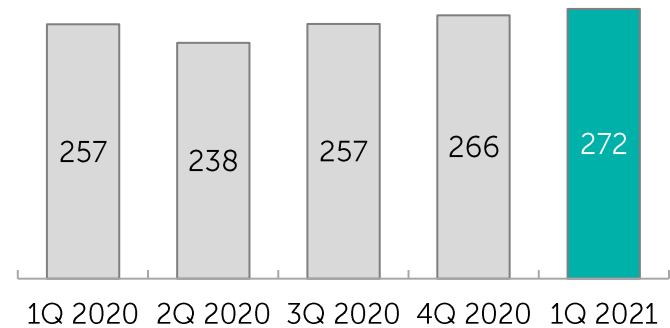


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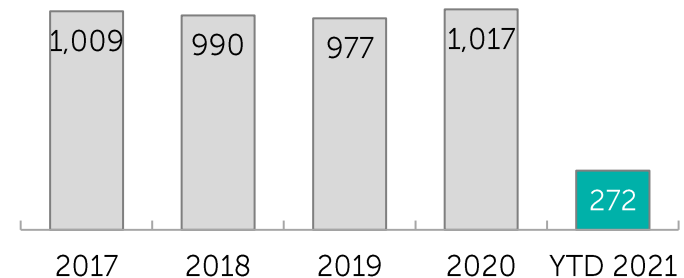


## Ethylene Production

Quarterly Volume ('000 MT)



Annual Volume ('000 MT)



## OLEFINS AND DERIVATIVES (O&D)

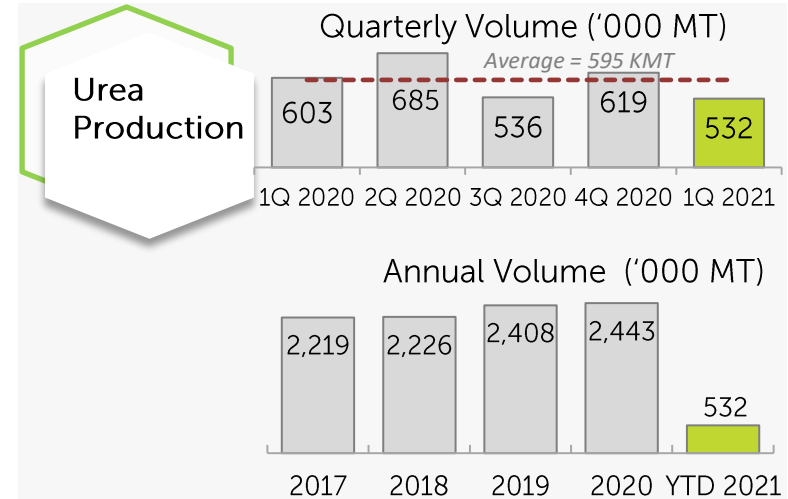
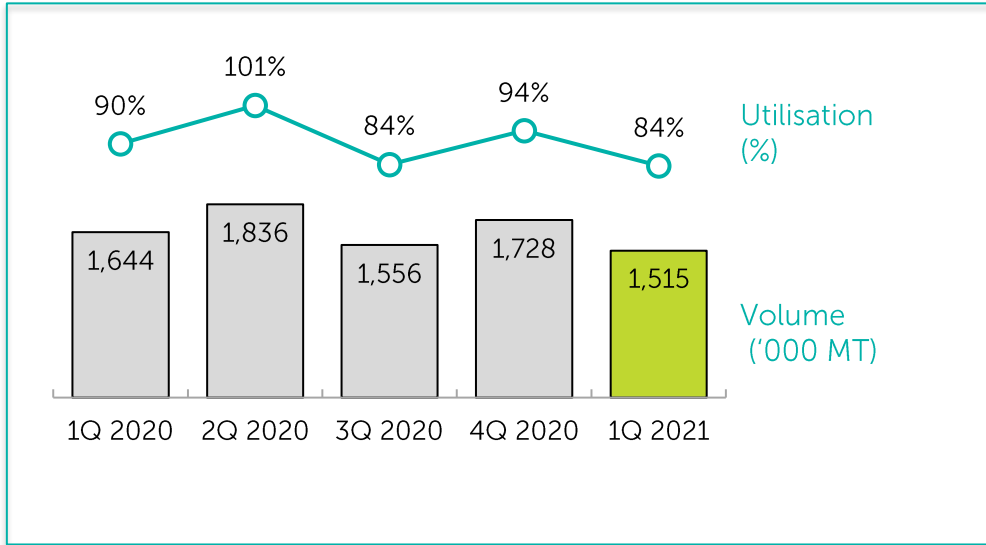


- Completed turnaround at PDH plant in Gebeng
- Strong performance by the segment with reliable operations at PC Olefins and PC Ethylene

# Performance Highlights : Segmental Operational



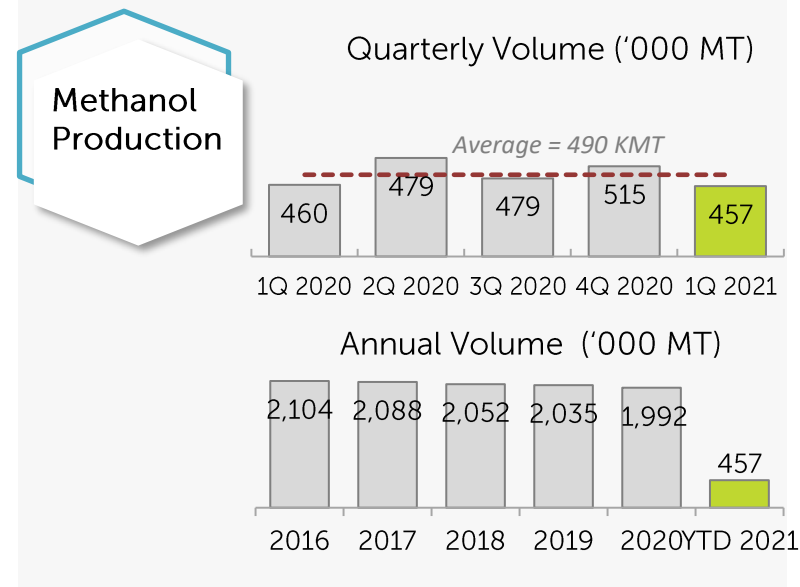
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## FERTILISER AND METHANOL (F&M)



- Lower urea production for the quarter due to heavy corrective maintenance works at ABF, PC Fertiliser Kedah and PC Fertiliser Sabah
- Completed turnaround activity at PC Methanol plant in Labuan



# Performance Highlights : Operational – Projects Updates



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Completed EOEG (Ethylene Oxide Ethylene Glycol) Piping Work

- ❑ Strengthen start-up activity for stable operations
- ❑ Effective management of COVID-19 to keep progress on track through implementation of Targeted Green Bubble initiative



Cooling Water System Preservation at HDPE Unit



31<sup>st</sup> Mar 2021: Moving Forward Together engagement

# Performance Highlights : Operational - Conclusion

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- **Group plant utilisation was stable at 90% for the quarter**
- **Strong performance of Olefins & Derivatives segment without any shutdown activities at ethylene production facilities**
- **Completion of turnaround and maintenance activities at PDH plant in Gebeng, Methanol plant in Labuan and Urea plants, despite COVID-19 outbreak**
- **Strengthen PIC start-up activity for stable operations**



# Performance Highlights : Commercial – Olefins & Derivatives



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## Ethylene



**Q1 2021**  
(vs Q4 2020)



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

**Outlook**  
(3 Months)



- Stable supply due to several NEA cracker TA balanced by several start ups.
- Strong downstream demand from new downstream start ups.

## Polymers



**Q1 2021**  
(vs Q4 2020)



- Recovering economy and energy market
- Tight supply

**Outlook**  
(3 Months)



- Stable supply due to new capacity & logistics issues
- Restocking activities after Ramadan & Eid holidays.

## MEG



**Q1 2021**  
(vs Q4 2020)



- Limited global supply due to ME feedstock shortage & US plant shutdown
- Healthy downstream polyester demand

**Outlook**  
(3 Months)



- Ample supply amid ME producers resumes and new plant startups
- Stable downstream demand

## Paraxylene



**Q1 2021**  
(vs Q4 2020)



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

**Outlook**  
(3 Months)



- Reduced supply due to TA
- Slow demand due to several downstream TA

# Performance Highlights : Commercial – Fertilisers and Methanol



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## Urea



**Q1 2021**  
(vs Q4 2020)



- ◆ Limited supply due to outages in ME
- ◆ Healthy demand globally

**Outlook**  
(3 Months)



- ◆ Sufficient supply
- ◆ Upcoming Indian tender at end May

## Ammonia



**Q1 2021**  
(vs Q4 2020)



- ◆ Global tight supply
- ◆ Healthy demand to fulfill buyers' requirement

**Outlook**  
(3 Months)



- ◆ Limited supply due to turnaround in ME
- ◆ Healthy downstream demand in South Korea and Taiwan

## Methanol



**Q1 2021**  
(vs Q4 2020)



- ◆ Limited supply due to outages in SEA and ME
- ◆ Strong demand for restocking activities prior to CNY holidays

**Outlook**  
(3 Months)



- ◆ Sufficient supply
- ◆ Stable downstream demand in South Korea and MTO demand in China

## KEY HIGHLIGHTS

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## PERFORMANCE HIGHLIGHTS

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## MOVING FORWARD

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# Positive recovery momentum, volatility to stay



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- ⊕ Economic recovery
- ⊕ Stable crude oil prices
- ⊖ Lingering impact of pandemic, new variants
- ⊖ Uneven global growth



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



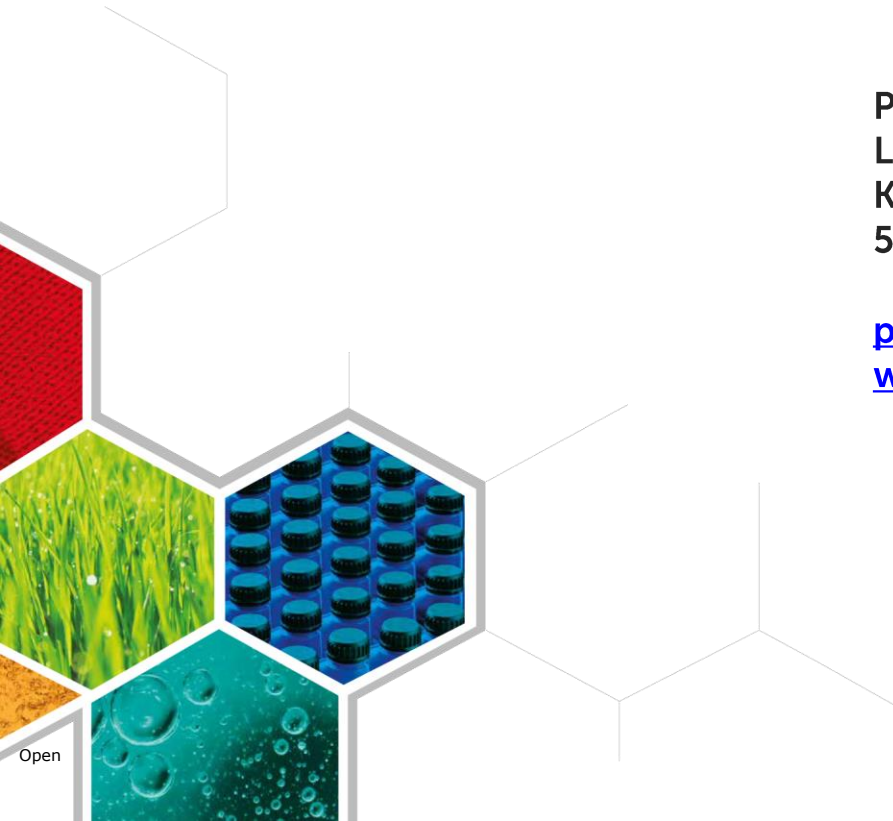
- Gearing for full start up Pengerang Integrated Complex
- Investments in derivatives and specialty chemicals
- Continued investment in R&D

# THANK YOU

For further enquiries please contact us at:

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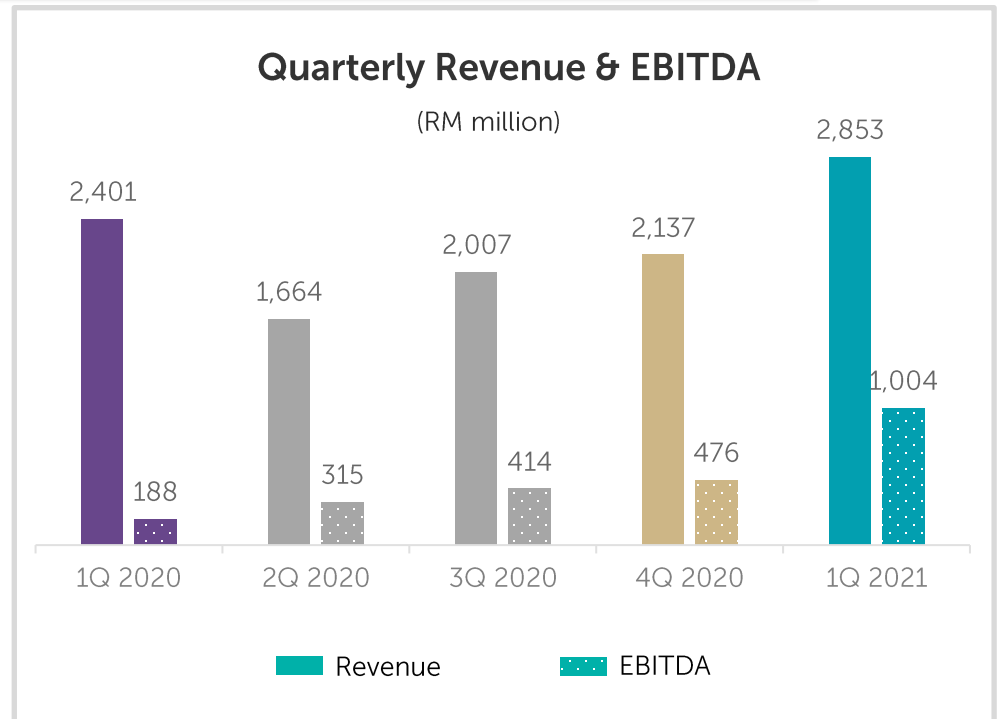
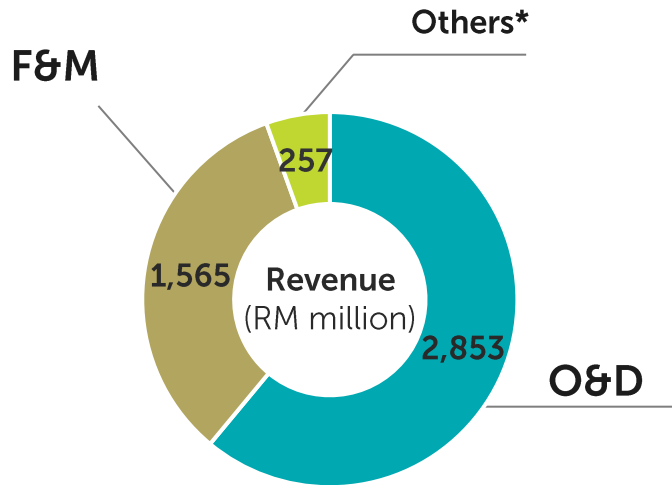


# Performance Highlights : Financials



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## Olefins & Derivatives



- **Comparable plant performance of 101% against the corresponding quarter on stable ethane supply and reliable cracker performance**
- **Higher average product prices year-on-year due to higher crude oil prices and tight supply**

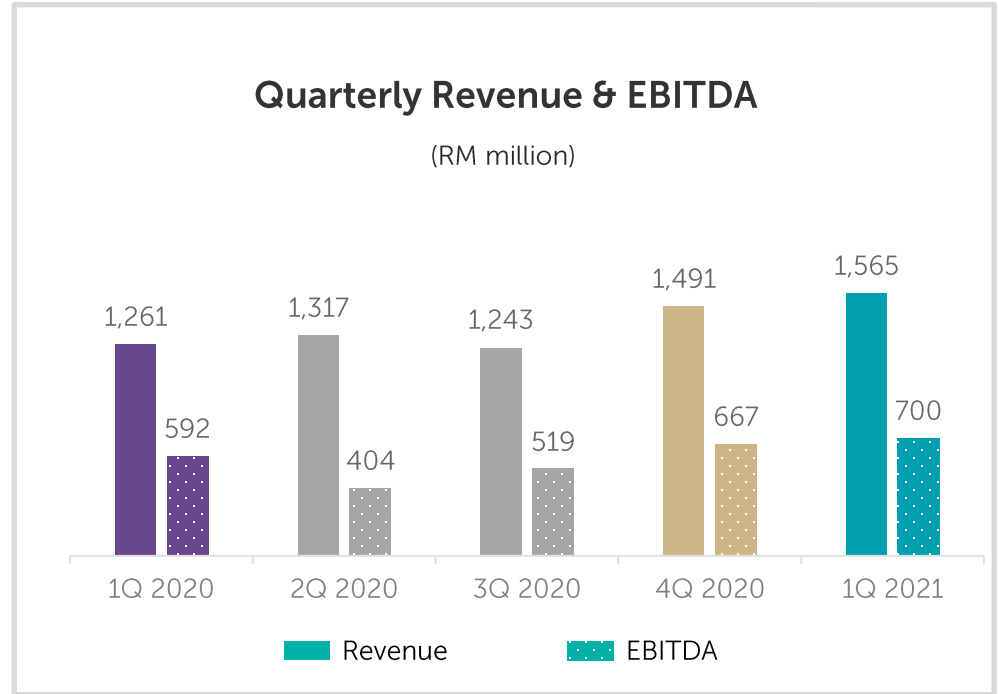
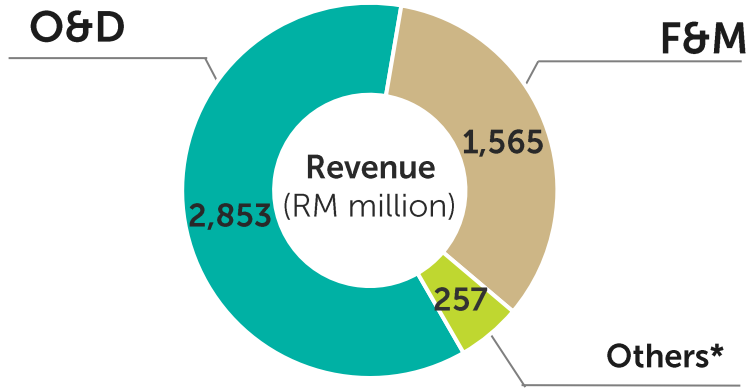
\* Others include other non-reportable segments which comprise of operations related to port services that provide product distribution infrastructure to the Group as well as activities related to specialty chemicals, and unallocated assets.

# Performance Highlights : Financials



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## Fertilisers & Methanol



- Lower plant performance year-on-year following the higher level of maintenance activities
- Higher average product prices year-on-year, supported by higher crude oil prices and strong demand

\* 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.