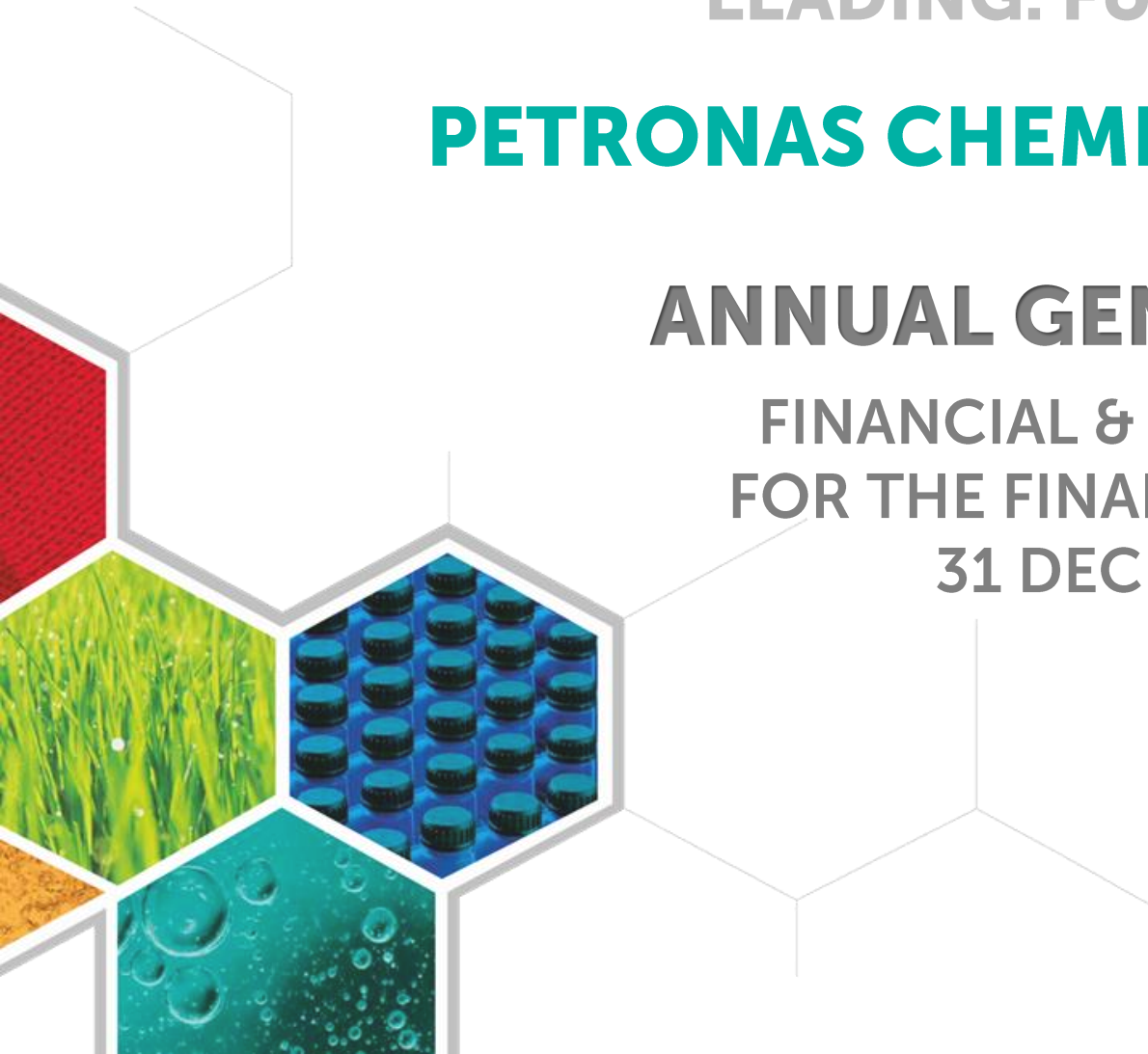


LEADING. FUTURE FOCUSED

PETRONAS CHEMICALS GROUP BERHAD

ANNUAL GENERAL MEETING

FINANCIAL & BUSINESS REVIEW
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2018





LEADING

FUTURE FOCUSED

OUTLOOK 2019

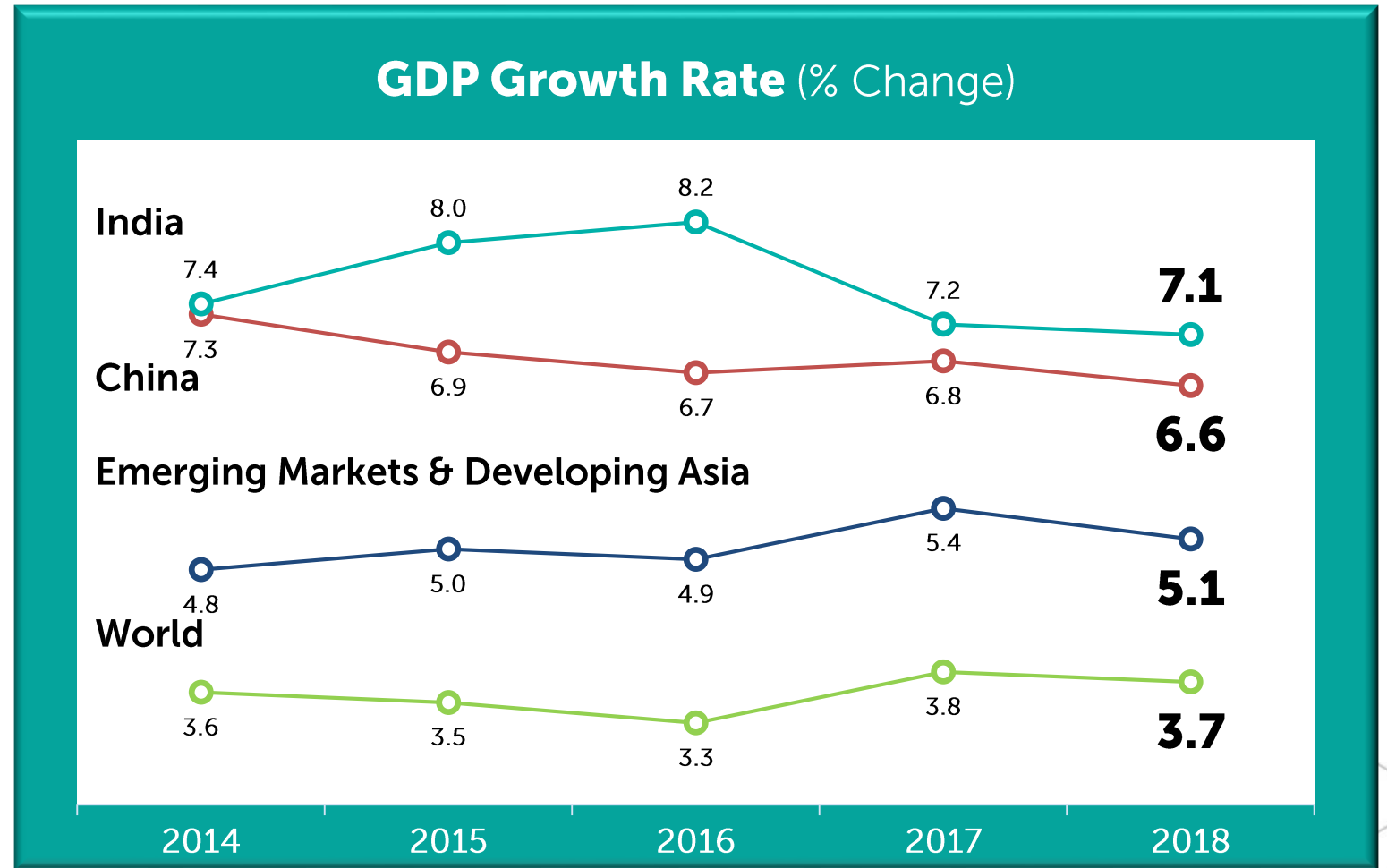


LEADING

FUTURE FOCUSED

OUTLOOK 2019

Global economy



* Note: Exclude China and India

Source: IHS, The World Bank & International Monetary Fund (IMF), January 2019

Strong market landscape



Average Petrochemicals and Crude Oil Prices

Petrochemicals

USD/MT

751

561

470

498

567

Crude Oil

USD/barrel

99

54

45

55

71

2014

2015

2016

2017

2018

World class HSE Excellence

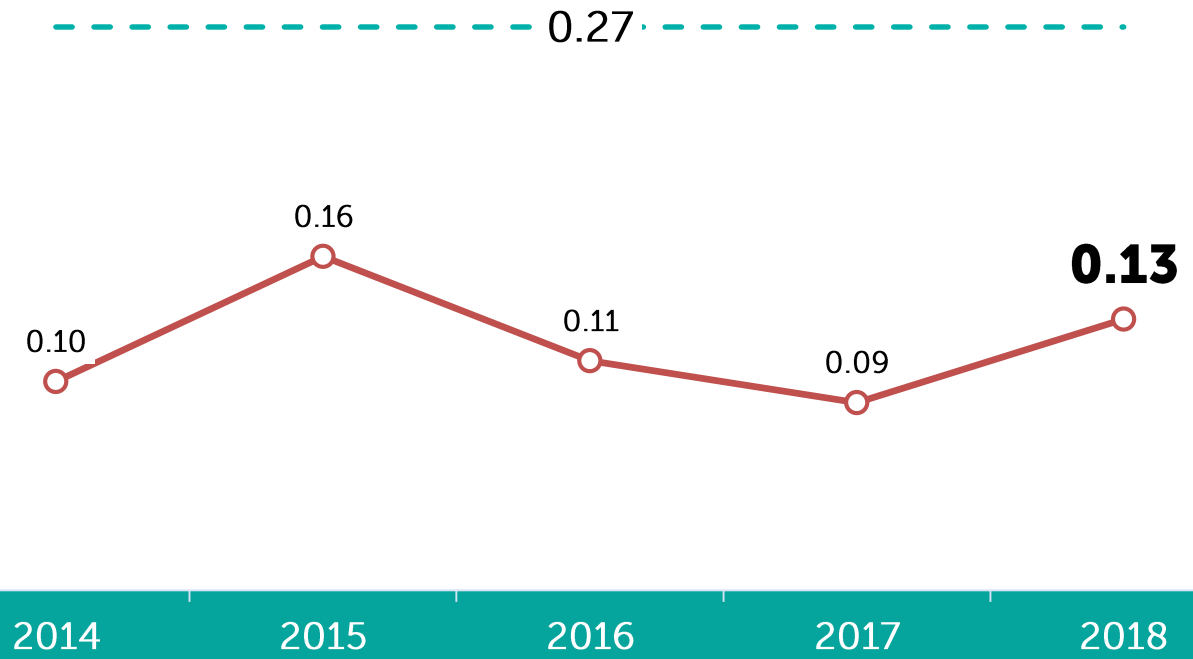


PCG's workers hold high levels of commitment towards HSE Excellence

* Note: Lost Time Injury Frequency

Safety Performance (LTIF*)

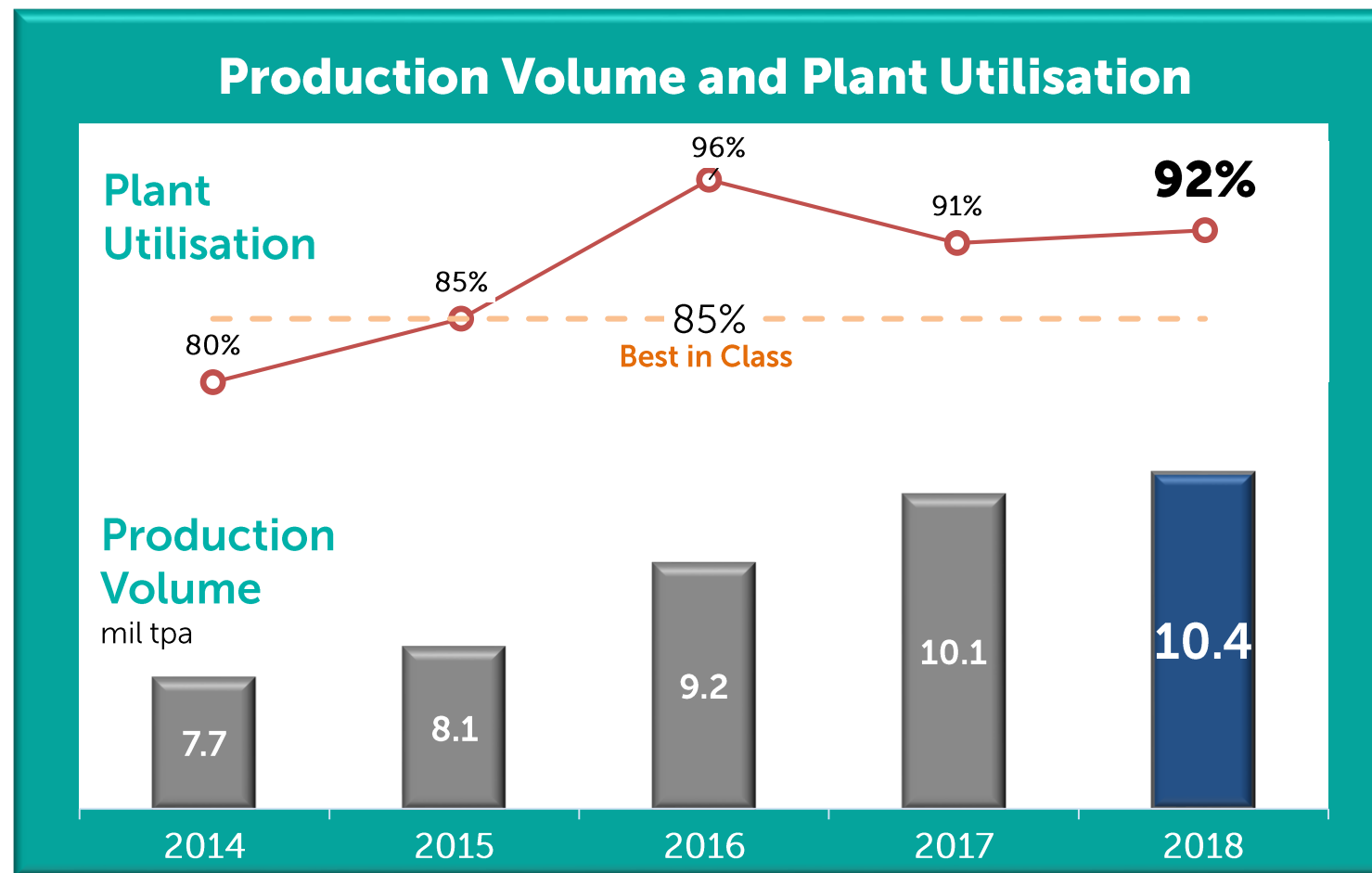
Industry
Benchmark



Best in class Operational Excellence



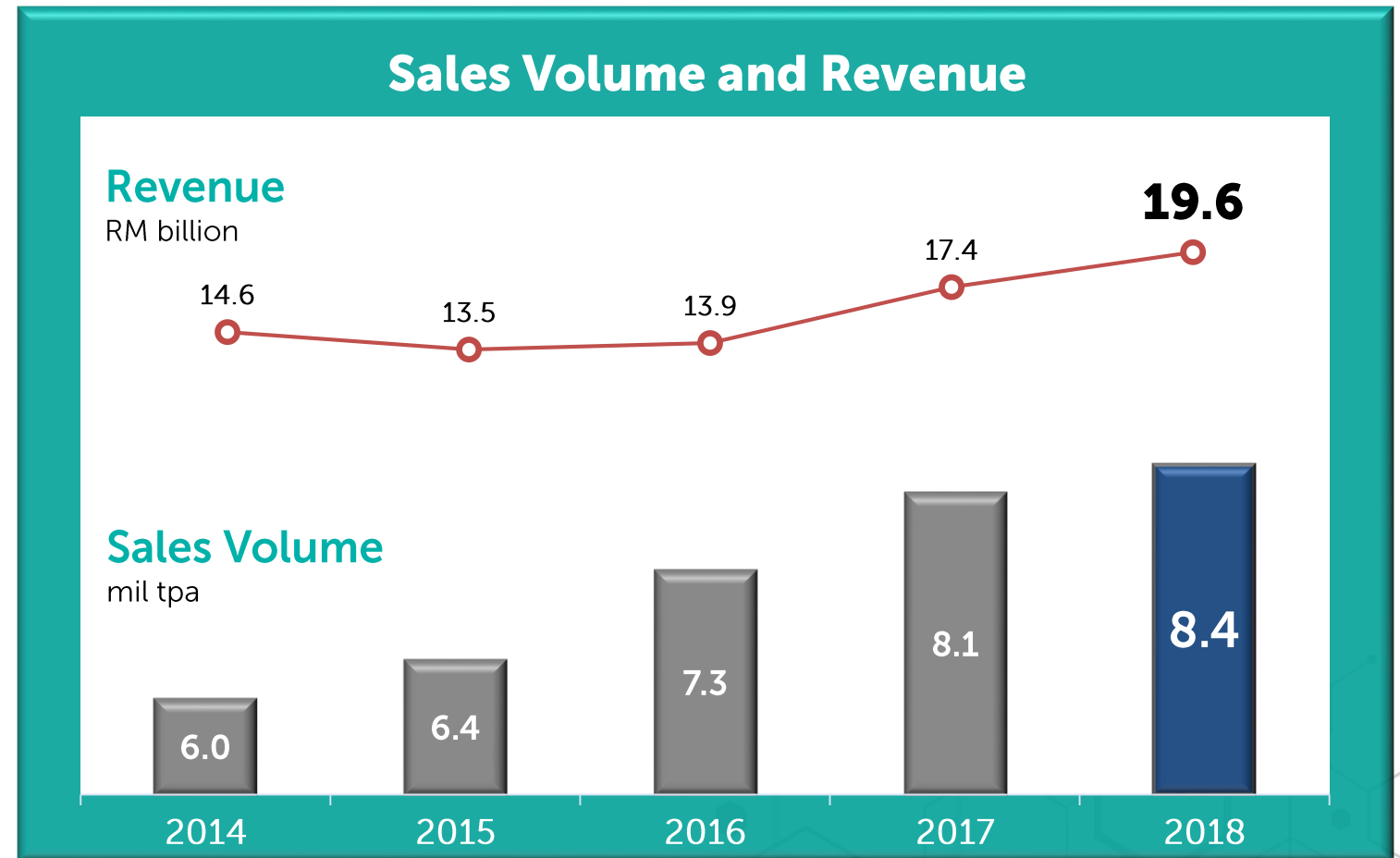
A worker at PC Ethylene, our first gas cracker plant at KIPC in Kertih, Terengganu



Driving Commercial Excellence



The launched of PCG's 10 new product brands at Asia Petrochemicals Industry Conference (APIC) 2018



Expanding value propositions to customers

64

**Product applications &
technical solutions**

10

New product brands

2

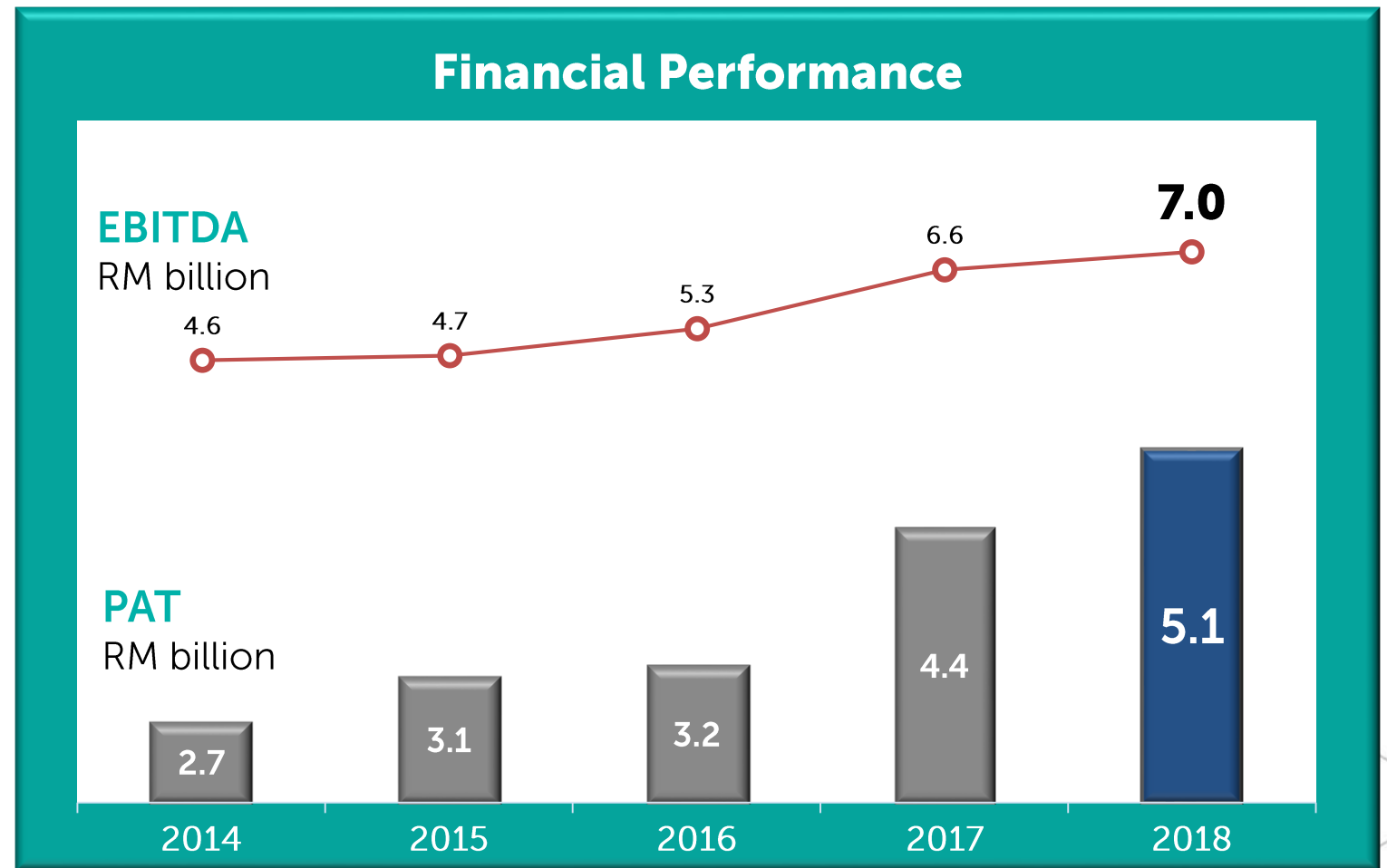
**Commercial Lab
surfactants & polymers**



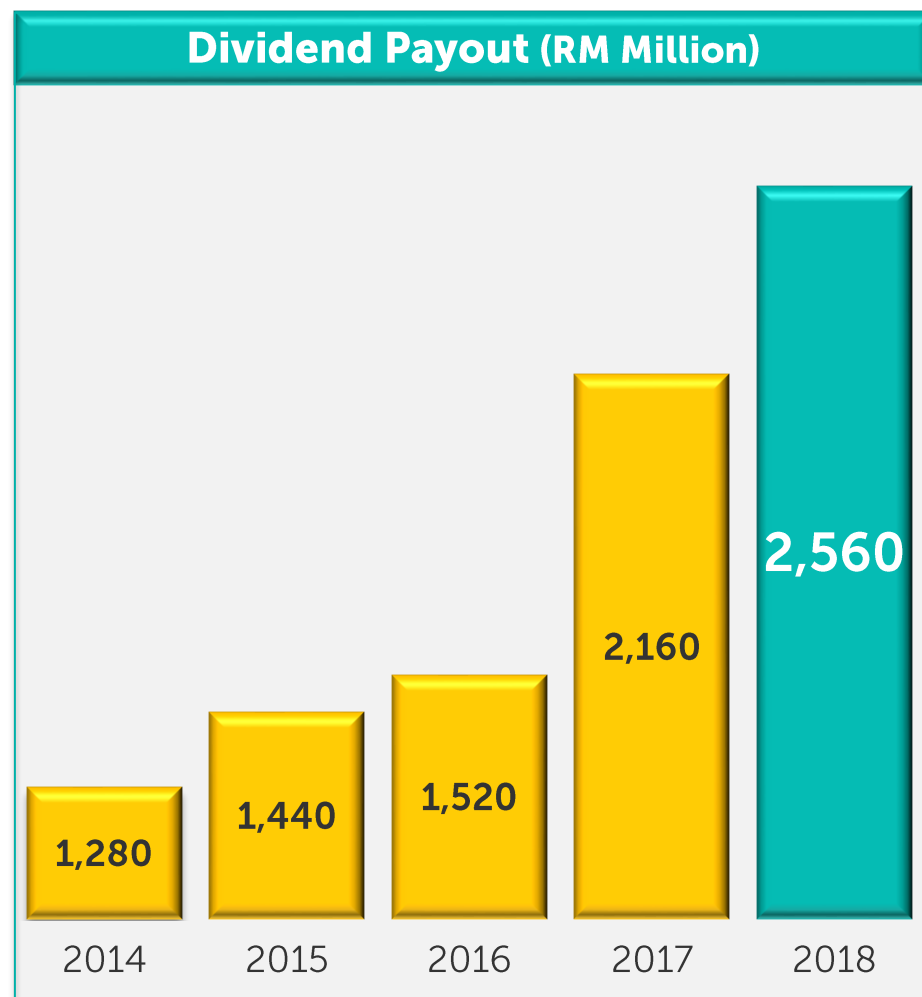
Strong financial results



PCG was honoured with several awards at The Edge Billion Ringgit Club Awards 2018



Dividend payout ratio remains 50%



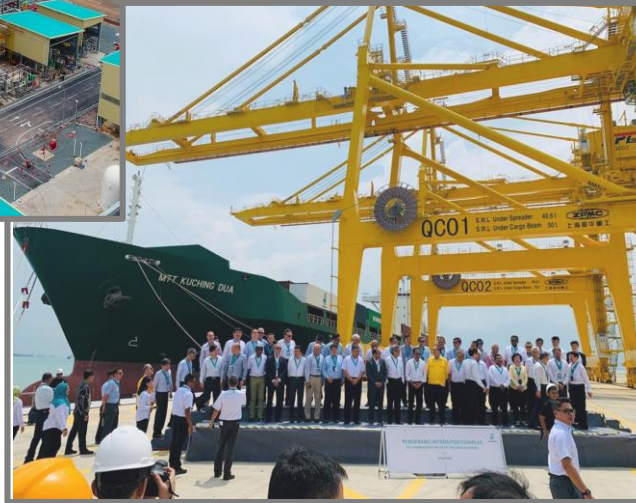
1st Interim Dividend **RM0.14**
paid on 20th Sep 2018

2nd Interim Dividend **RM0.18**
paid on 27th Mar 2019

Dividend
(per ordinary share) **RM0.32**

Dividend
Payout Ratio **51 %**

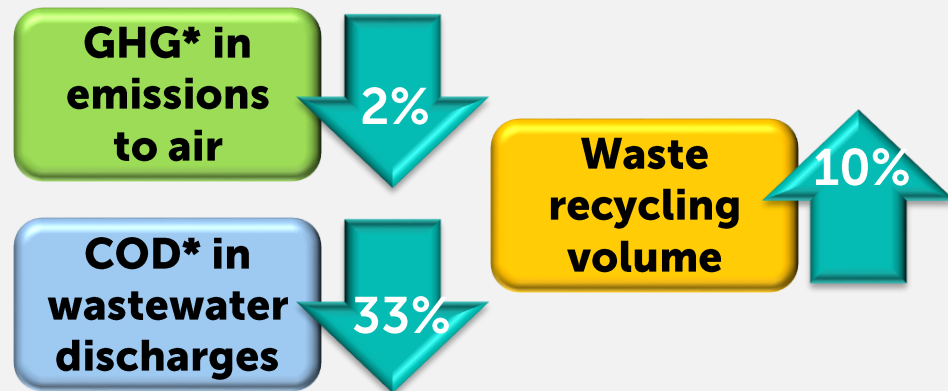
Creating value through Growth Delivery Excellence



- Construction completed for Glycols, PP and LLDPE
 - 1st product shipment to customers in April 2019
- Overall progress is at **98.4%** (as of Mar 2019)

Contributing to sustainable future

Environment



Society

Be Green

ecoCare

Back-to-School

- Reached **> 13,000 people**
- Replanted **~3,000** mangrove trees in an area of **11,000m²**



* Note: GHG: Greenhouse Gases
COD: Chemicals Oxygen Demand

Accolades throughout 2018





LEADING

FUTURE FOCUSED

OUTLOOK 2019

Delivering operational excellence & initial phase of growth



1 Sustain strength in basic petrochemicals

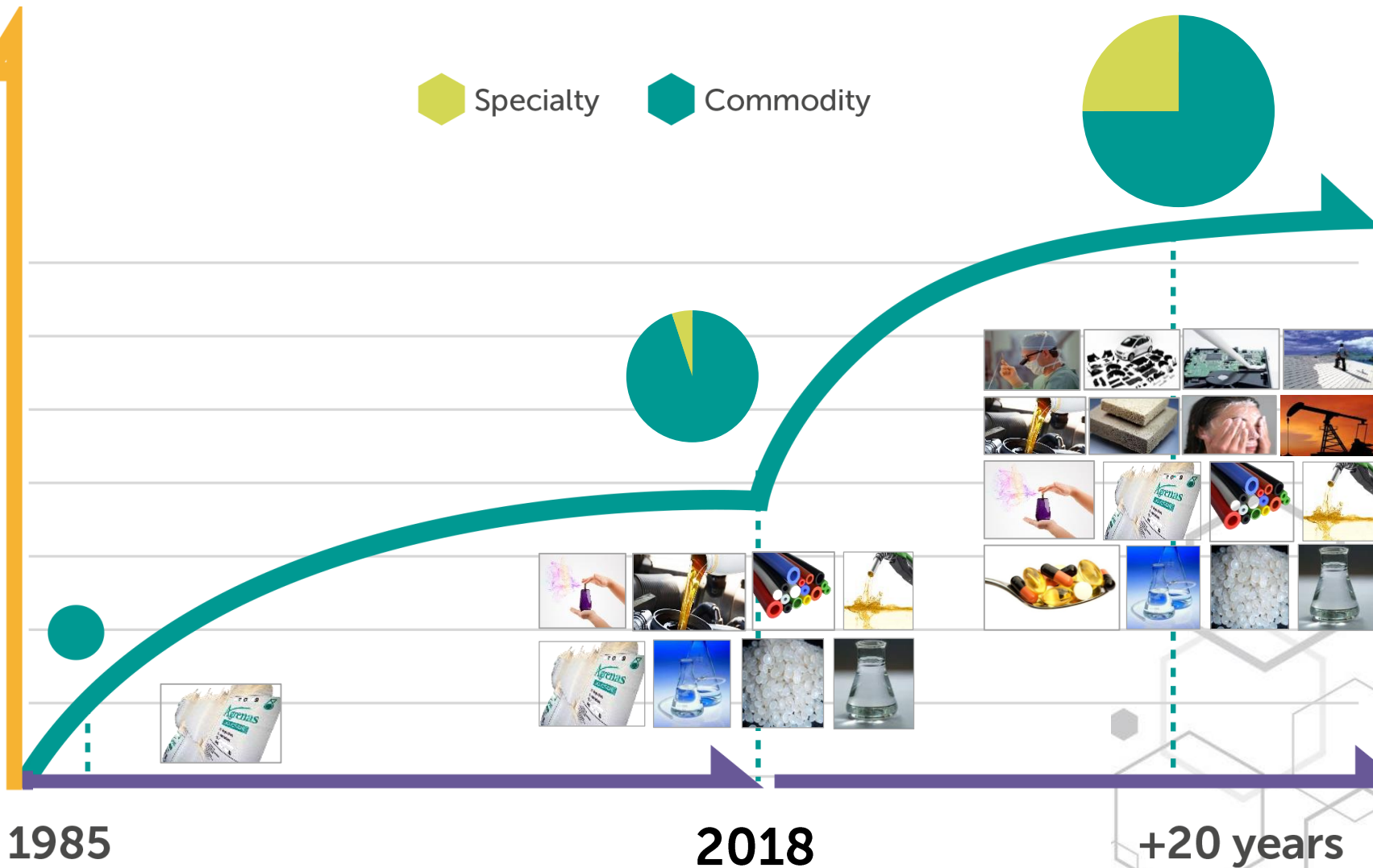
- 💧 Increase basic petrochemicals **capacity by ~40%** from 10.8 to 14.6 mil tpa (in 2020)
- 💧 Achieve **plant utilisation > 90%** and **customers' demand fulfillment reliability > 94%** since 2016
- 💧 Generate strong **EBITDA > 30% margin**

2 Diversify into derivatives, specialty chemicals and solutions

- 💧 First foray into **specialty chemicals plants** in Gebeng (2-EHAcid, HR-PIB & Aroma) and PPC (INA)
- 💧 **Start-up & commercialise Pengerang Petrochemicals Complex**, providing opportunity to further extend into **derivatives & specialty chemicals**

Our growth aspiration

Earnings



Megatrends shaping chemicals for growth

Global Megatrends



Urbanisation



Aging population



Increasing global connections



Shift to emerging markets and rise of consumerism



Renewable energy



Energy efficiency



Energy storage

Prioritised End-Markets

1

Construction

2

Paints & Coatings

3

Personal Care

4

Healthcare

5

Food & Nutraceuticals

6

Electronics

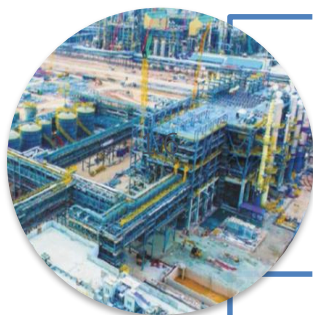
7

Automotive

8

Oil & Gas

Three growth levers



Extend Value Chain

Add value to existing complexes through **downstream investment**



Build Specialty Platform

Access technology & market through **M&A**

Create Optionality for Growth

Seeding innovative technologies through **R&D** and **CVC**



Twenty growth opportunities in derivatives and specialty chemicals



Pengerang Petrochemicals Complex, providing opportunity for PCG to further extend into derivatives & specialty chemicals



Venture into R&D & CVC in plastic recycle, specialty and bio-based chemicals

Internal R&D on bio-based chemicals

- 1 Water bottles; 'green' engine coolant
- 2 Enhanced oil recovery for oil drilling production
- 3 Personal Care

Corporate Venture Capital (CVC)

- 1 Specialty chemicals
- 2 Bio-based chemicals
- 3 Plastic recycle





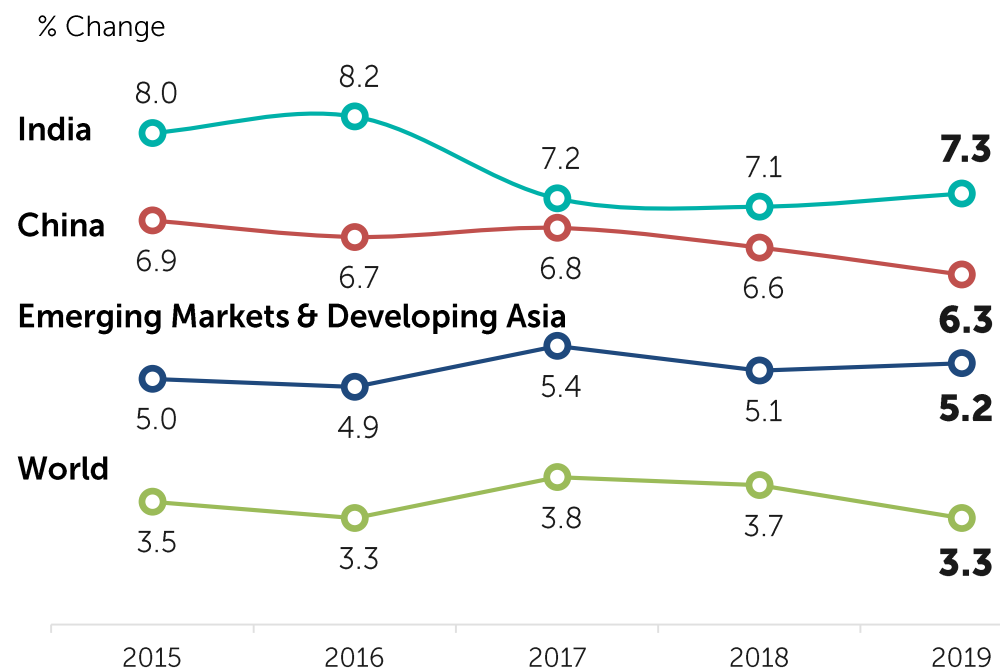
LEADING

FUTURE FOCUSED

OUTLOOK 2019

Volatile market condition

GDP Growth Rate



Average Crude Oil and Product Prices

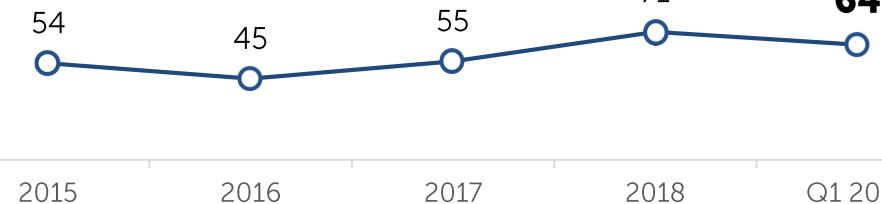
Petrochemicals Prices

USD/MT



Crude Oil Prices

USD/barrel



Focus areas in 2019



1

Uphold **HSE**
as a Priority

2

Sustain
world Class
**Operational
Excellence**

3

Drive **Commercial
Excellence**

5

Venture into
**Specialty &
Bio-based
Chemicals**

4

Operationalise
**Pengerang
Petrochemicals
Complex**





TERIMA KASIH



நன்றி



謝謝

THANK YOU

