



PETRONAS CHEMICALS GROUP BERHAD

ANNUAL GENERAL MEETING

**FINANCIAL & BUSINESS REVIEW
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2019**

Well Positioned.
Sustainable Tomorrow

Presentation Outline



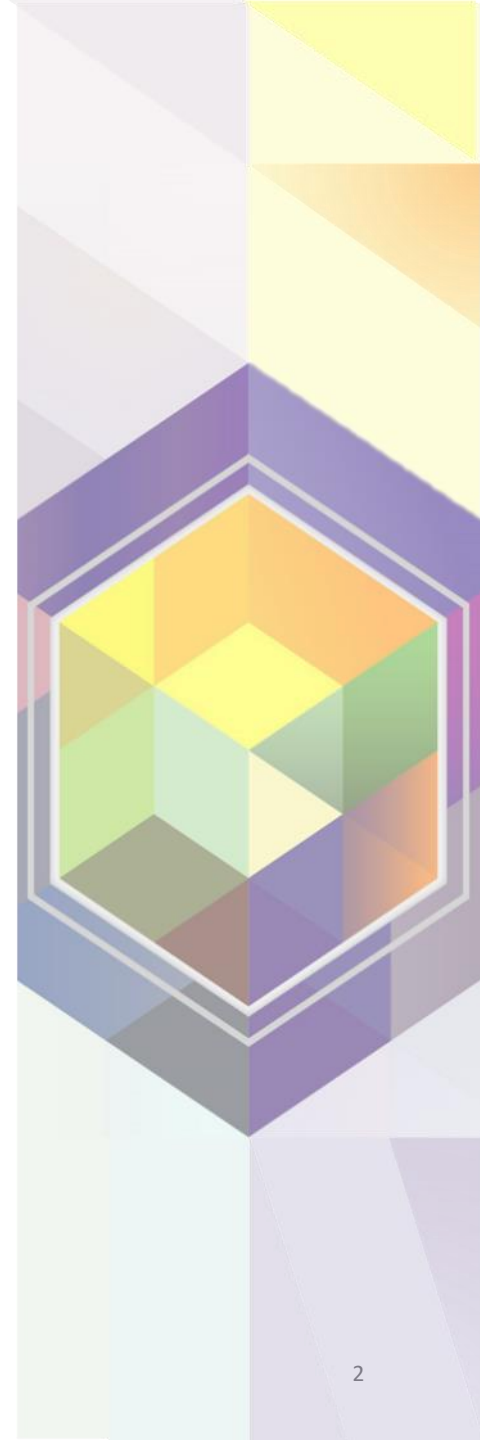
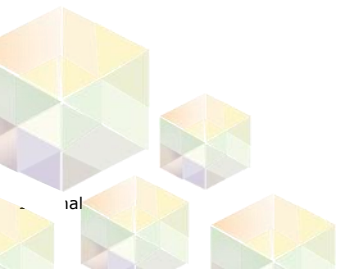
2019 Performance



Growth Plan

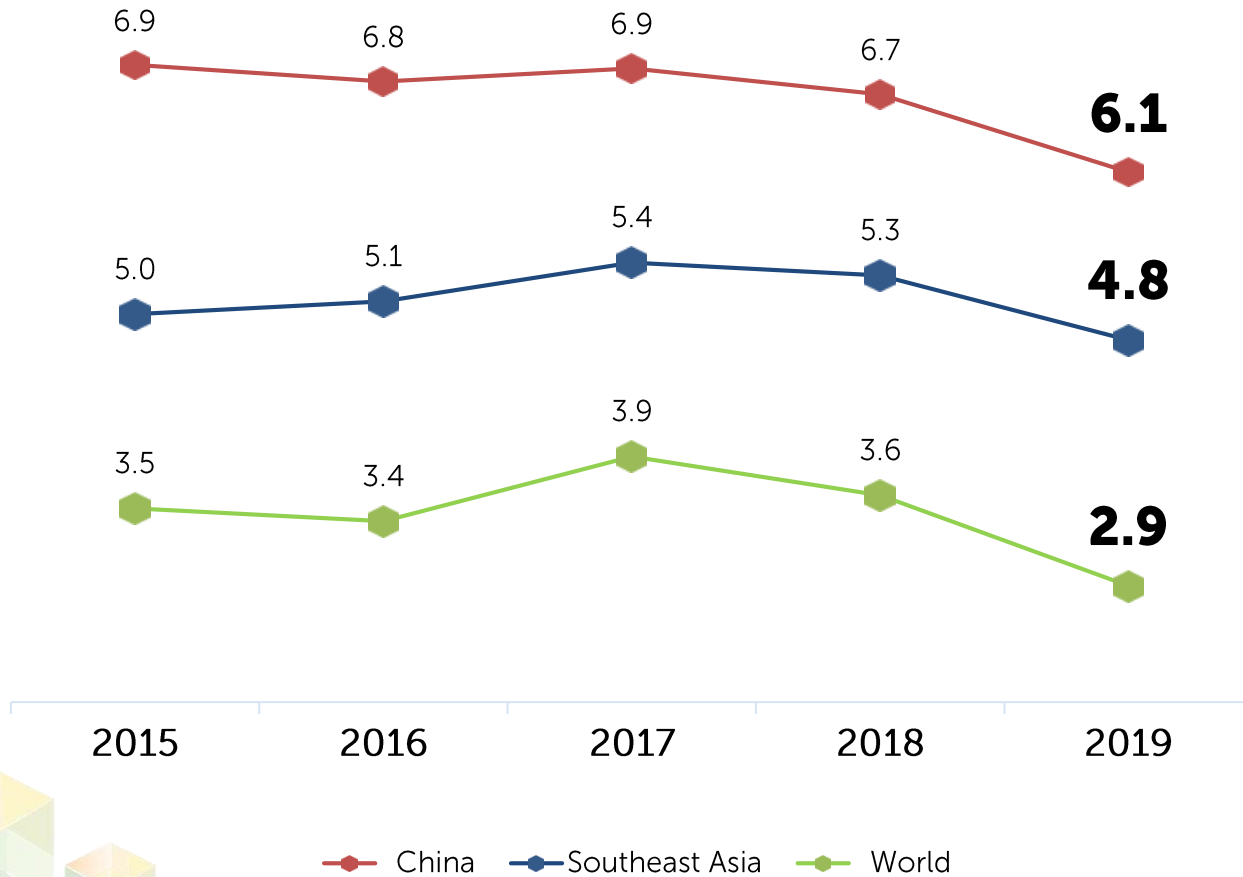


Outlook 2020



Bearish global economic growth

GDP Growth Rate
(% Change)

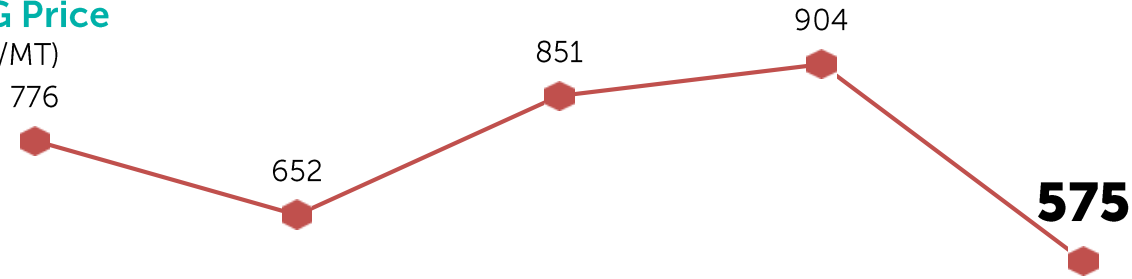


Source: IHS, The World Bank & International Monetary Fund (IMF)

Lower petrochemicals prices in 2019

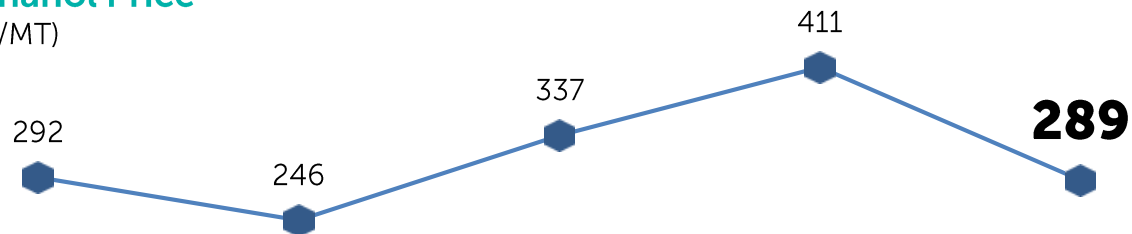
MEG Price

(USD/MT)



Methanol Price

(USD/MT)



Urea Price

(USD/MT)



2015

2016

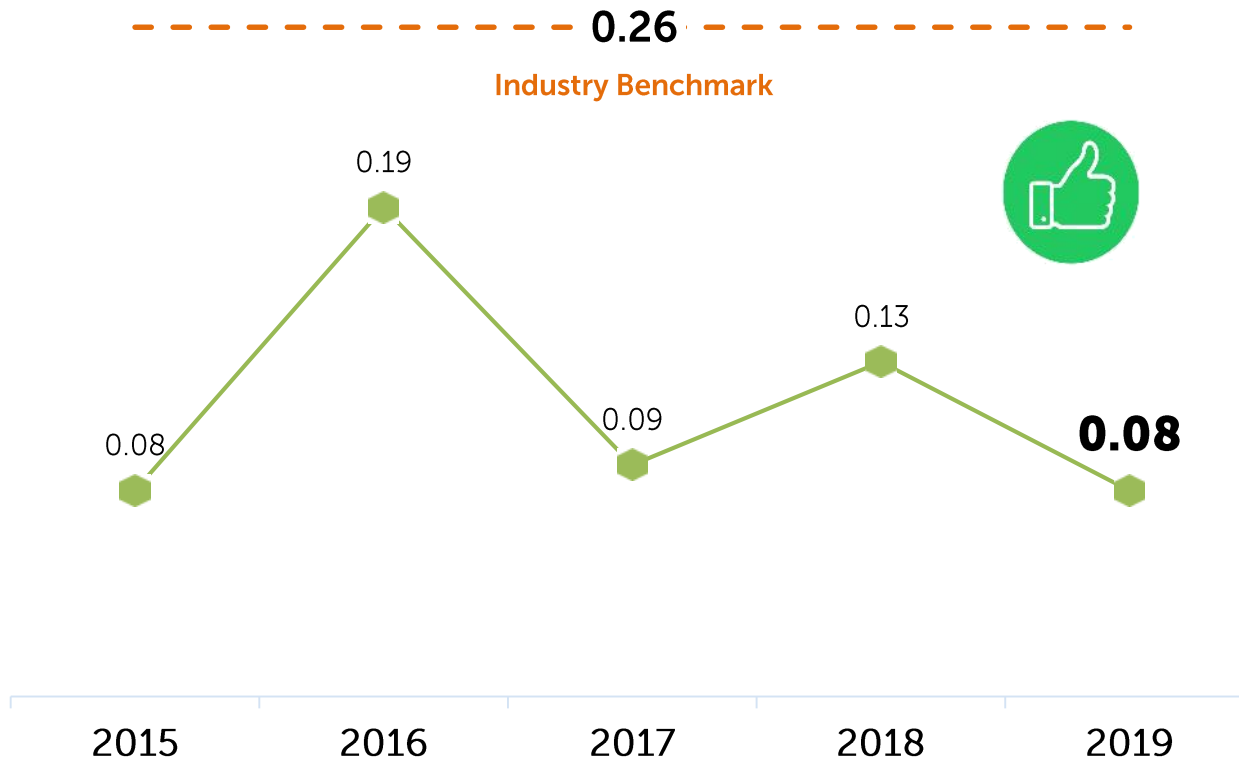
2017

2018

2019

Sustain excellent HSE record

Safety Performance (LTIF*)

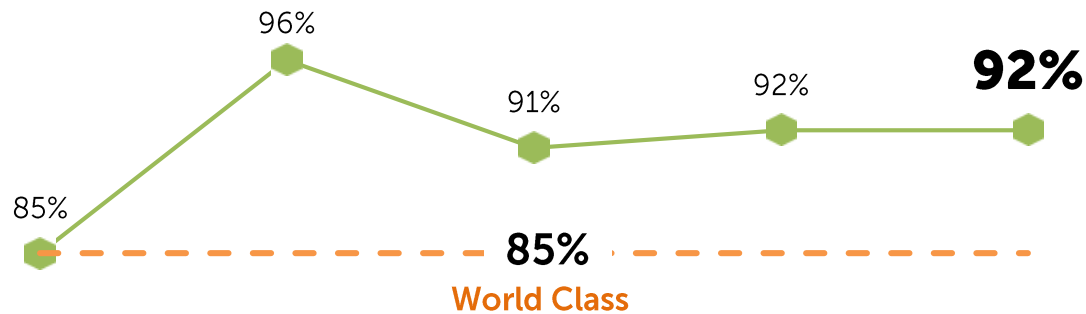


* Note: Lost Time Injury Frequency
Source: IOGP Safety Performance Report



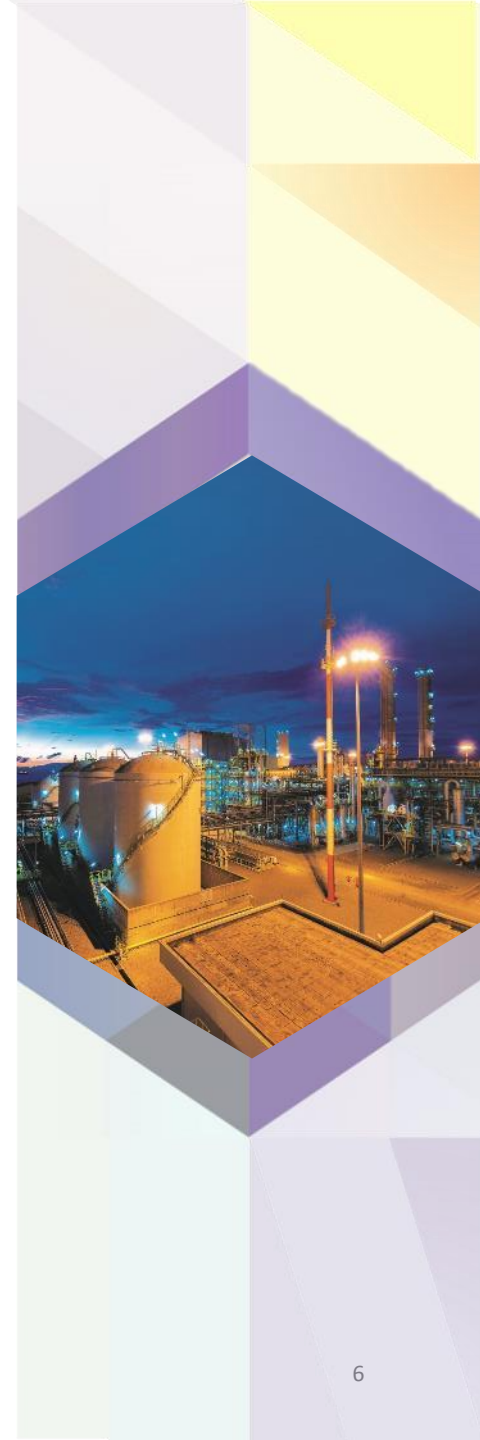
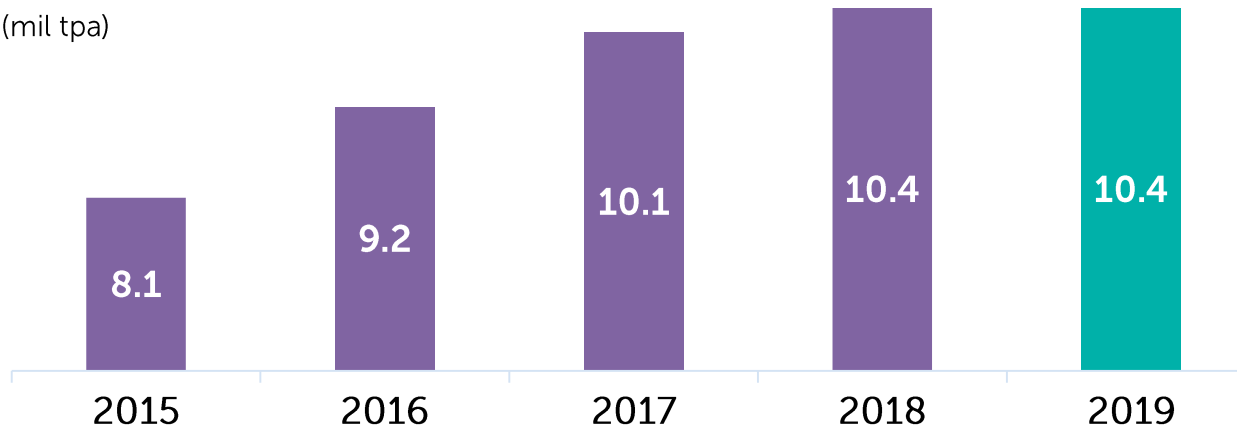
World class Operational Excellence

Plant Utilisation



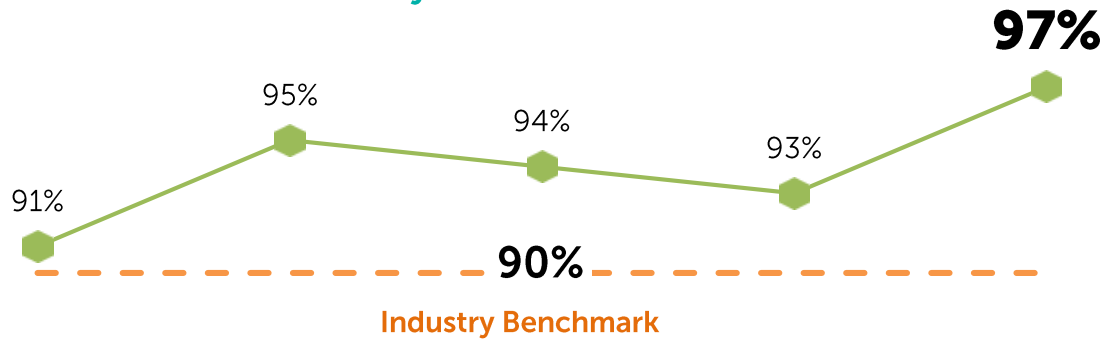
Production Volume

(mil tpa)

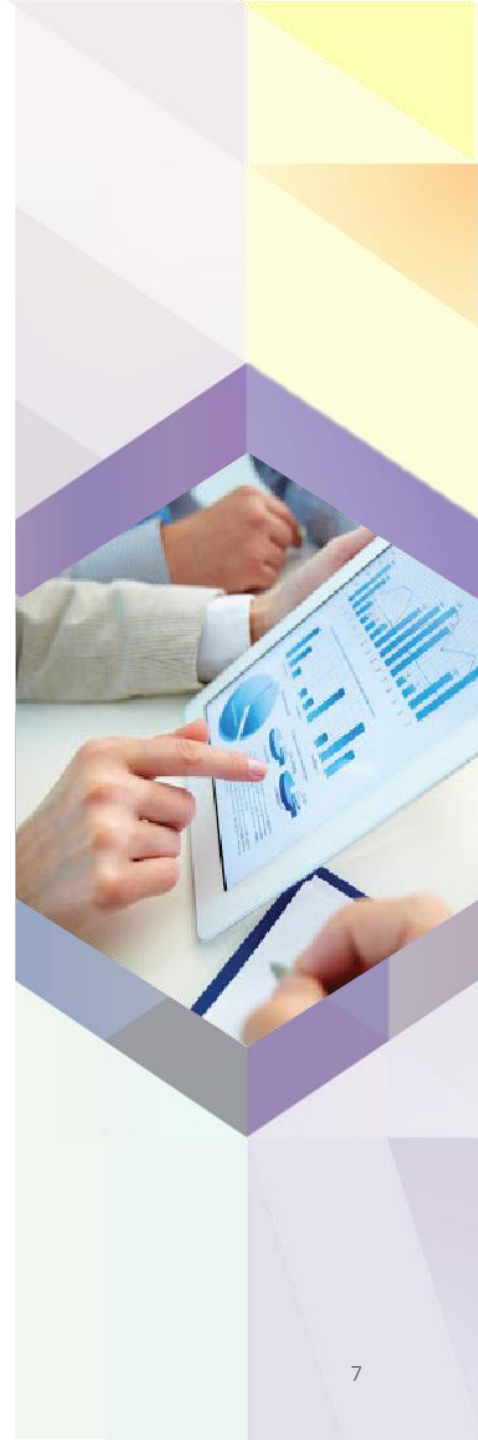
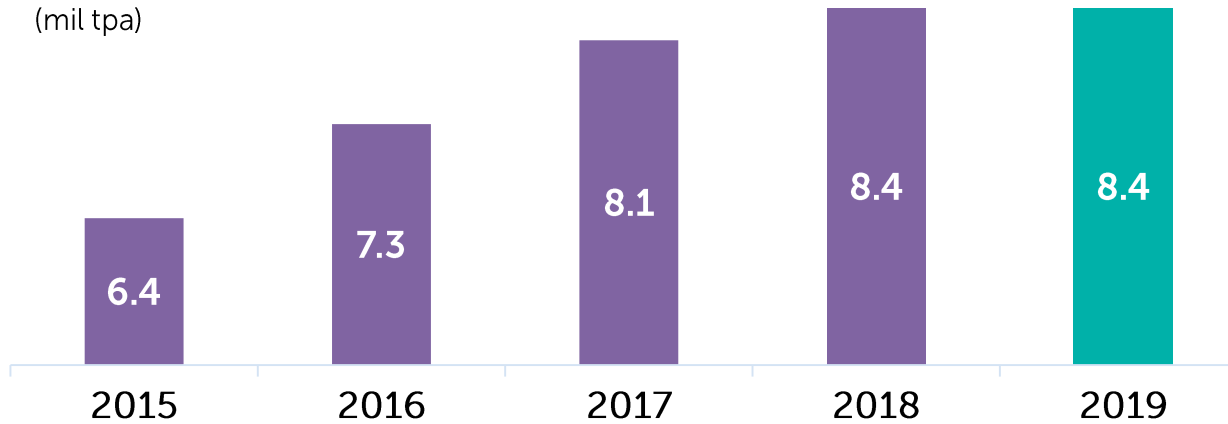


Solid Commercial Excellence

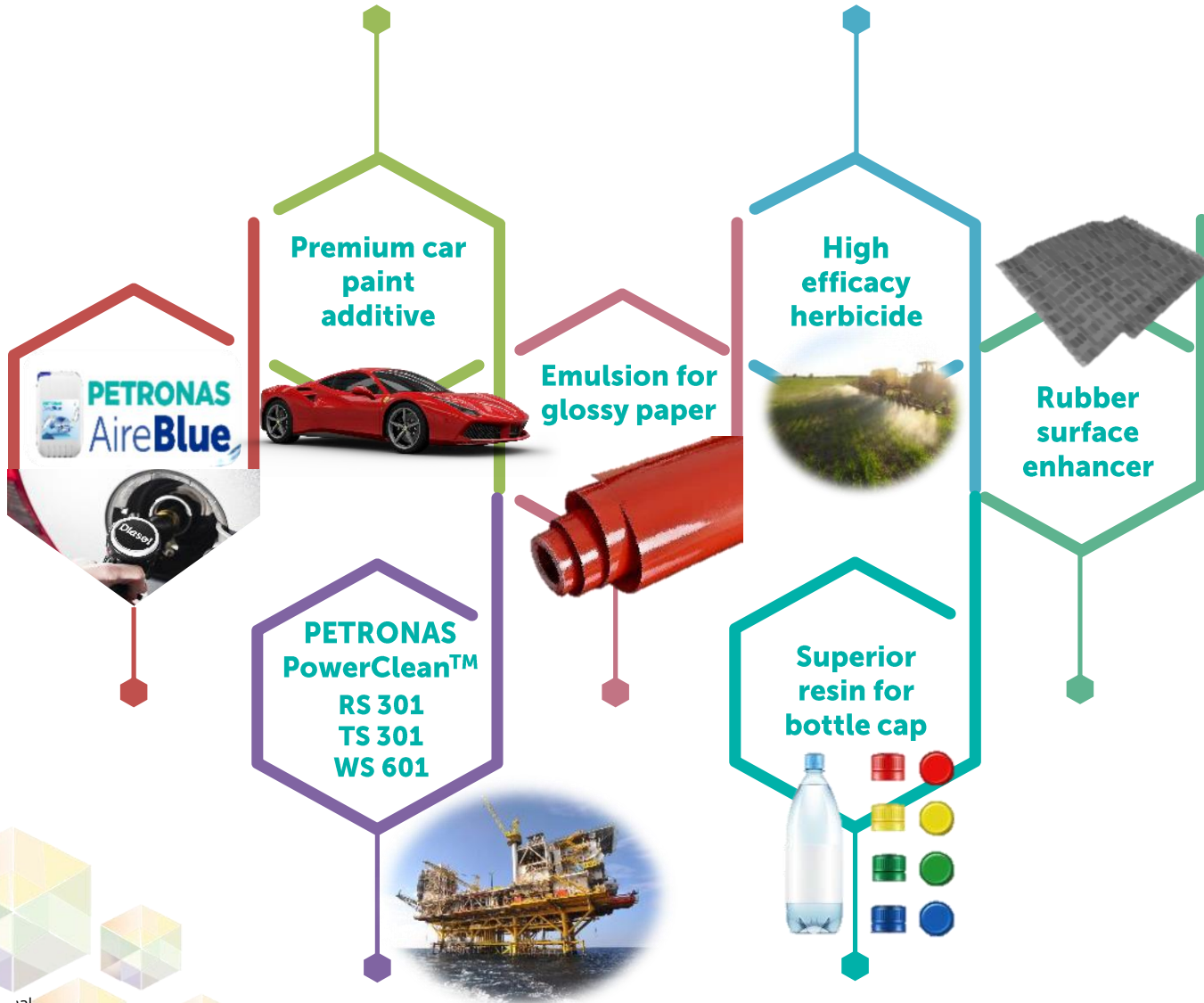
Order Fulfillment Reliability



Sales Volume (mil tpa)



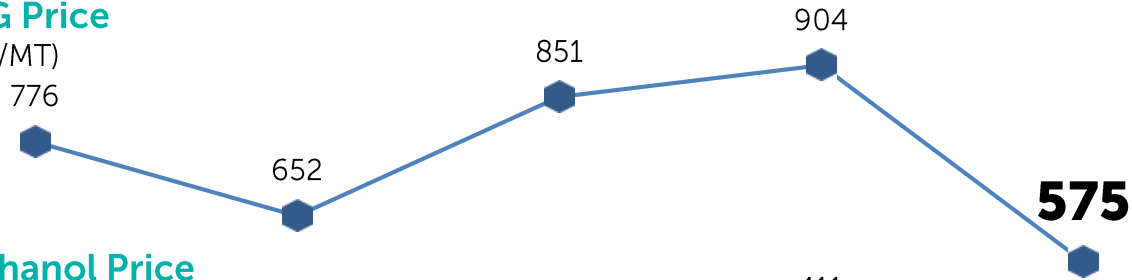
New specialised formulated products



Resilient financial performance amidst challenging market

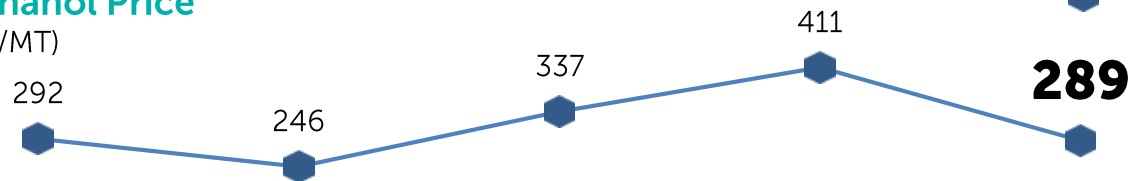
MEG Price

(USD/MT)



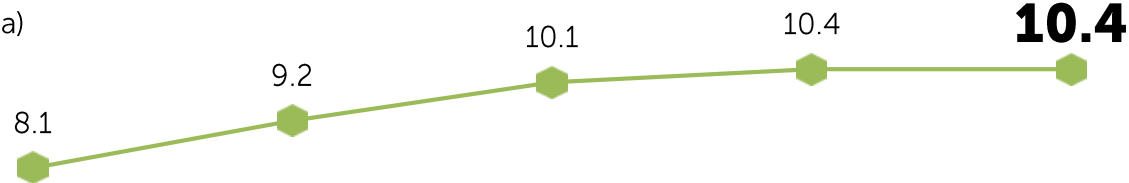
Methanol Price

(USD/MT)



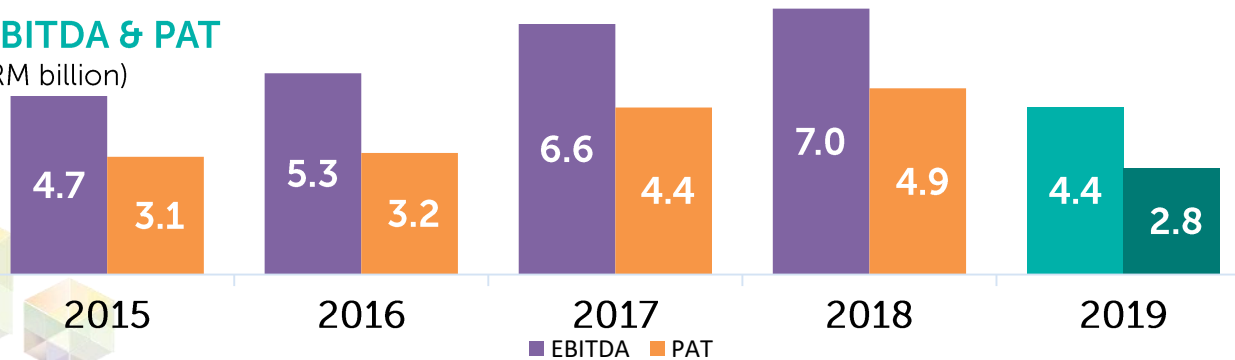
Production Volume

(mil tpa)



EBITDA & PAT

(RM billion)

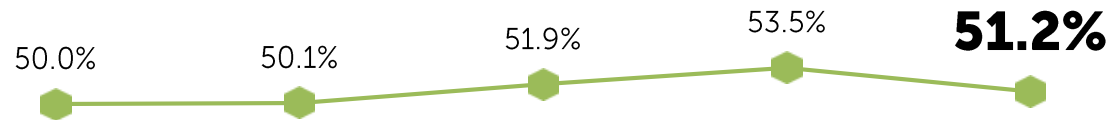


Source: IHS, Platts, ICIS, Fertecon, FMB, Profercy, CRU, Argus & Team Analysis

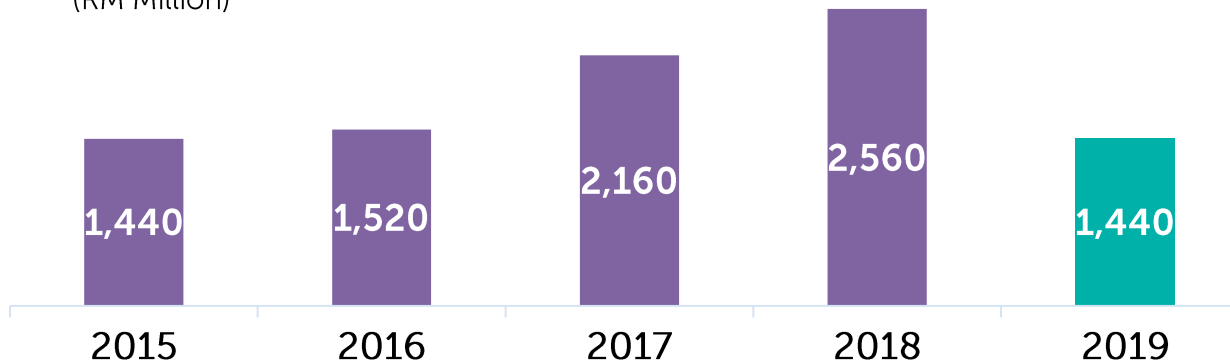


Maintain minimum 50% dividend payout ratio

Dividend Payout Ratio
(% PATANCI)



Dividend Payout
(RM Million)



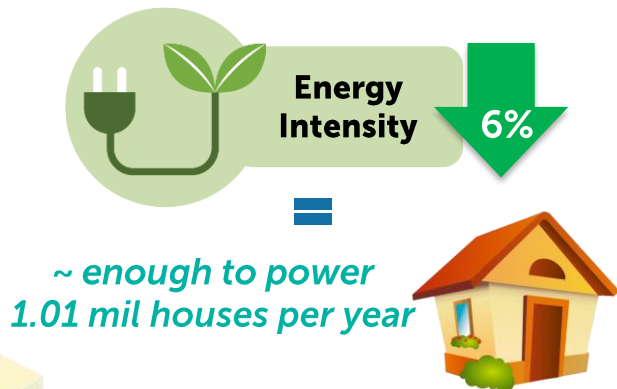
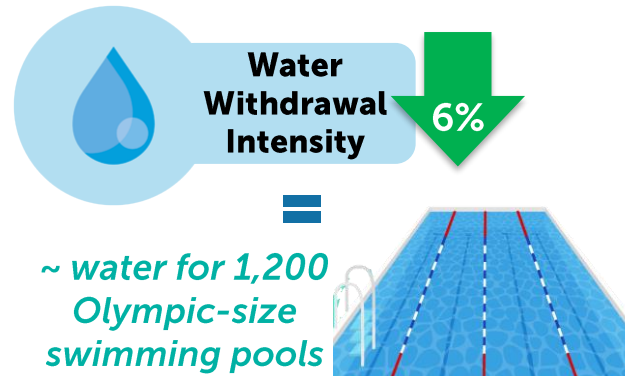
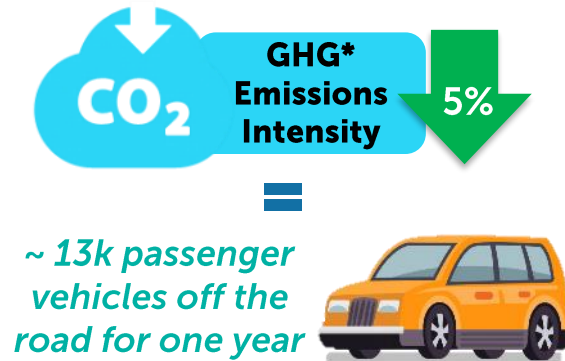
1st Interim Dividend RM0.11
paid on 13th Sept 2019

2nd Interim Dividend RM0.07
paid on 27th Mar 2020

Dividend RM0.18
(per ordinary share)

Dividend Payout Ratio 51 %

Embedding sustainability across business activities



* Note: Green House Gases

Embracing new plastics economy

Education

"Plastic, Sustainability and You" module to **>1000** schools

Reached ~ 35,000 students



Infrastructure

Solid waste handling

SMART system



Innovation

Chemical recycling plant
1st in SEA

Plastic waste to chemicals



Clean Up

Recycling campaign & ***"Be Green"*** programme

Waste collected from river and coastal sent for recycling



Caring for the society and environment

- ♦ Reached **> 20,000 people**
- ♦ Replanted **>21,000** mangrove trees
- ♦ Assisted **>1,000** underprivileged students

ecoCare



Back-to-School



In collaboration with

Yayasan
PETRONAS



Recognised locally and internationally

1 17 Responsible Care® Awards

2 Gold for Integrated Reports by Australasian Awards


3 Excellence Awards for Asia's Best CEO & CFO (IR)





Others:

-  Gold for Integrated Reporting and Industry Excellence Award at NACRA
-  Industrial Excellence Award on Corporate Governance
-  Excellence Awards for Investor Relations



 HSE related award

 Corporate transparency & governance related award

 Investor relation related award

Presentation Outline



2019 Performance



Growth Plan



Outlook 2020



Continuous growth to maximise value to our shareholders



Commenced production in Bintulu, Sarawak

Production volume
0.75 mil tpa



Increased **capacity** from **21** manufacturing plants

Production volume
14.6* mil tpa



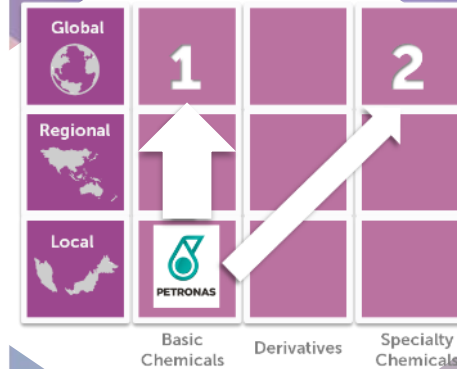
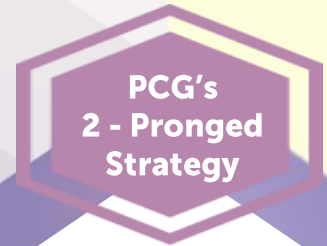
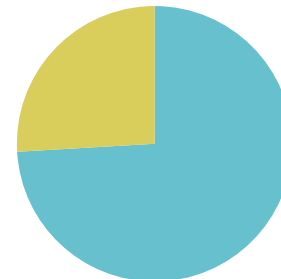
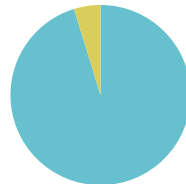
Specialty Chemicals

1985

2020

+20 years

- Earnings from commodity
- Earnings from specialty



2-Pronged Strategy

- Sustain strength in basic petrochemicals
- Diversify into derivatives, specialty chemicals and solutions

Future-proofing business through growth



First production

**At PIC, Pengerang,
Johor**

Glycol

PP

LLDPE

PIC project completion

99.97%

HDPE

INA



Achieved 2 Final Investment Decision (FID) in specialty chemicals projects

Achievement to Date

Sanctioned development & constructions of

**Butadiene Derivative plant at PIC,
Pengerang, Johor**



FID Butadiene Derivatives at PIC, Johor

Sanctioned development & constructions of

**Specialty Chemicals plant at KIPC,
Terengganu**



FID for Specialty Chemicals at KIPC, Terengganu

Product Applications



Medical Gloves



Personal Care



Car Seats



First foray into specialty chemicals via M&A

Product Applications



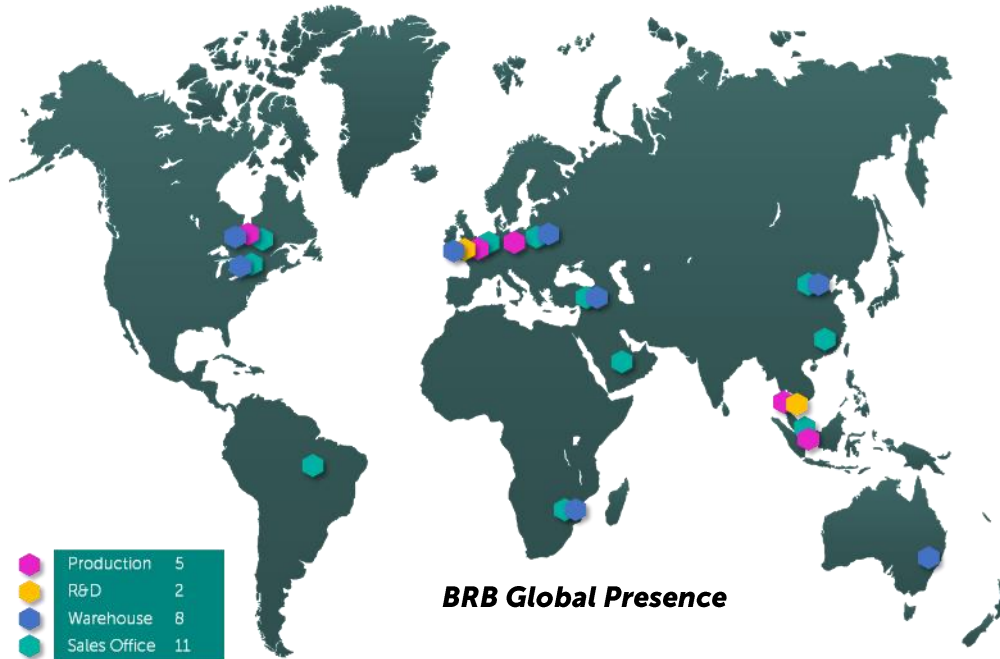
Personal Care



Construction Chemicals



Coatings



BRB International Formulation lab in The Netherlands

**Acquisition of
Da Vinci Group B.V.
(DVG)**

Widely known as BRB

**World's largest independent
producer and formulator of
silicones, lube oil additives
and chemicals**

Presentation Outline



2019 in Review



Sustainable Tomorrow



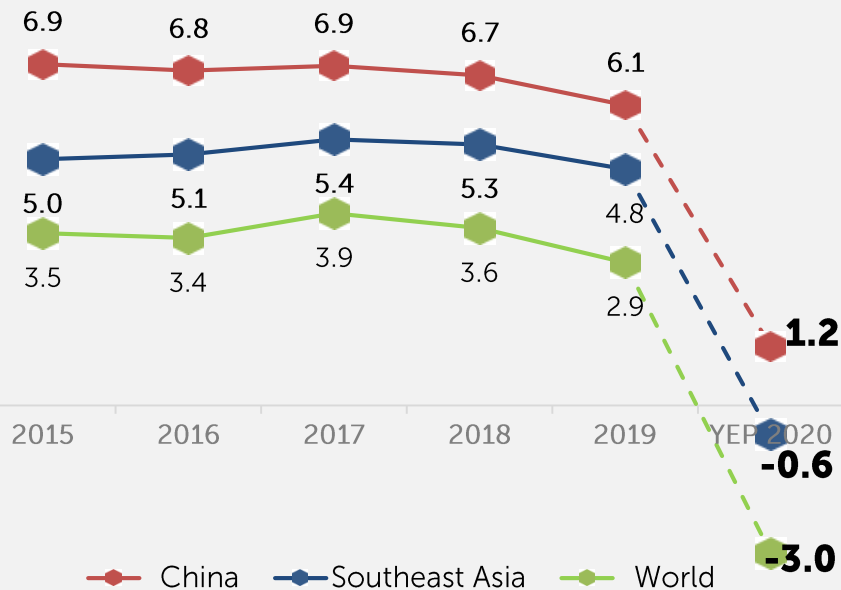
Outlook 2020



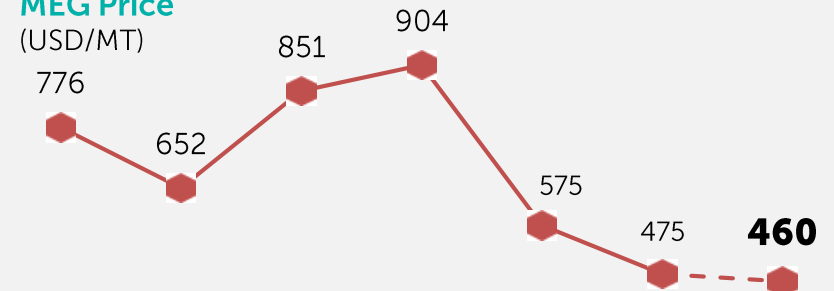
Challenging year amidst market volatility and COVID-19 pandemic

GDP Growth Rate

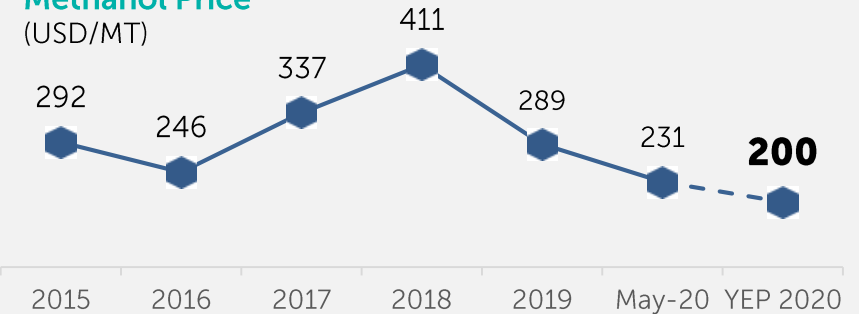
(% Change)



MEG Price (USD/MT)



Methanol Price (USD/MT)



Ensuring continuous business activities whilst breaking the pandemic chain


1 **Work from home**



2 **50% manning**



3 **Temperature & health screening**



4 **Defer plant turnaround**



5 **Collaboration with suppliers, customers & authorities**



6 **Maximise volume & deliveries**



7 **Explore alternative markets & new customers**



Our response to COVID-19



B40

Community Relief Package

3,000 B40 families



Stakeholder Relief Package

300,000 face shield frames



Medical Relief Package

RM 20 mil* medical equipment & supplies



Staff Contribution

RM 6.4 mil* monetary donations to NADMA

Key priorities for 2020



Maximising cash generator



- Additional EBITDA of ~ RM 900 mil through OE & CX
- Cost reduction of ~ RM 300 mil



Expanding core business



- Commercial operation at Pengerang Petrochemicals Complex
- Final Investment Decision (FID) of another 2 specialty chemicals projects



Stepping-out



- Construction of 1st bio-based specialty chemicals pilot plant project at R&D center



Terima Kasih

#staysafe
#stayathome
#kitajagakita