



# **PETRONAS CHEMICALS GROUP BERHAD**

## **QUARTERLY RESULTS ANNOUNCEMENT**

**Highlights for the Quarter  
Ended December 2016**

**20<sup>th</sup> February 2017**

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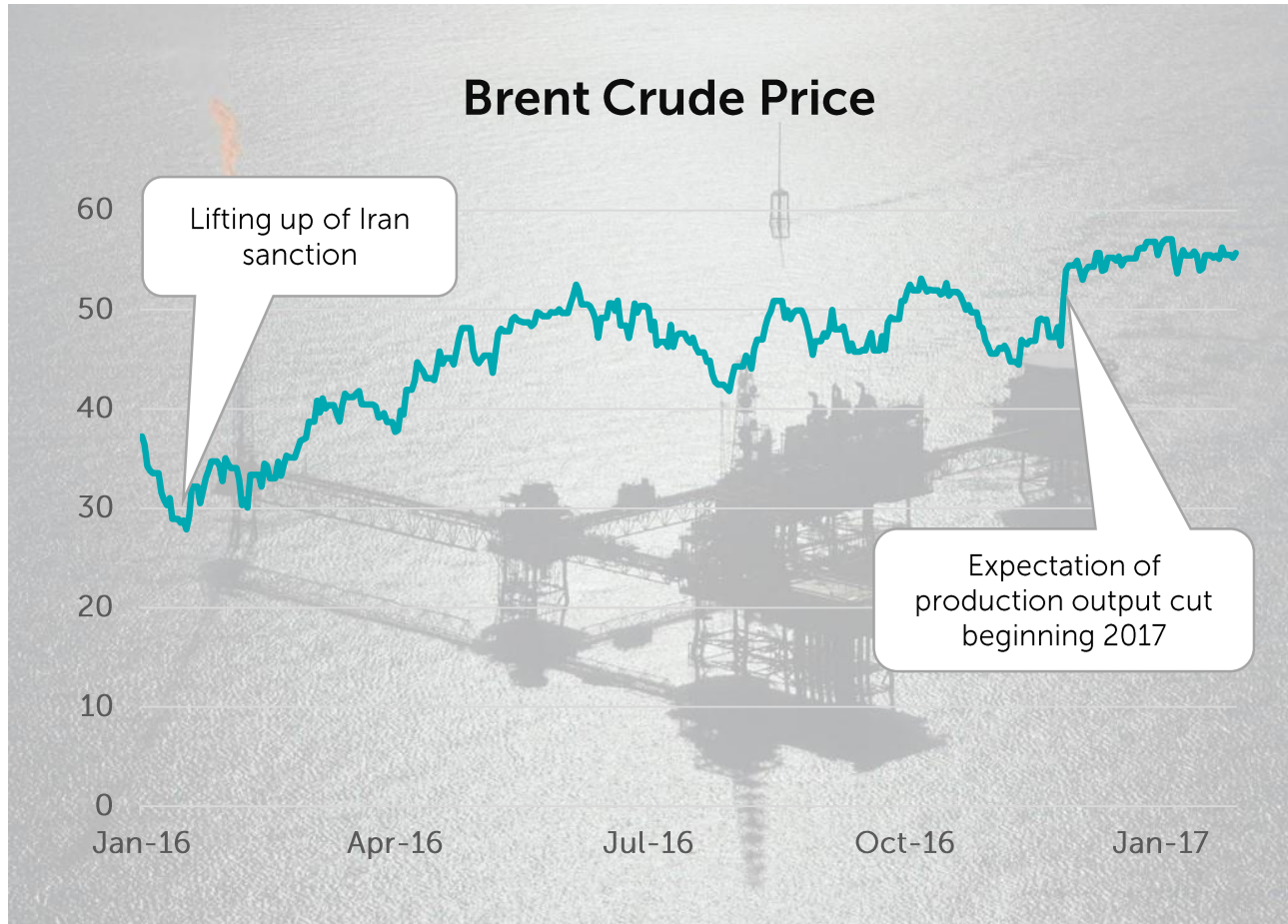
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# Key Highlights





- ◆ Average Brent crude oil price for 2016 low at USD42/bbl
- ◆ Global GDP growth at 2.4%
- ◆ Petrochemical product prices fell by 17%

## Best performance amidst toughest market headwinds

- 💧 **Highest annual plant utilisation at 96%**
  - Better plant reliability, improved feedstock supply
- 💧 **More sales volume, higher prices in Q4**
  - Secured margin eased the impact of thin spreads
- 💧 **Strongest EBITDA margin at 38%**
  - 14% increase in EBITDA YoY



# Financial Highlights



# Financial performance : PCG Group

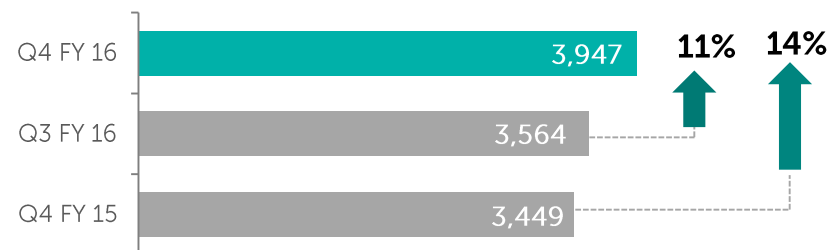
Year to date

RM Mil

## Revenue

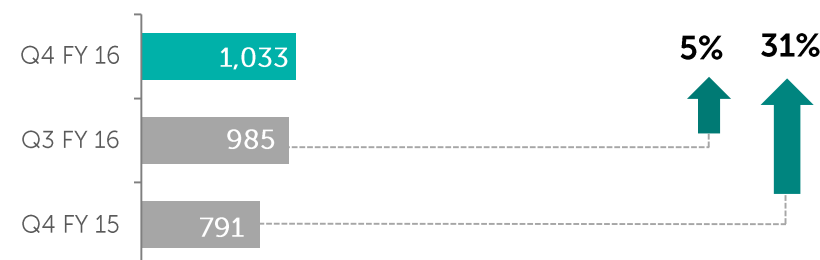
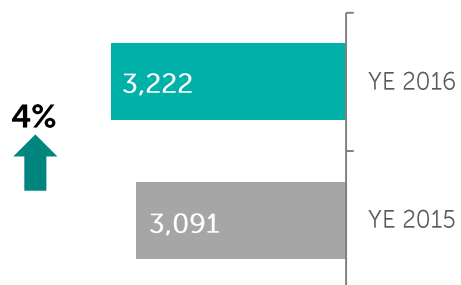


Individual quarter ended



4%

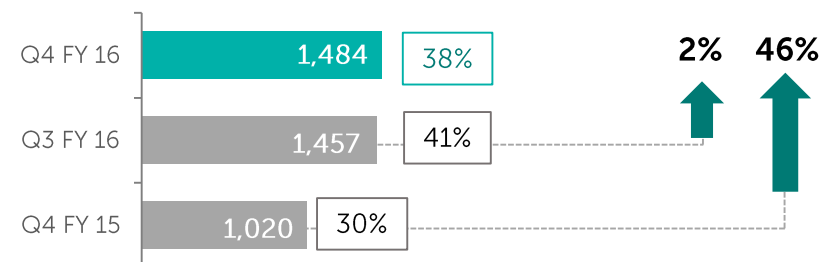
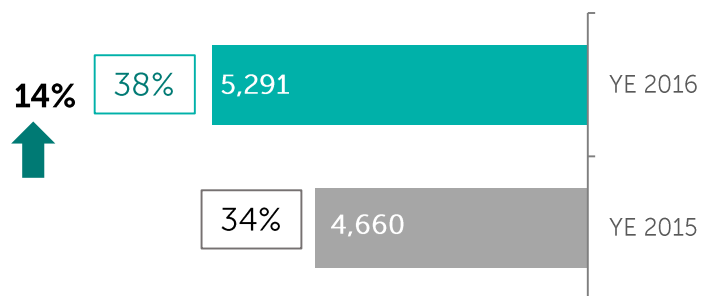
## Profit after Tax



14%

## EBITDA

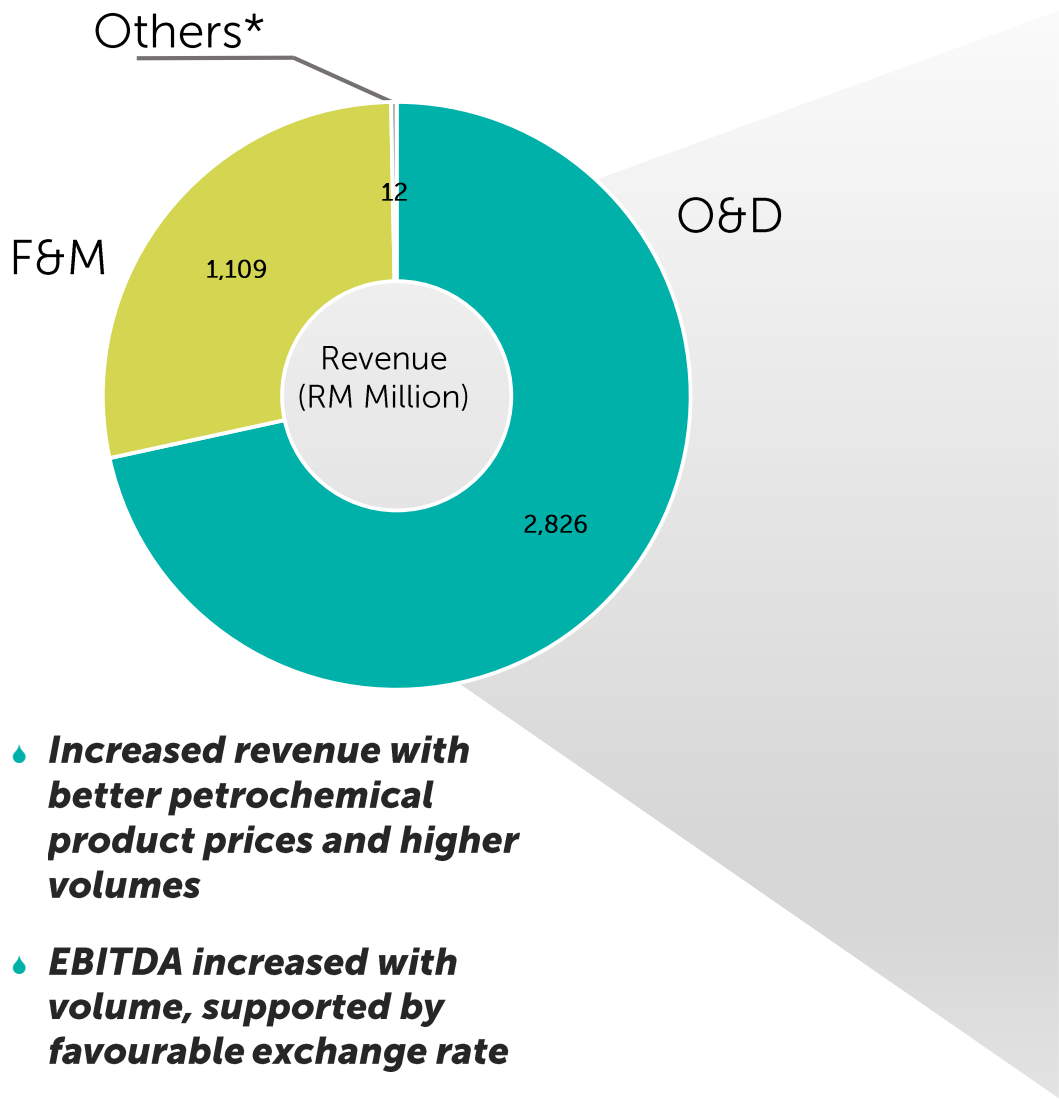
EBITDA  
margin  
(%)



# Financial performance: Olefins & Derivatives

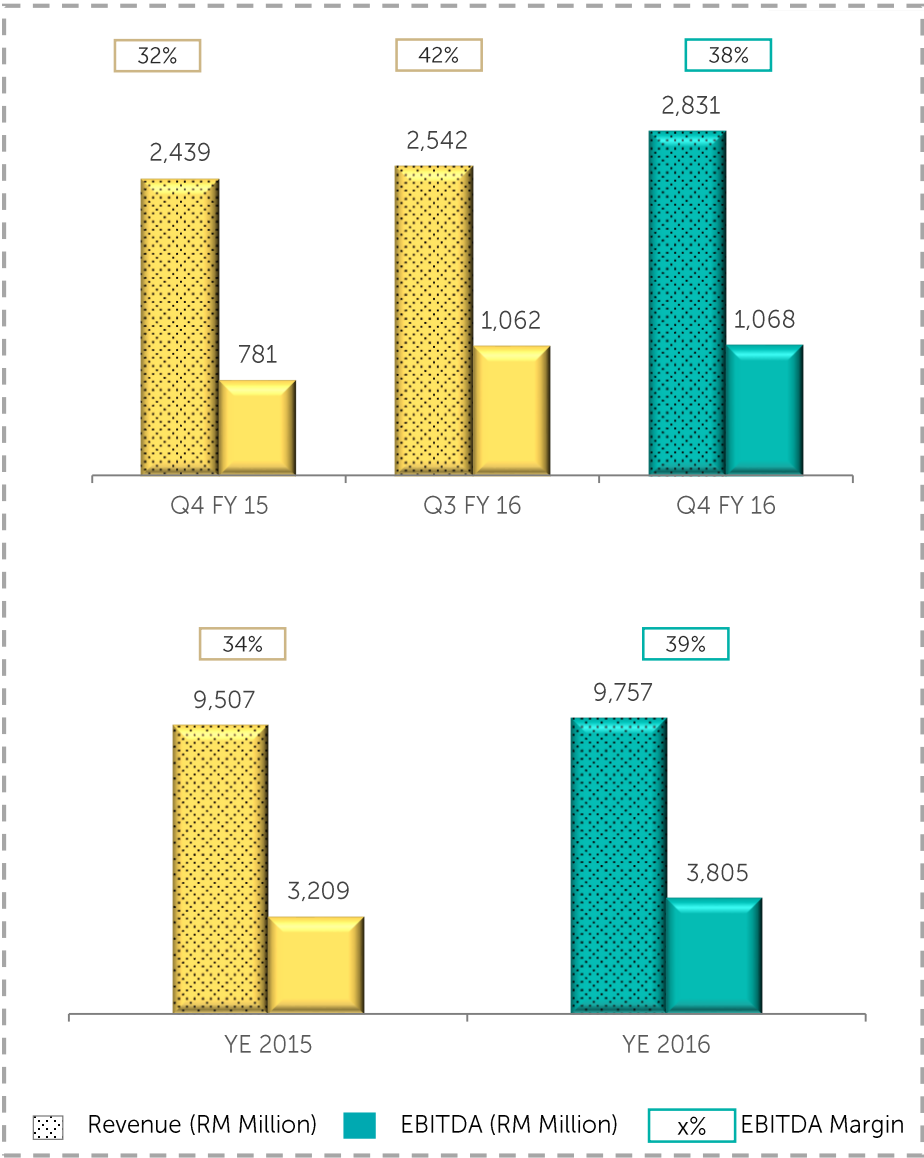


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- Increased revenue with better petrochemical product prices and higher volumes
- EBITDA increased with volume, supported by favourable exchange rate

\* Others comprise operations related to investment holding company and port services which provide product distribution infrastructure to the Group.

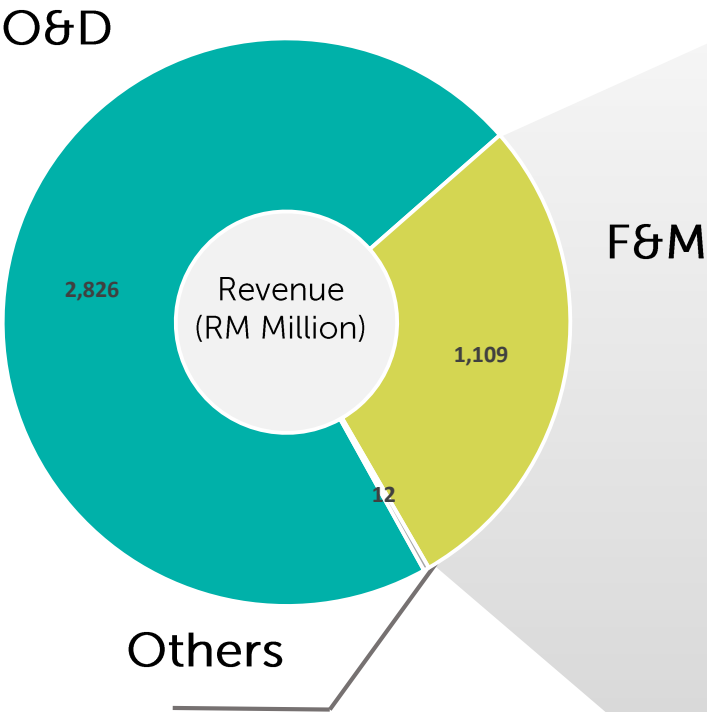




# Financial Performance: Fertilisers & Methanol



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- Urea and ammonia continue to be affected by oversupply
- Methanol price strengthening, tracking firmer crude oil prices

\* Others comprise operations related to investment holding company and port services which provide product distribution infrastructure to the Group.



# Balance Sheet as at 31 December 2016

## Total Assets

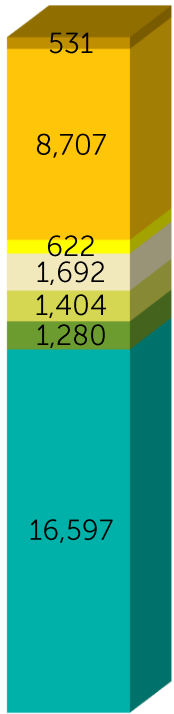
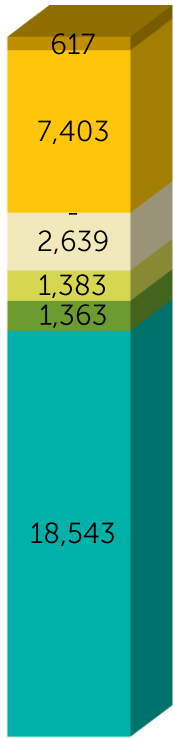
## Total Equity & Liabilities

31,948

30,833

31,948

30,833



Others

Cash & cash equivalents

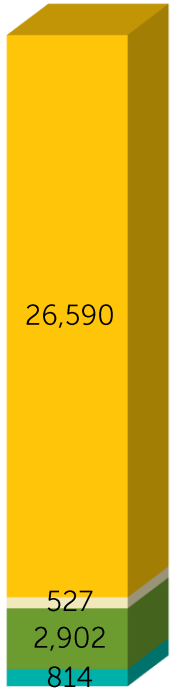
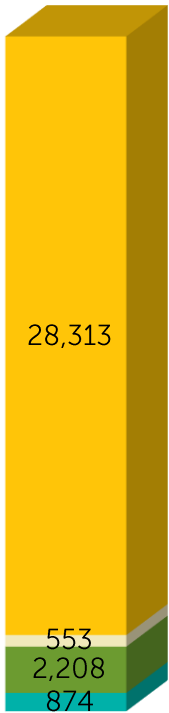
Fund Investments

Trade & other receivables

Trade & Other inventories

Investment in joint ventures and associates

Property, plant and equipment (PPE)



Equity

Other liabilities

Trade & other payables

Deferred tax liabilities

As at 31.12.2016

As at 31.12.2015

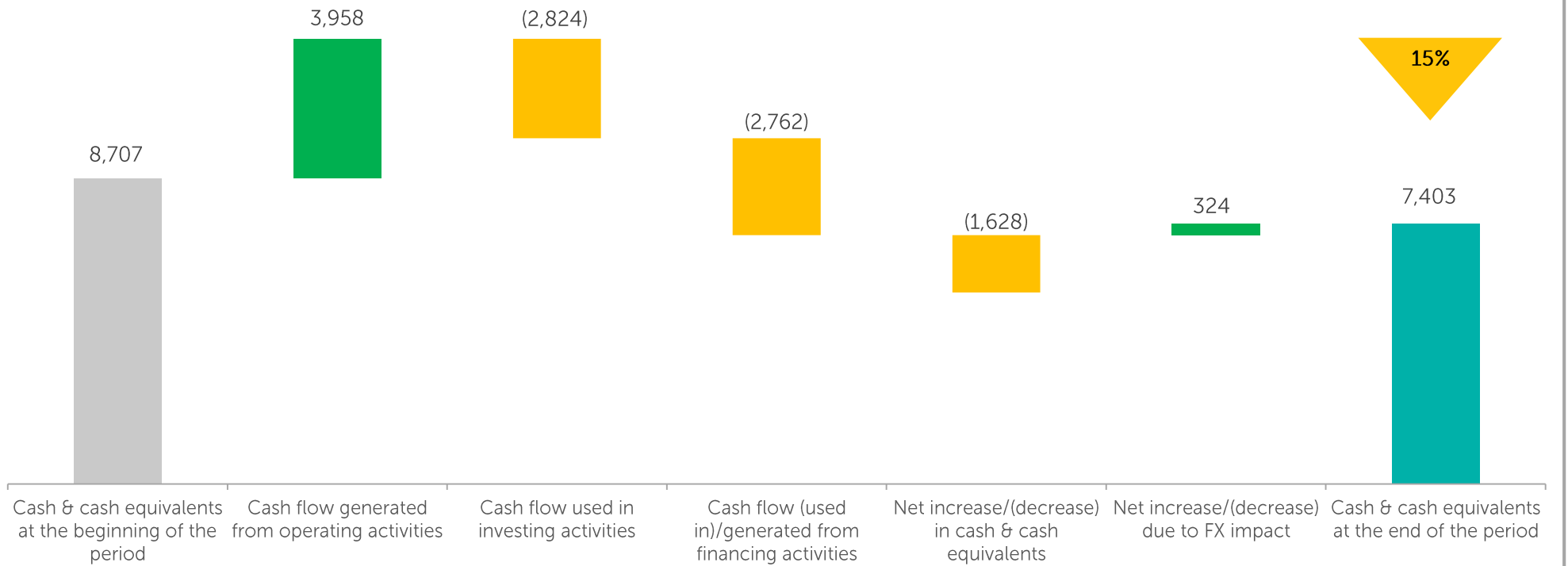
As at 31.12.2016

As at 31.12.2015

# Group Cash Flow - Period Ended 31 December 2016



Statement of Cash Flows  
(RM million)



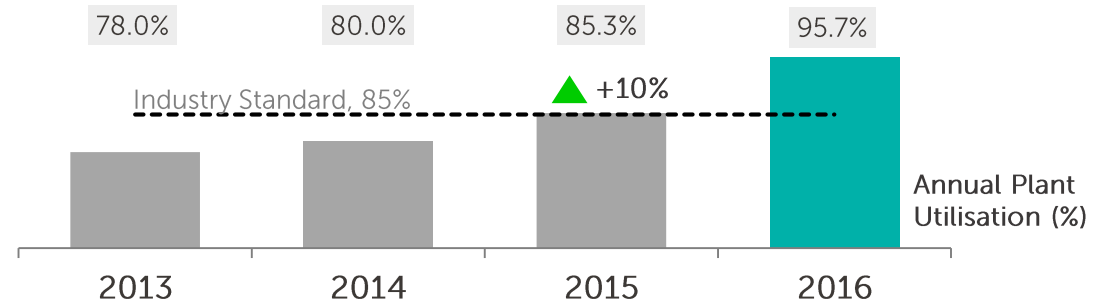


# Operational Highlights



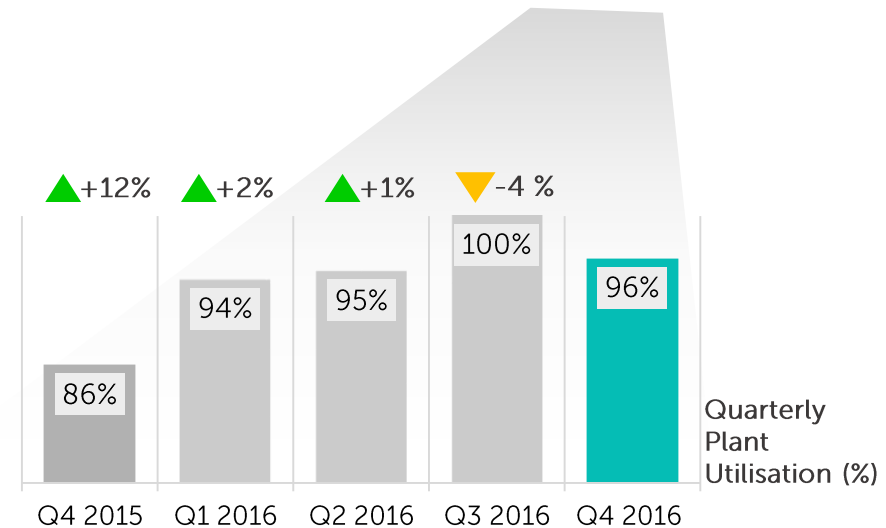
## Highest Annual PU since listing

- a. Fertilizer & Methanol (FM) segment reached 93% PU
- b. Olefins & Derivatives (OD) segment reached 100% PU



## Highest production volume as a result of:

- a. Reliable facilities
- b. Efficient molecule management
- c. Successful TA execution



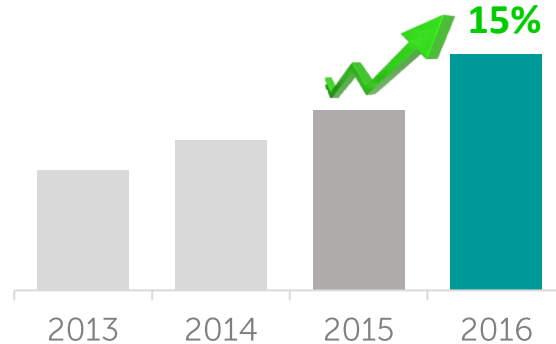
# Operational Highlights



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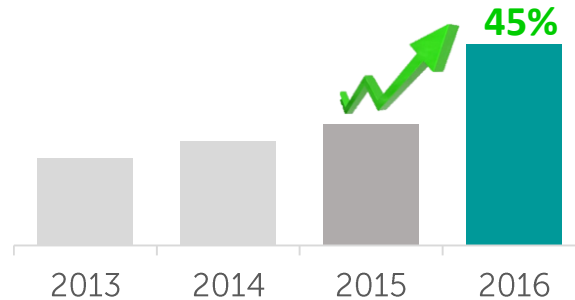
## Ethylene Production

Ethylene was 15% higher compared to 2015



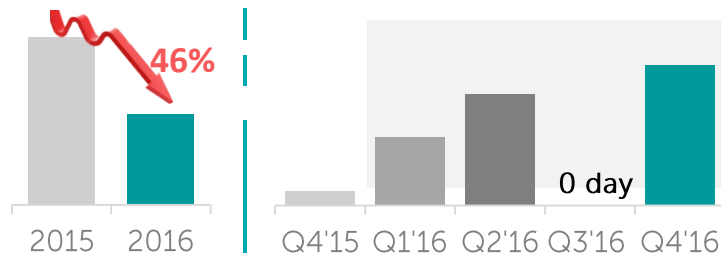
## Methanol Production

Methanol was 45% higher compared to 2015



## Weighted Average TA Days

In 2016, total weighted average of TA days was 46% lower than 2015.



## Strongest operational performance with more than 9,000 kMT production

- Olefins and derivatives production reached more than 4,000 kMT volume, with 15% more ethylene
- Fertilizer and methanol hit more than 5,000 kMT production with 45% increment in methanol production
- 46% lower TA days, compared to 2015

## 2017 operation plan

Sustaining world  
class  
performance

## 2017 TA

- ✓ PC MTBE
- ✓ PC Derivatives
- ✓ PC Ammonia
- ✓ PC Methanol

## Aroma Plant

commercial  
operation in 2017

## SAMUR

commercial  
operation in early  
2017

# 2017 Key Activities



# Commercial Highlights





# Commercial Highlights - Olefins & Derivatives

O&D market anticipated to be firm with limited supply availability, uptick in seasonal demand and stable energy price outlook

## Ethylene



- ◆ Scheduled TAs in ME and Asia
- ◆ High downstream demand
- ◆ Stable crude oil price

## Polymers



- ◆ Shutdown of key producer in SEA
- ◆ Demand to rebound post CNY
- ◆ Firm feedstock price

## MEG



- ◆ Shutdown and TAs across Asia
- ◆ Firm demand from PET and Polyester
- ◆ Firm feedstock price

## Aromatics



- ◆ Production outage in ME
- ◆ Improved demand for downstream PTA
- ◆ Firm feedstock price

F&M market outlook anticipated to be positive with strong demand and supply limitation

## Urea



- ◆ Scheduled TAs in ME
- ◆ Increased seasonal demand in SEA and China
- ◆ High demand in the US for spring season

## Ammonia



- ◆ Price remain weak but on increasing trend due to tight supply :
  - Pipeline tariff issue in Russia
  - Maintenance shutdown in ME

## Methanol



- ◆ ME plant outage
- ◆ Strong demand for China MTO
- ◆ Stable demand from derivative producers

## Q4 2016 highlights...

**Recorded good overall performance through:**

♦ **Focused execution of Commercial Excellence initiatives:**

- *Strategic volume shift*
- *Optimisation in cost to serve*
- *Product optimization*
- *Implementation of Key Account Management*

## Moving forward to 2017

**Elevate commercial performance through:**

- ♦ **Continue on Commercial Excellence initiatives**
- ♦ **Enhance presence in Focus Market**
- ♦ **Capability building**



# Closing Highlights



## Closing Highlights

### Remain resilient and keep on growing

- 💧 **Further strengthen HSE culture**
- 💧 **Sustain world-class plant performance**
- 💧 **Enhance customer experiences to create greater value**
- 💧 **Grow strategic markets in Asia Pacific region**



**Q&A**





**Datuk Sazali Hamzah**  
**Managing Director/  
Chief Executive Officer**



**Rashidah Alias**  
**Chief Financial Officer**



**M Yusri M Yusof**  
**Head of Manufacturing**



**Akbar Md Thayoob**  
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