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# **PCG Management**





Datuk Sazali Hamzah Managing Director/ Chief Executive Officer



Rashidah Alias Chief Financial Officer



Mahadzir Rani Head of Manufacturing



Shamsairi M Ibrahim Head of Commercial



Akbar M Thayoob Head of Strategic Planning & Ventures



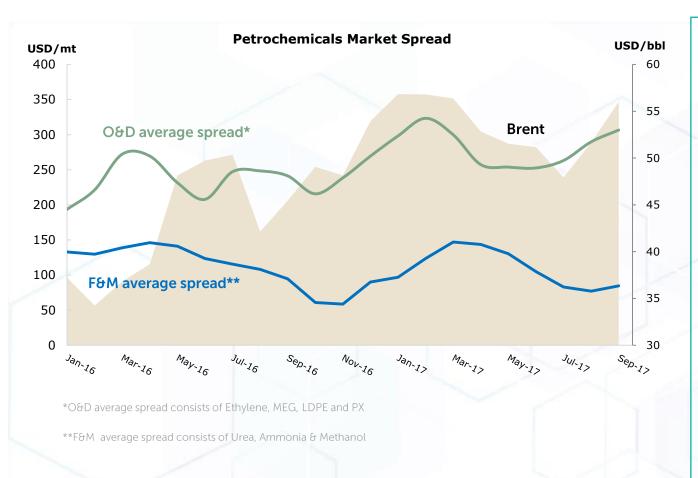
Zaida Alia Shaari Head of Investor Relations





# Healthier petrochemical demand





- 9M2017 average
   Brent crude oil
   price 24% higher at
   USD52/bbl
- Better demand for both O&D and F&M segments y-o-y
- Higher product
   spreads in line with
   higher prices for
   most products

# 9-month profit record in 6 years



- Plant utilisation strong at 91%
  - Stable feedstock supply
  - Steady early operations at SAMUR
- Sales volume 10% higher than 2016
  - Strong demand from downstream petrochemical sectors
  - Tight supply in the region
- PAT record high at RM3.4 billion, 54% higher y-o-y
  - More sales volume
  - Higher prices and product spreads

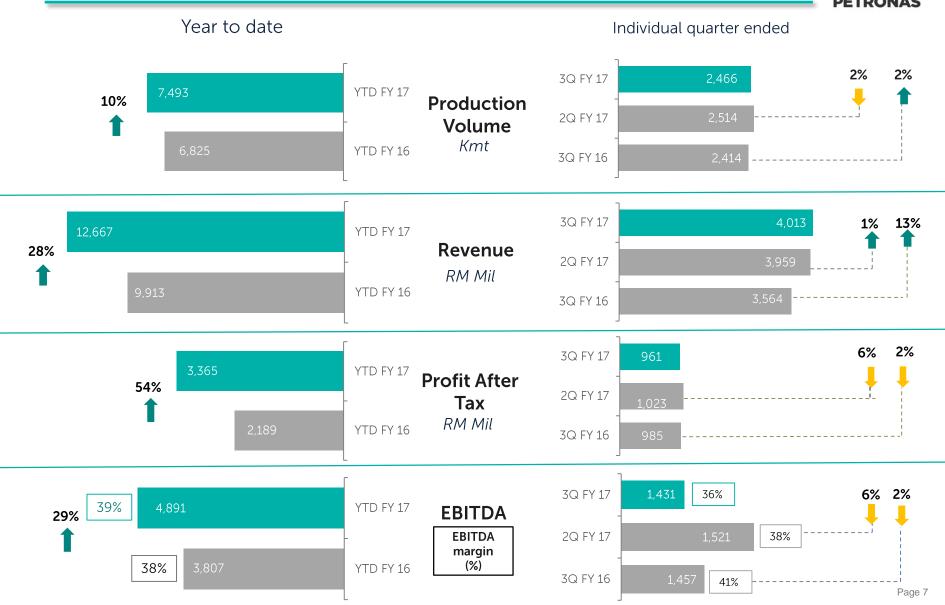






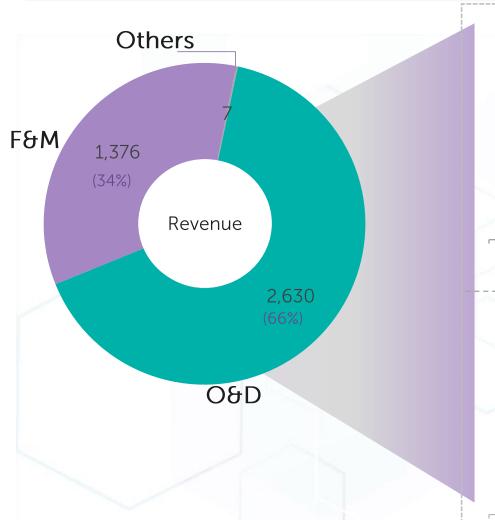
# **3Q 2017 Group Financial Results**

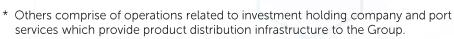




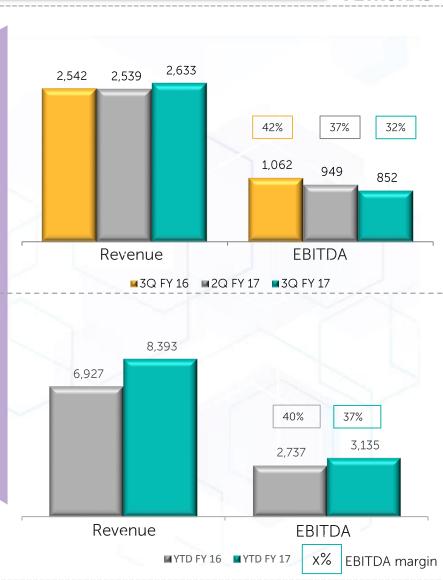
# **Segmental Results: Olefins & Derivatives**







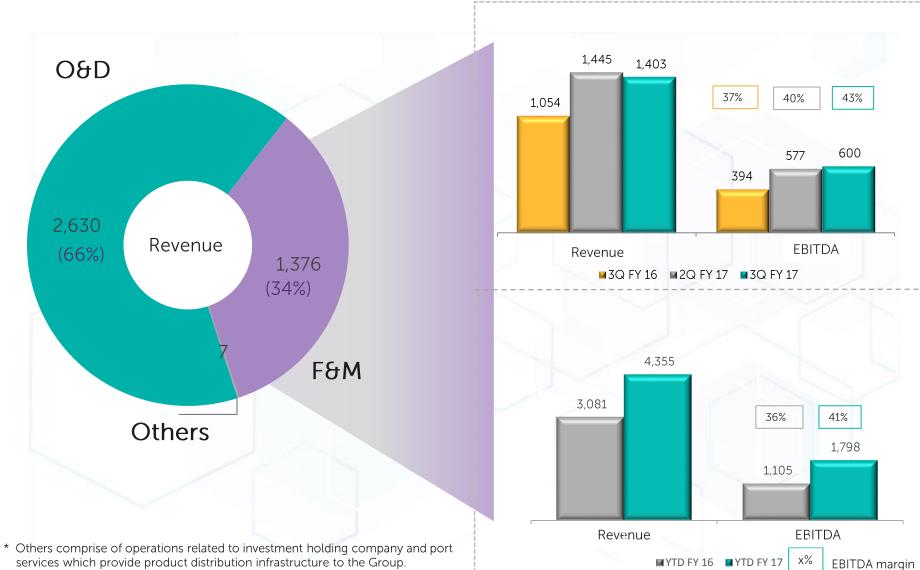
\*\* Difference in revenue numbers reflects post inter-business consolidation.



# Segmental Results: Fertilisers & Methanol

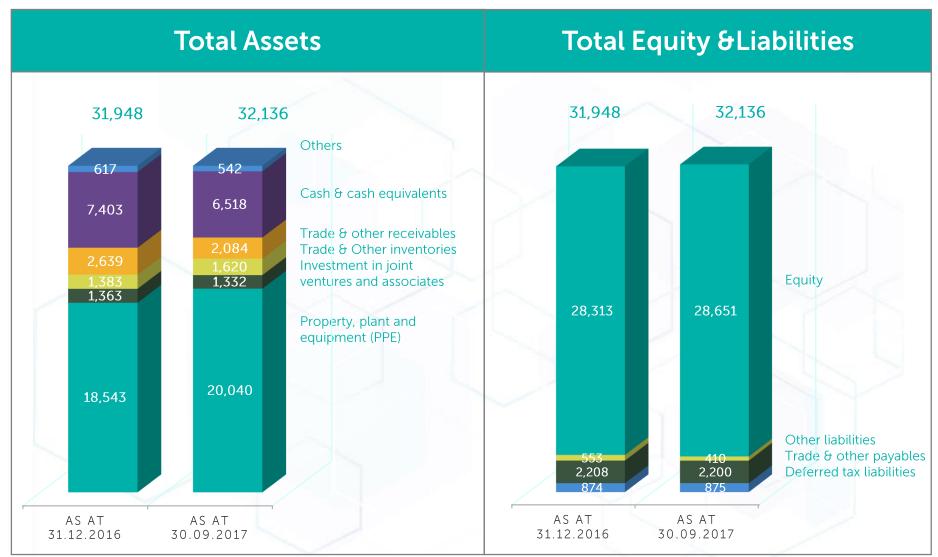
\*\* Difference in revenue numbers reflects post inter-business consolidation.





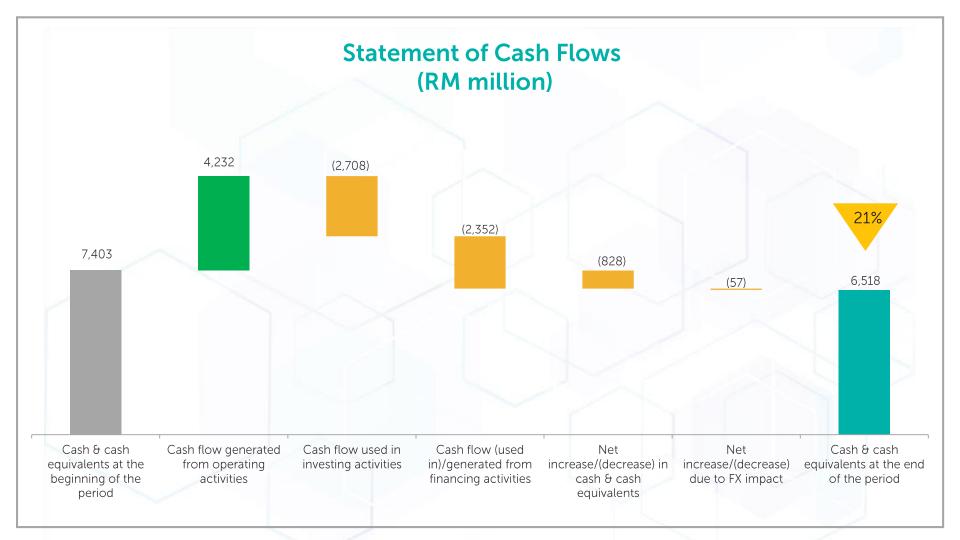
# **Balance Sheet as at 30 September 2017**





# Cash flow as at 30 September 2017











# **Operational highlights**



#### YTD Group Plant Utilisation above 90%

PCG is on track to deliver production target despite heavy planned maintenance activities

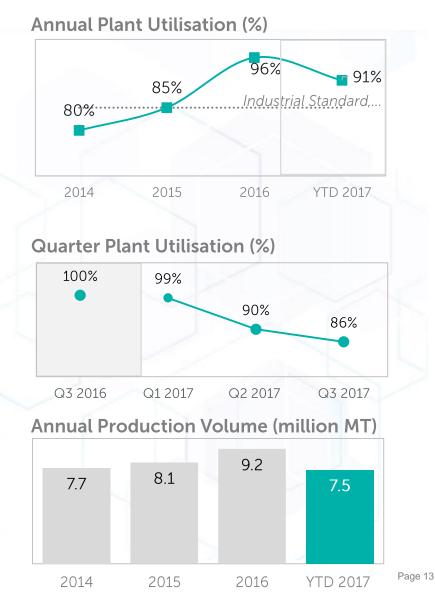
Successful execution of statutory turnaround and major maintenance at Kerteh facilities

Mature in planning and execution minimise the impact of the outage to PCG

Stable feedstock for methanol and ethylene production

Intact collaboration resulting into production stability

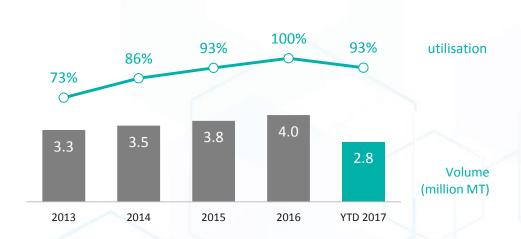
Steady early operation at Fertiliser Sabah
Significant urea volume added to the group



# **3Q 2017 Segmental Operational Performance**



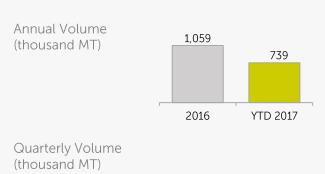
#### Olefins and Derivatives (O&D) Operation



- Successful and stable operations of ethylene crackers during statutory outage at supplier site.
- Completed major maintenance and statutory turnaround at downstream plants of PC Olefins

#### **Ethylene Production**

Ethylene production during the quarter slumped by 15% compared to corresponding quarter, impacted by major statutory turnaround at supplier site





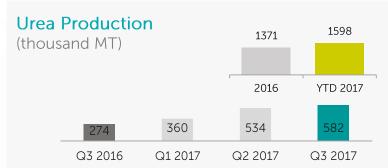
# **3Q 2017 Segmental Operational Performance**





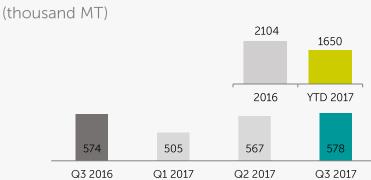


- Successful completion of turnaround at PC Ammonia in Kerteh.
- PC Fertiliser Sabah, stable post commercial operation



Urea volume doubled compared to the corresponding quarter, on stable operations at PC Fertiliser Sabah

#### **Methanol Production**



Methanol production sustained as per preceding and corresponding quarter

# Operational highlights - Projects Updates



# Diversified products; strategic growth for long term competitiveness







#### **Aroma Plant**

Production of citral will come on stream in 2017. Its downstream plants are in progress toward mechanical completion and will be commissioned in a phased approach accordingly.

citral

citronellol

\_-menthol

#### **HR-PIB** (highly reactive polyisobutene)

The plant is in the pre-commissioning phase and expected to start up by beginning of 2018. Its total annual capacity will be at 50, 000 metric tonnes

#### RAPID-PETCHEM

Several basic and specialty petrochemical plants construction are progressing well as planned with start up target in 2019, in stages.









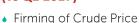
## Commercial outlook: Olefins & Derivatives



# Ethylene



#### Q3 2017 (vs Q2 2017)



- Tight supply Hurricane Harvey
- Strong demand from downstream

## Q4 2017



- TA activities in NEA and ME
- Firming of Crude Price

# **Polymers**



#### Q3 2017 (vs Q2 2017)



- Reduced supply from ME
- Seasonally lackluster demand

# **Q4 2017** (Forecast)



- Supply limitation in SEA
- Firming ethylene price

## MEG



# Q3 2017 (vs Q2 2017)



- Tight supply conditions
- Strong demand from downstream

# **Q4 2017** (Forecast)



- Tight supply conditions
- Strong demand from downstream

#### **Aromatics**



#### Q3 2017 (vs Q2 2017)



- Supply increase marginally
- Strong demand from downstream
- Firming of Naphtha price

#### Q4 2017

(Forecast)



- Supply limitation in China
- New capacity from PTA

## Commercial outlook: Fertilisers & Methanol



#### Urea



#### Q3 2017 (vs Q2 2017)



- Strong demand from the Indian tenders
- Supply shortage in South East Asia

#### Q4 2017



- (Forecast)
- Demand from Indian tender
- Tight supply conditions

## **Ammonia**



#### Q3 2017 (vs Q2 2017)



- Restart of several major producers in the Middle East
- Weak demand as spring application season ends in US

#### Q4 2017

(Forecast)



- Shortage of ammonia in Middle East
- Increased demand from US for winter application

## Methanol



#### Q3 2017 (vs Q2 2017)



- Supply tightness in the Middle East
- Strong demand from MTO sector

#### Q4 2017



#### (Forecast)

- Consecutive turnarounds in SFA
- Stable derivative demand

## **Highlights and sustainability**



## Q3 2017 highlights...

#### **Overall Execllent performance through:**

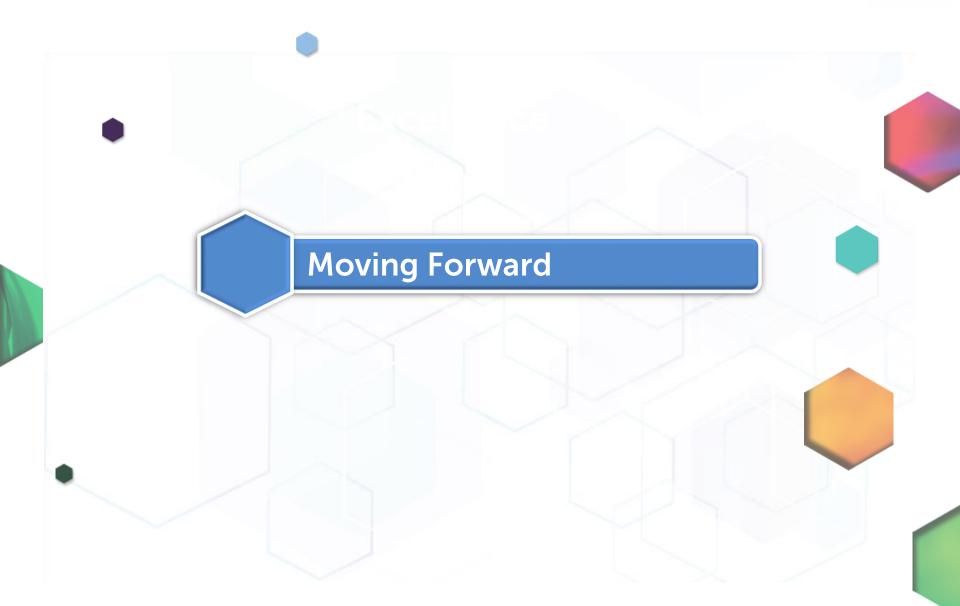
- Focused execution of all Commercial Excellence initiatives with emphasis on:
  - Roll out on Digitalisation initiatives
  - Supply reliability Priority delivery to Key Account
  - Customer advocacy Effective management customer feedback

#### Moving forward to Q4 2017

- Sustain performance through continuation of Commercial Excellence initiatives focusing on:
  - Continue on sales force effectiveness initiative & Key Account Management
  - Enhancing presence in Focus Market —operationalization PCMI
  - Execution of route-to-market activities in focused countries







# PCG will continue to focus on key success areas





Operational Excellence

Sustain world-class operational performance and strengthen HSE program

Commercial and Innovation Excellence

☐ Deliver value through commercial excellence and tailor-made solutions

# DYNAMICGROWTH

Growth Projects

- **☐** Effective project delivery
- **☐** Route-to-market execution and operation readiness
- ☐ Continue exploring downstream derivatives and specialties







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