



PT Chandra Asri Petrochemical Tbk Q2 2021 Results

3 August 2021 Earnings Call
Presentation to Analysts and Investors

Pic Collage: Extensive span of product grades to meet growing domestic needs

Chandra Asri

Low Voltage Power Cable Insulation

Supports Procurement of 35.000MW Electricity Sector

#YourGrowthPartner

This advertisement features a blue background with a close-up of several power cables. The text is white and yellow, and the Chandra Asri logo is in the top right corner.

Chandra Asri

THIN-WALL PACKAGING

AS A FOOD CONTAINER

#YourGrowthPartner

This advertisement shows a white, thin-walled food container against a blue background. The text is yellow and white, and the Chandra Asri logo is in the top right corner.

Chandra Asri

Polypropylene for Vehicle Battery Casing

#YourGrowthPartner

This advertisement displays two blue and white vehicle battery casings on a blue background. The text is white, and the Chandra Asri logo is in the top right corner.

Chandra Asri

Chandra Asri's Update

Supports Automotive Manufacturers,
Chandra Asri and Miliken Develop
Trilene B155GN Copolymer Resistant

#YourGrowthPartner

This advertisement features a blue background with a white box containing an image of a red and blue automotive bumper. The text is white, and the Chandra Asri logo is in the top right corner.

Produk Asrene SP4808
untuk pipa pembungkus
kabel fiber optic dan
high voltage power cable.

#YourGrowthPartner

This advertisement shows a stack of white pipes on a blue background. The text is white, and the Chandra Asri logo is in the top right corner.

Forward Looking Statements

IMPORTANT NOTICE: This document contains forward-looking statements concerning the financial condition, results of operations and business of PT Chandra Asri Petrochemical Tbk. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

There are a number of factors that could affect the operations and future performance of PT Chandra Asri Petrochemical Tbk, and cause the Company's results to differ from those expressed in the forward looking statements including (a) cyclicity in the petrochemical industry, (b) volatility of the international market prices, (c) fluctuations in the cost of feedstock, (d) variances to capacity and product expansion plans, (e) increased global and local competition, (f) unscheduled outages and shutdowns, (g) political and macro-economic risks, (h) trade-regulating actions by international governments, (i) evolving environmental and occupational health and safety laws, (j) dependence on third party providers, (k) approvals to renew permits/approvals/licenses, (l) risks associated with global pandemics e.g. COVID-19 outbreak, and (m) changes in trading conditions.

All forward-looking statements contained in this document are expressly qualified in their entirety. Readers should not place undue reliance on forward-looking statements. Neither PT Chandra Asri Petrochemical Tbk nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.



AGENDA

1 Summary Highlights

2 Performance Overview

3 Strategy & Growth

Management Overview – Performing and Transforming



PERFORMING









- ◆ Revenue US\$1,262m (+50% yoy)
- ◆ EBITDA US\$275m and NIAT US\$165m
- ◆ 93% Operating Rate (vs 89% prior year)
- ◆ Liquidity Pool US\$1.2B with less Debt
- ◆ Lower, Longer, Better Financing



TRANSFORMING

- ◆ Digital Transformation On Track
- ◆ Sustained Progress on ESG-front
- ◆ >US\$30m/yr Cost Reduction with SPEED
- ◆ Growth in High Value Added Grades
- ◆ CAP 2 Strategic Investor chosen - Thaioil

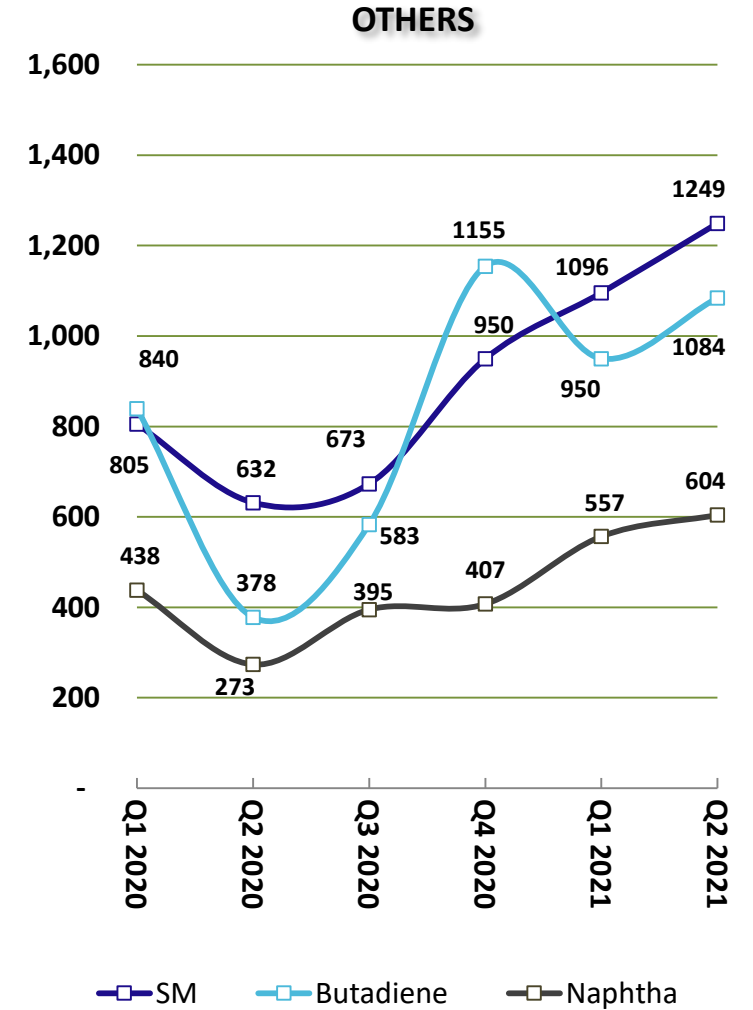
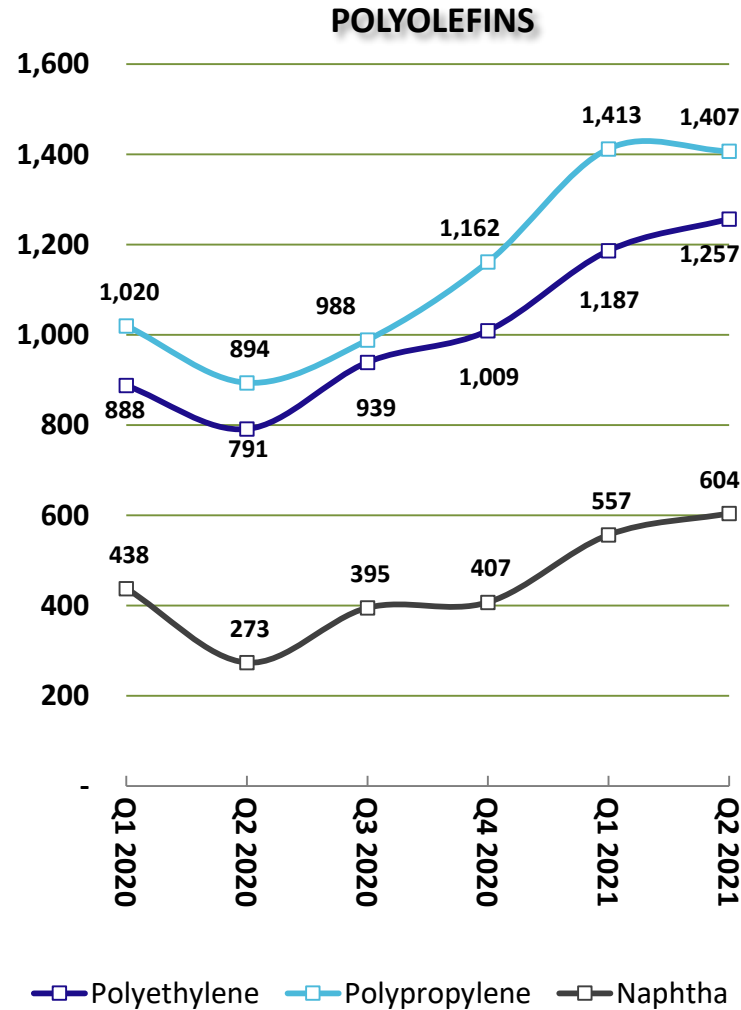
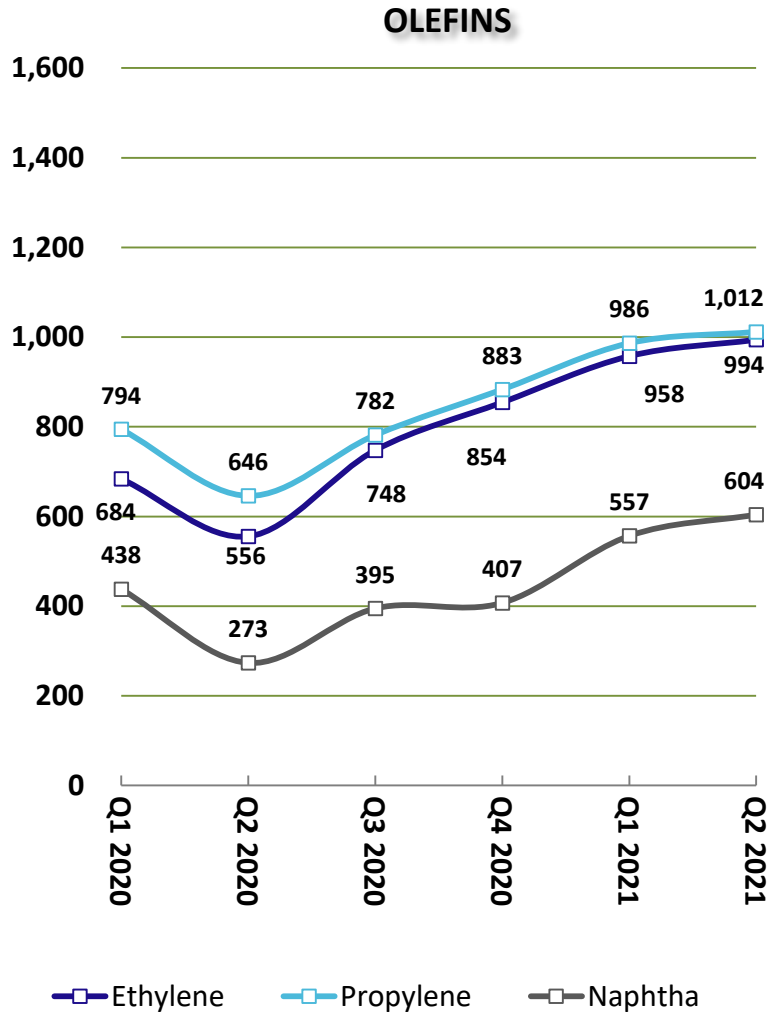
Financial Highlights

US\$m unless otherwise stated	YTD June 20		YTD June 21
Revenue	\$839m		\$1,262m
EBITDA	\$5m		\$275m
Net Income	-\$40m		\$165m
Cash and Cash Equivalents	\$649m		\$762m
EBITDA Margin (%)	1%		22%
Net Debt-to-EBITDA (times) (rolling 12 months)	5.1x		0.3x
Total Debt	\$945m		\$899m

Market Product Prices

Firm Spreads with Regional and Domestic Economic Rebound

(all figures in US\$/T)



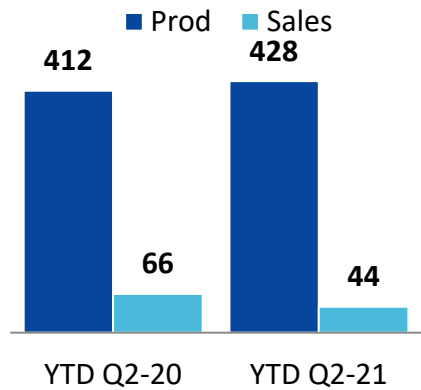
Note: Market data from ICIS

Production and Sales

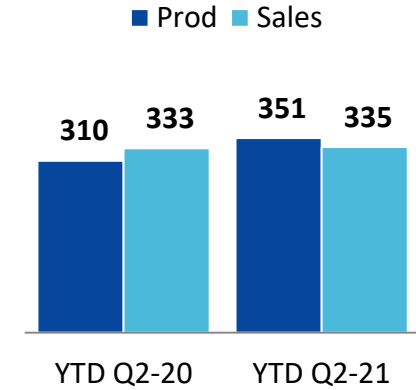
Higher Output with Capacity Growth

(all figures in KT)

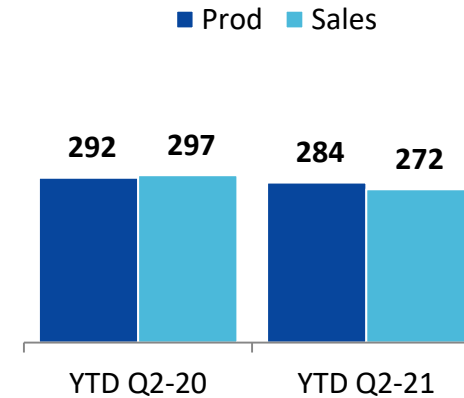
Ethylene⁽¹⁾



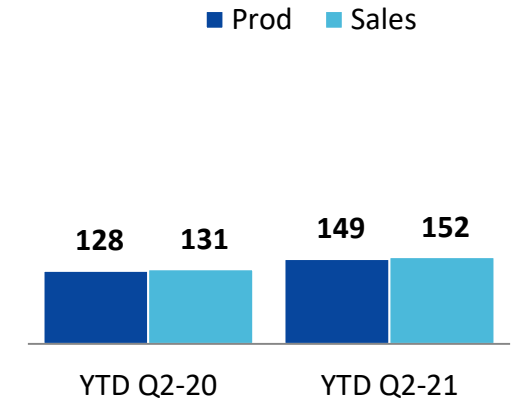
Polyethylene Plant



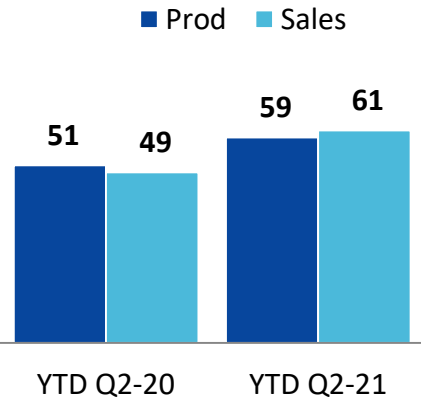
Polypropylene Plant



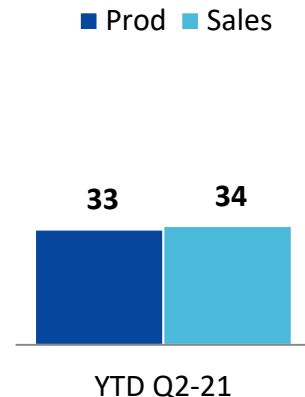
Styrene Monomer Plant



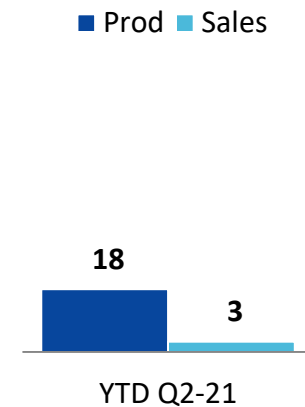
Butadiene Plant



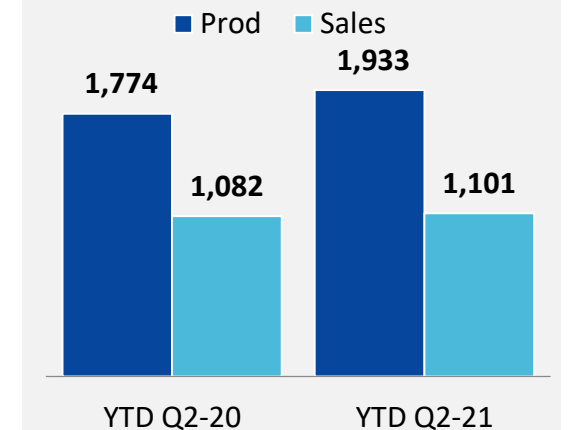
MTBE Plant⁽²⁾



Butene-1 Plant⁽²⁾



Total Production & Sales Volume



(1) Ethylene is used as a feedstock for our Polyethylene and Styrene Monomer plant according to its capacity while the remaining of Ethylene production is sold to merchant sales. Since New Polyethylene plant 400KTA operates in Q4 2019, Ethylene is mostly self consumed as feedstock for Polyethylene plant.

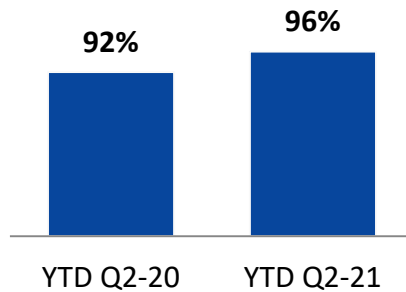
(2) New plants started-up in Q3 2020.

Operating Rates

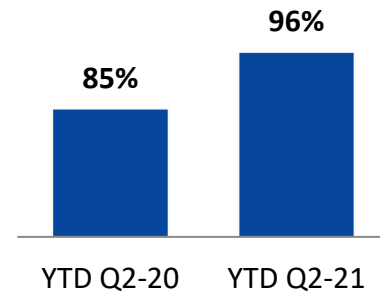
Improved Productivity with Safe and Stable Operations

(all figures in %)

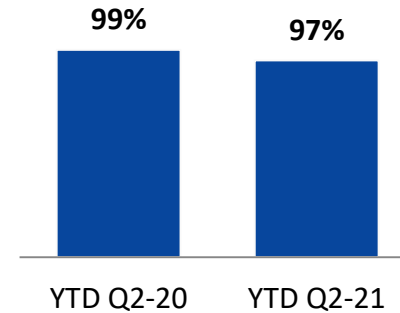
Naphtha Cracker



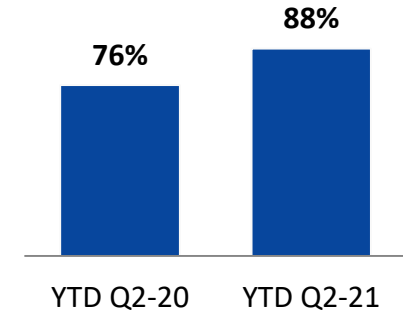
Polyethylene Plant



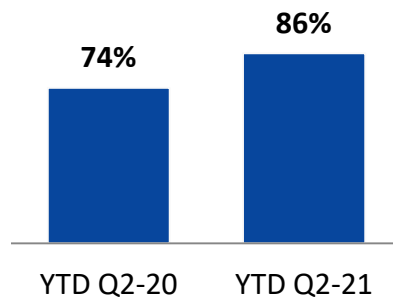
Polypropylene Plant



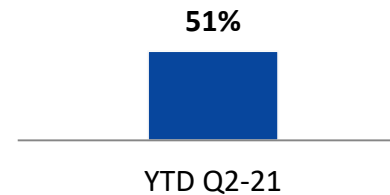
Styrene Monomer Plant



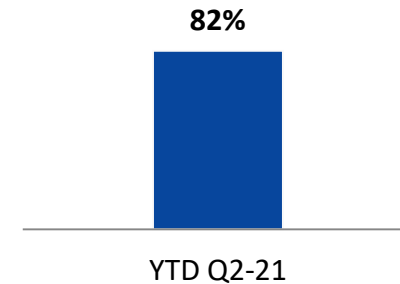
Butadiene Plant



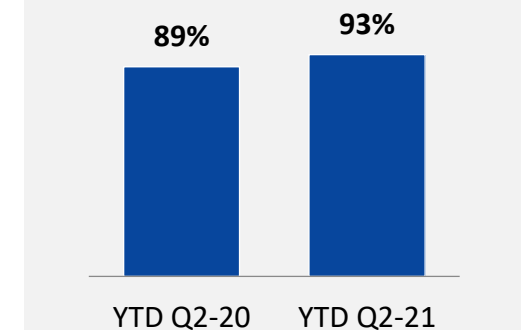
MTBE Plant



Butene-1 Plant



All Plants

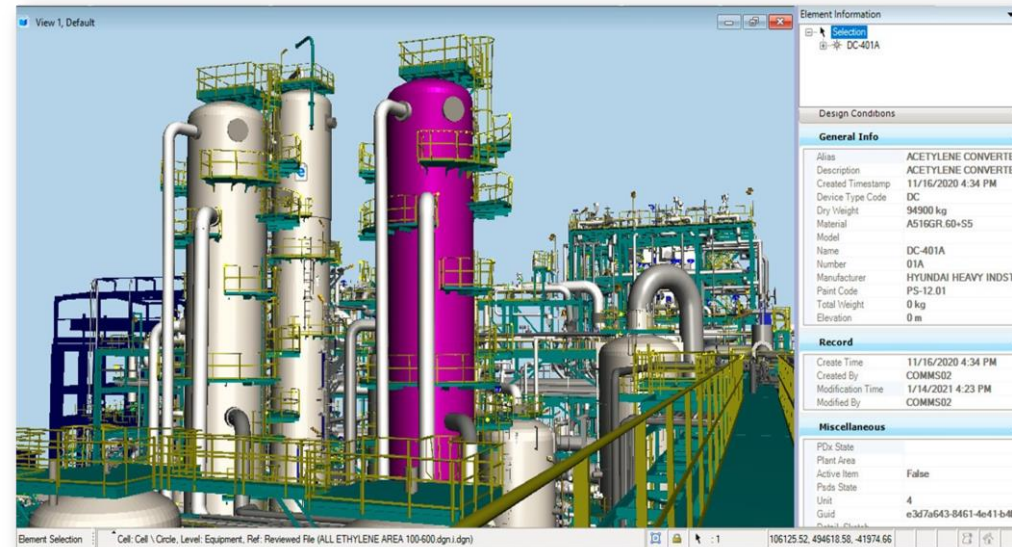


(1) New B1-MTBE plants on stream since September 2020. Whilst the plants are already fully operational meeting full specifications, the operating rates are subject to fulfilling long-term raffinate off-take agreements that will run until 2023. This was considered as part of the Final Investment Decision approval process.

Digital Transformation – Asset Information Management System

Partnership with Siemens and Bentley on Track to Deliver Step Change in Maintenance

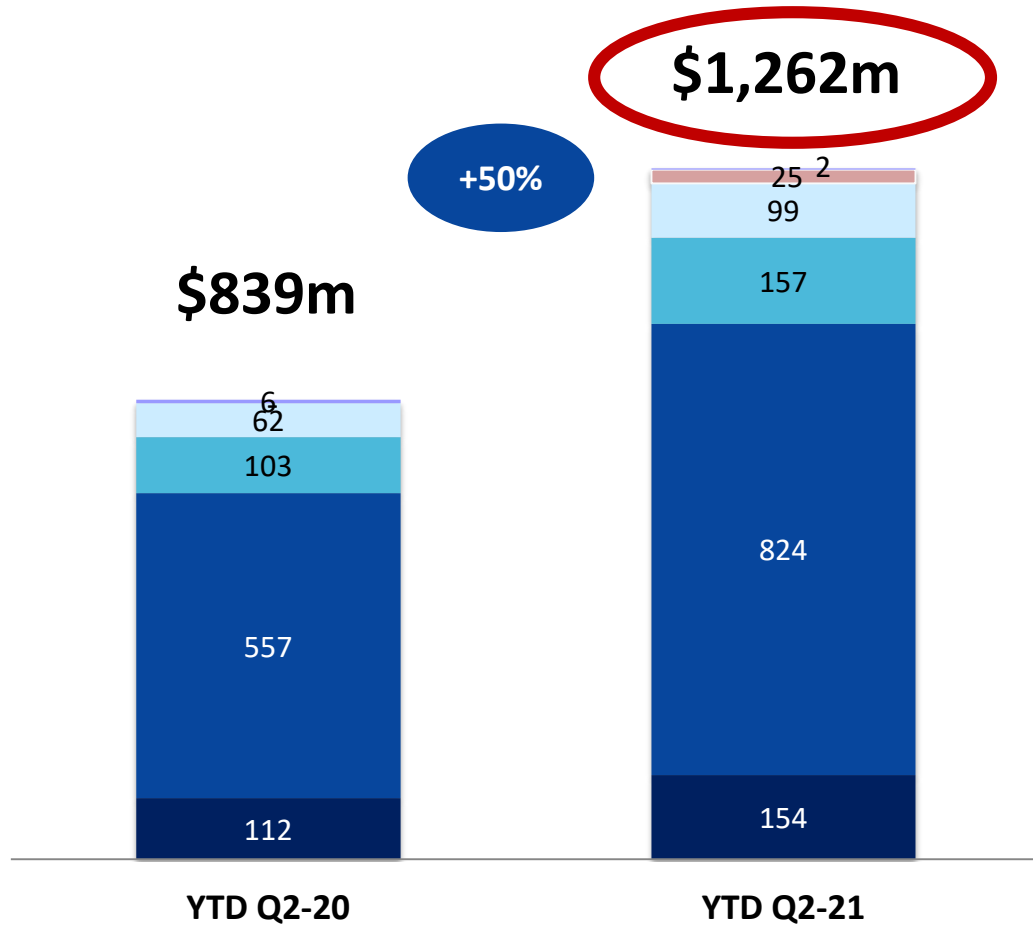
- First petrochemical digital twin system in Indonesia
- Successful completion of digitalization of the Ethylene plant, comprising more than 30,000 equipment tags
- Up to 70% improvement in Operational Efficiency and 90% in Maintenance Decisions



Revenues

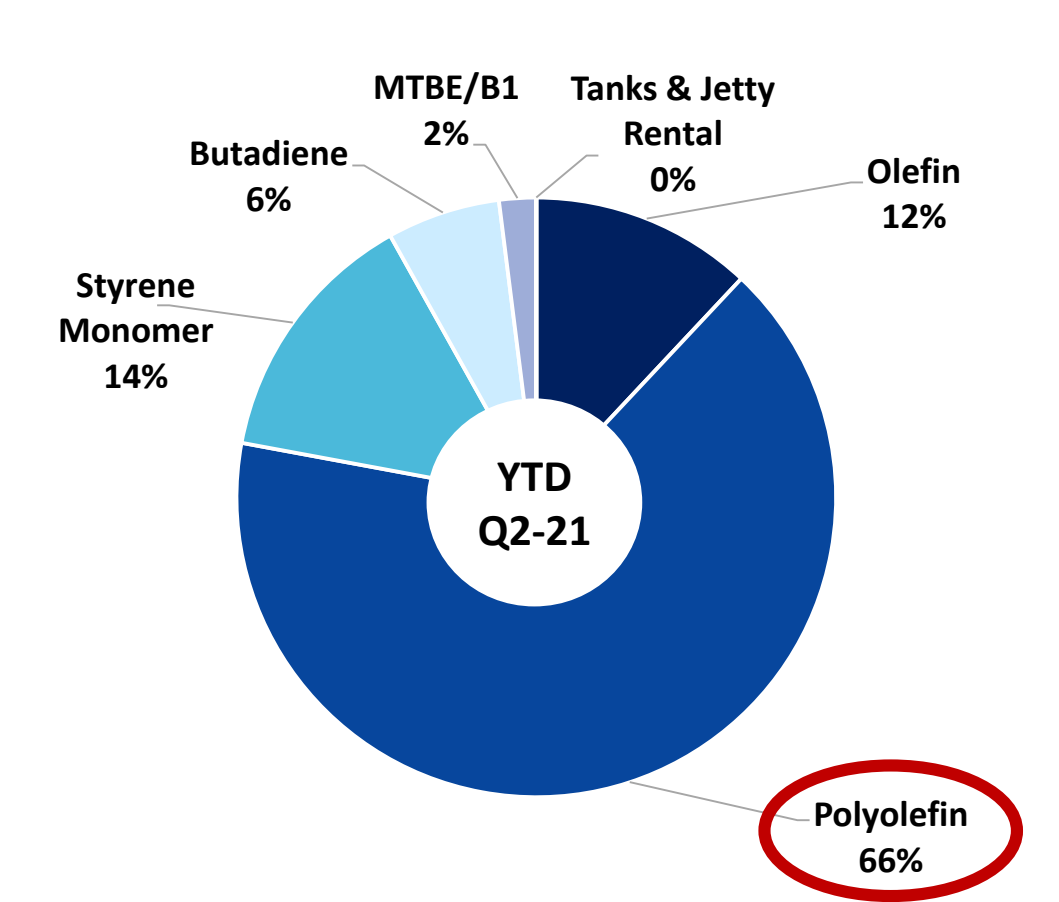
Broad-based Market Recovery Affirms Successful Execution of Downstream Integration

Net Revenues (US\$m)



■ Tanks & Jetty Rental
 ■ MTBE
 ■ BD
 ■ SM
 ■ Polyolefin
 ■ Olefin

Net Revenues Split (%)

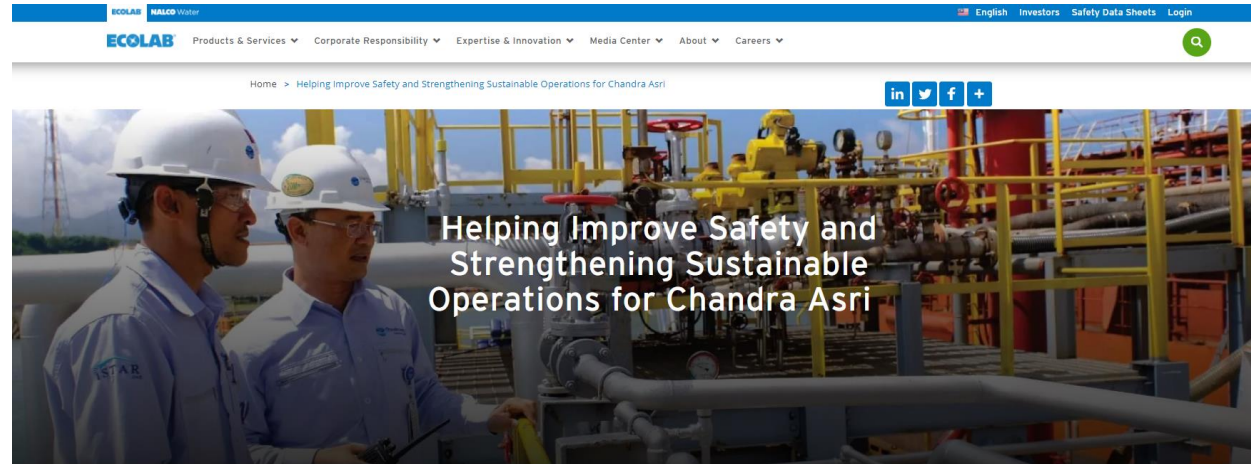


Cost Reduction with SPEED – Ecolab Partnership on Water Footprint

Further US\$4.5m/year Value Delivered with Positive Sustainability Impacts

“We are pleased to partner with Ecolab, in line with our ethos of being a growth partner, to mark another key milestone for Chandra Asri’s sustainability journey. We believe if we all act as responsible stewards for the environment, we will all benefit in the long run. Chandra Asri is fully committed towards delivering improvements that reduce our environmental footprint, as we actively seek to balance environmental, economic and social goals via transparent and proactive engagement with the community and key stakeholders around us.”

– **Erwin Ciputra**, President Director and Chief Executive Officer, Chandra Asri

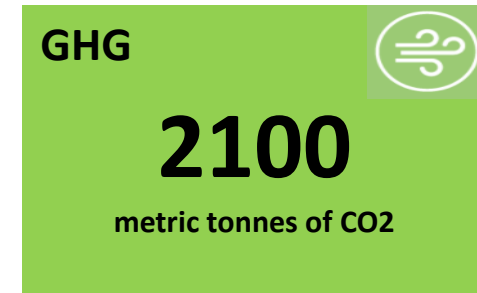
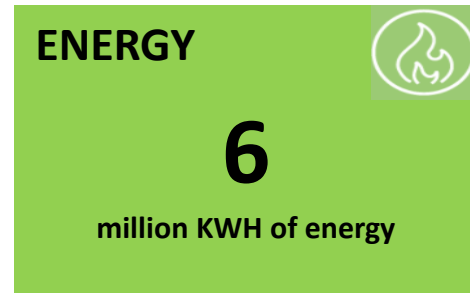
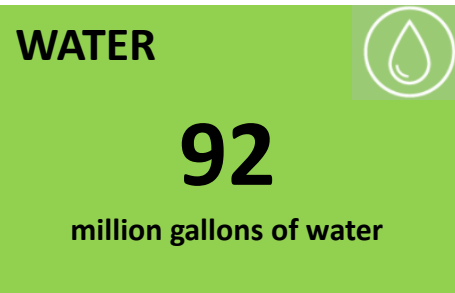


Insight

Chandra Asri Petrochemical is Indonesia’s largest integrated petrochemical company. It produces raw materials that are used in a variety of everyday products, from food packaging and water tanks to automotive parts and personal protective equipment. The company is committed to reducing its

eROISM

Annual Savings



Go To: <https://www.ecolab.com/stories/helping-improve-safety-and-strengthening-sustainable-operations-for-chandra-asri>

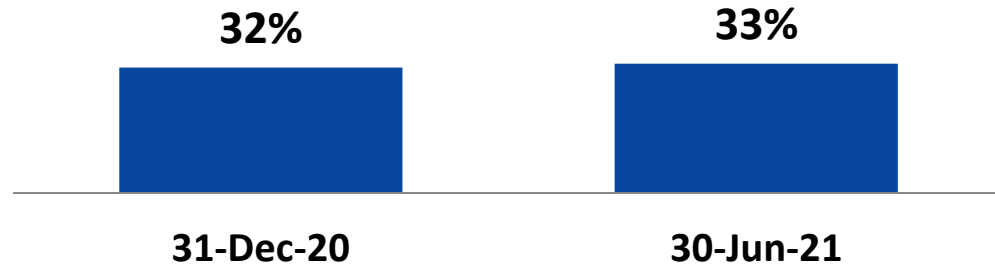
SPEED: Chandra Asri’s Structural Cost Reduction Program with 5 Key Levers of Scale, Process, ESG, E2E Procurement, Digital Transformation

Key Balance Sheet Highlights

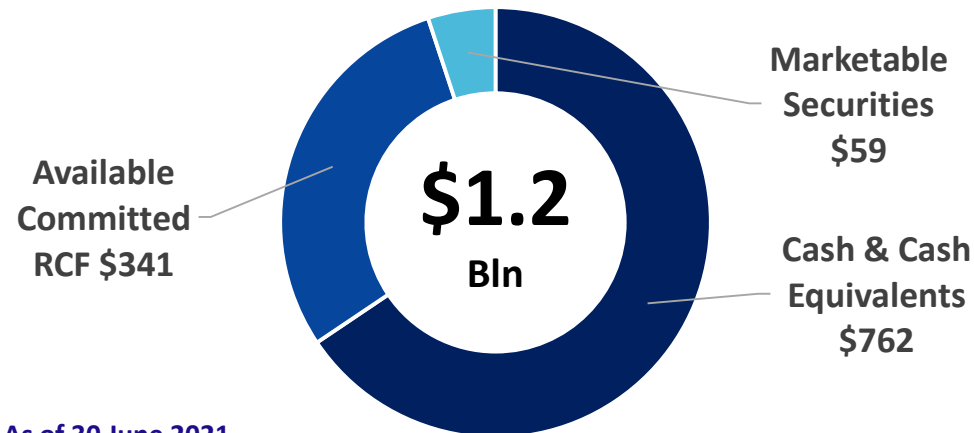
Strong Liquidity and Balance Sheet, with Competitive and Diverse Financing Sources

Debt to Capital Employed (%)

Max 50%



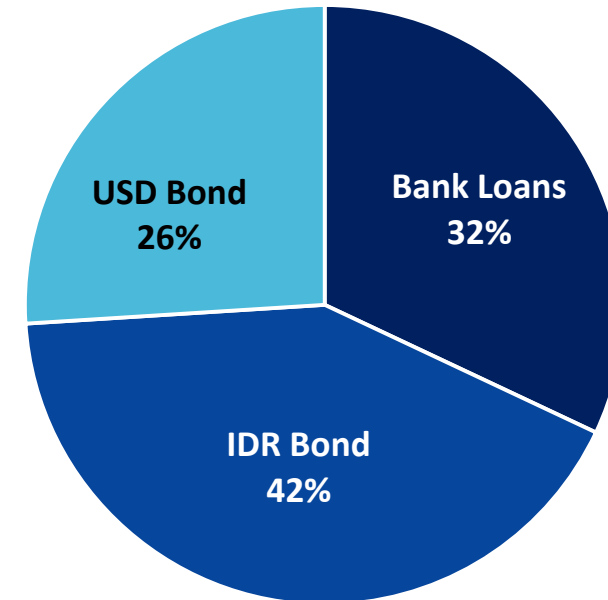
Total Liquidity Pool (US\$m)



As of 30 June 2021

Financing Sources (%)

As of 30 June 2021



- Bank Loans from long term Partner Banks and Japan Bank for International Cooperation (JBIC)
- IDR Bond issuance is part of an ongoing Shelf Program rated at idAA- by Pefindo
- USD Bond is a Reg S/144A issuance rated at BB-/Ba3 by Fitch and Moody's

Robust Capital Structure

Chandra Asri Partners with Bank Mandiri to Close Rp5 trillion/US\$350m Credit Facility



Chandra Asri – Bank Mandiri Credit Facility Signing in June 2021



Chandra Asri

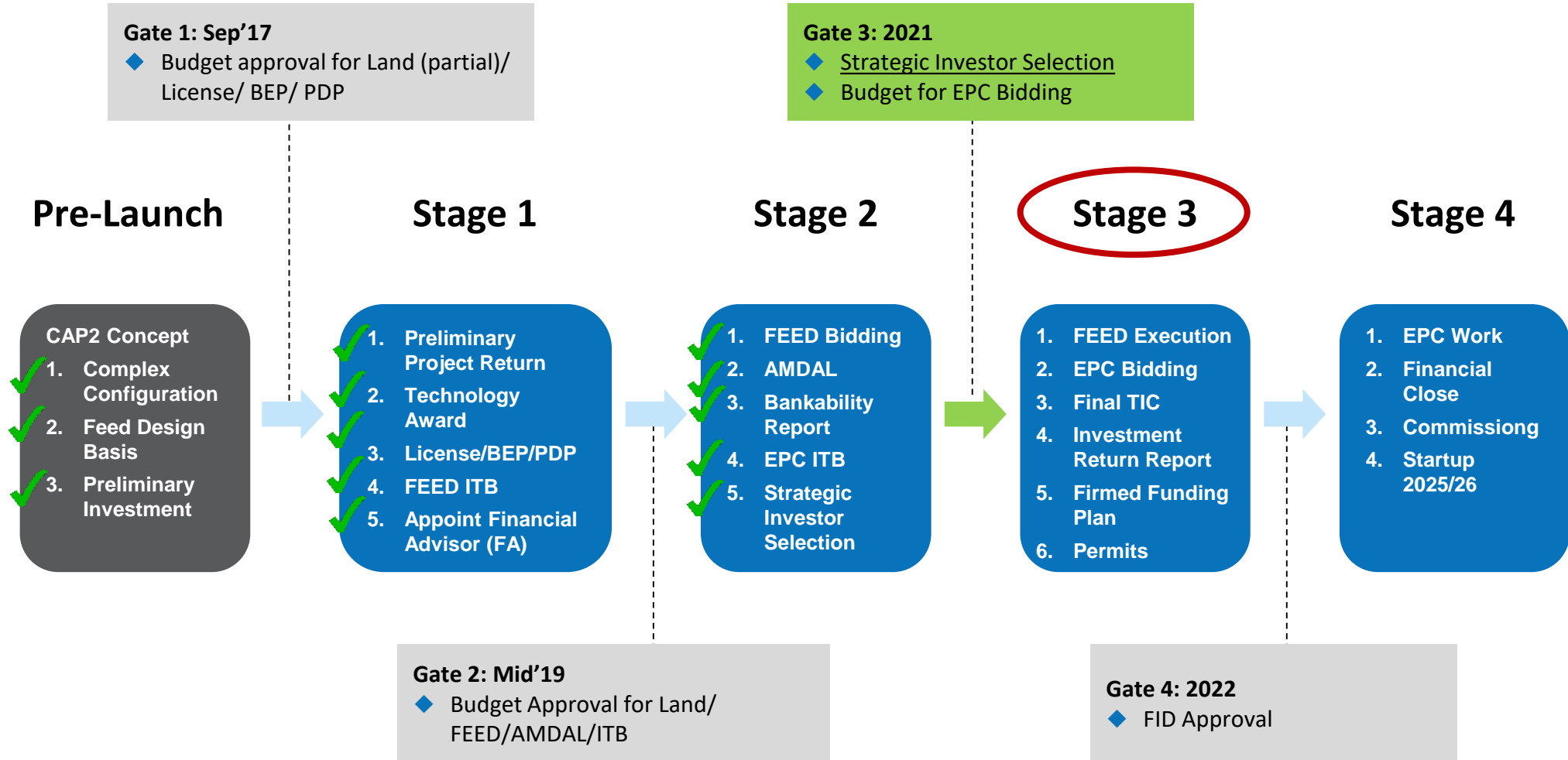
Your Growth Partner



STRATEGY AND GROWTH – CAP 2 PROJECT UPDATES

CAP 2 Stage-Gate Process and Timeline

Strategic Investor Finalization Unlocks Stage 3 with Target FID in 2022



CAP 2 Progress Overview

Well On Track with Achievement of Key Milestones

- 1 Sufficient Landbank achieved for plot plan
- 2 Tax Holiday for 20+2 years obtained
- 3 Licenses and Technology selected
- 4 FEED contracts ready to go
- 5 Capex plan and design firmed up +/- 30%
- 6 Clear financing plan with strong bank support
- 7 Consistent and solid government support
- 8 Environmental permit approved
- 9 LOI signed with utility partner
- 10 Strategic Investor Chosen - Thairoil



President of Indonesia, HE Joko Widodo:
“The development of Chandra Asri’s new CAP2 plant is a concrete step that is needed by our country”

6 December 2019 at the Inauguration of CAP’s 400KTA New Polyethylene Plant

Strategic Investor Finalized

Thaioil selected as Strategic Investor after a Robust and Comprehensive Selection Process



Signing Ceremony of Transaction Documents to Invest in CAP on 29 July 2021

Strategic Investor Selection Process Considerations

Win-Win-Win Strategic Alignment and Partnership Synergies



CAP Strategic Alignment

- **Leading operator of petrochemical complex** in Indonesia
- Track record of **sustainable and profitable growth**
- Highly visible **growth opportunity from development of CAP2**
- **Sponsored by Barito Group**

SCG Strategic Alignment

- **CAP's long-term partner**
- **Long track record and expertise in PetChem**
- Recent **experience in mega project** development, i.e. Longson PetChem project in Vietnam
- **Equity funding** for development of CAP2

TOP Strategic Alignment

- **Long-term feedstock supply security**
- Expertise in **margin improvement program** and **operational excellence program**
- Recent **experience in mega project** development, i.e. Clean Fuel Project
- **Equity funding** for development of CAP2

Partnership Synergies



Planning, development and construction of **CAP2**



Feedstock supply by TOP to enhance feedstock security for CAP



Product distribution by TOP to further expand CAP distribution network



Knowledge / expertise transfer between both organizations



Future additional collaborations between CAP, SCG Chemicals and TOP

Notes:

(1) Long Son petrochemicals complex is an integrated petrochemical complex being constructed in Long Son Commune of Ba Ria-Vung Tau Province, Vietnam by SCG Chemicals.

(2) The Clean Fuel Project (CFP) is the increase in refining capacity by Thaioil at its Thaioil Refinery in Sriracha, Chonbur, Thailand.

CAP 2 Plant Configuration

World-Scale Integrated Petrochemical Plant to double total capacity to >8 MTPA

Summary (Full configuration)

Location: Java, Indonesia

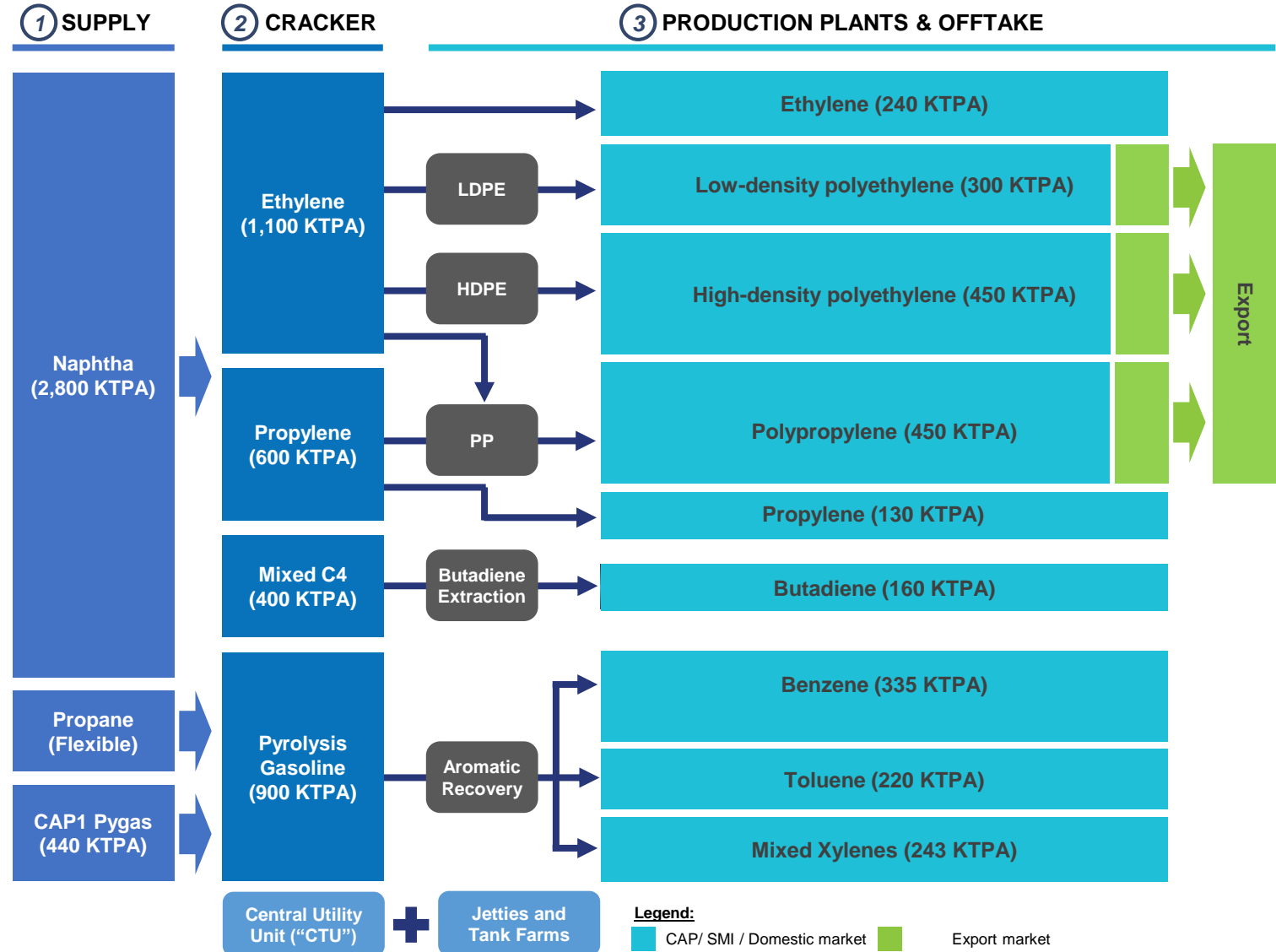
Land size: c. 200 ha

Plants:
Naphtha cracker
LDPE
HDPE
PP

Butadiene extraction
Aromatic recovery

EPC:
Reputable EPC contractors
subject to Front End
Engineering and Design

- 1 Naphtha to be the main feedstock to be supplied by Thairoil and other traders/IOC/NOC. Pygas will be sourced from CAP1 to reduce logistics and transportation cost.
- 2 The flexible-feed cracker will be able to consume a mix of naphtha and LPG as feedstock.
- 3 CAP2 has been designed to primarily meet the growing domestic demand in olefins and aromatics in Indonesia. CAP2's design configuration combines proven technologies to ensure high product quality and cost competitiveness.





For more information please contact:

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