

PT Chandra Asri Petrochemical Tbk

# Q3 2021 Results

2 November 2021 Earnings Call

Presentation to Analysts and Investors



# 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.



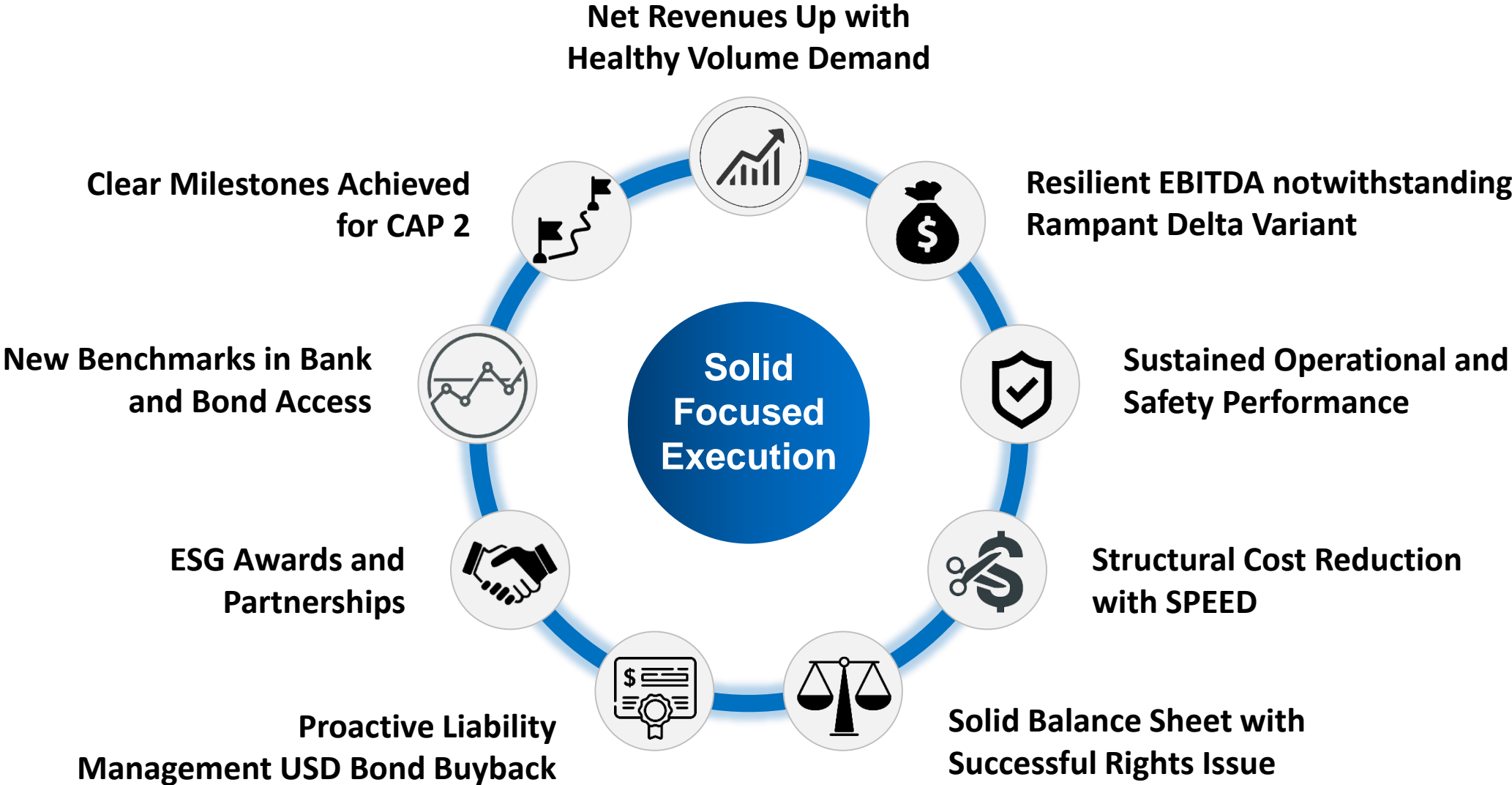
Chandra Asri

## AGENDA

- 1** Summary Highlights
- 2** Performance Overview
- 3** Strategy & Growth



# Management Overview Q3 2021



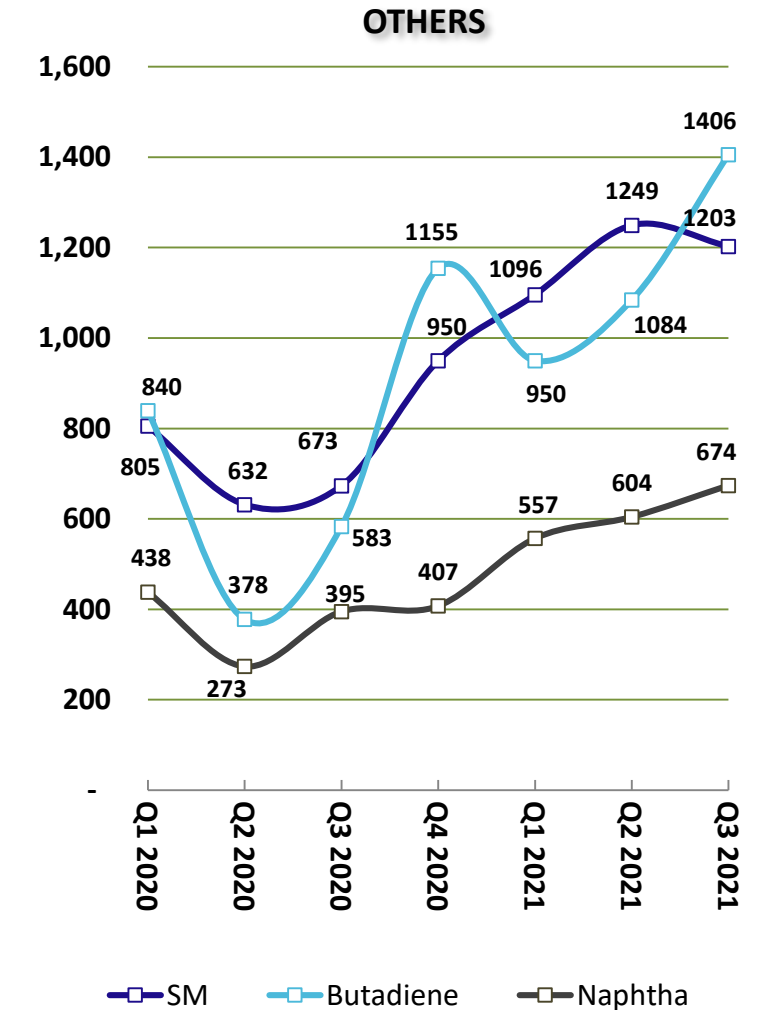
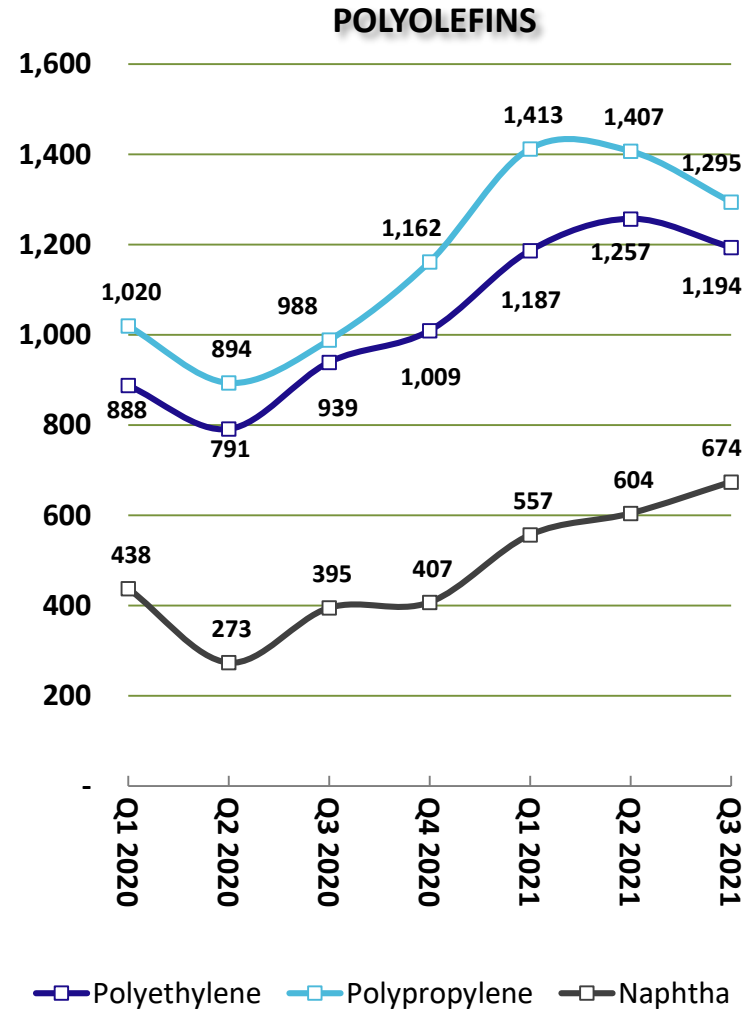
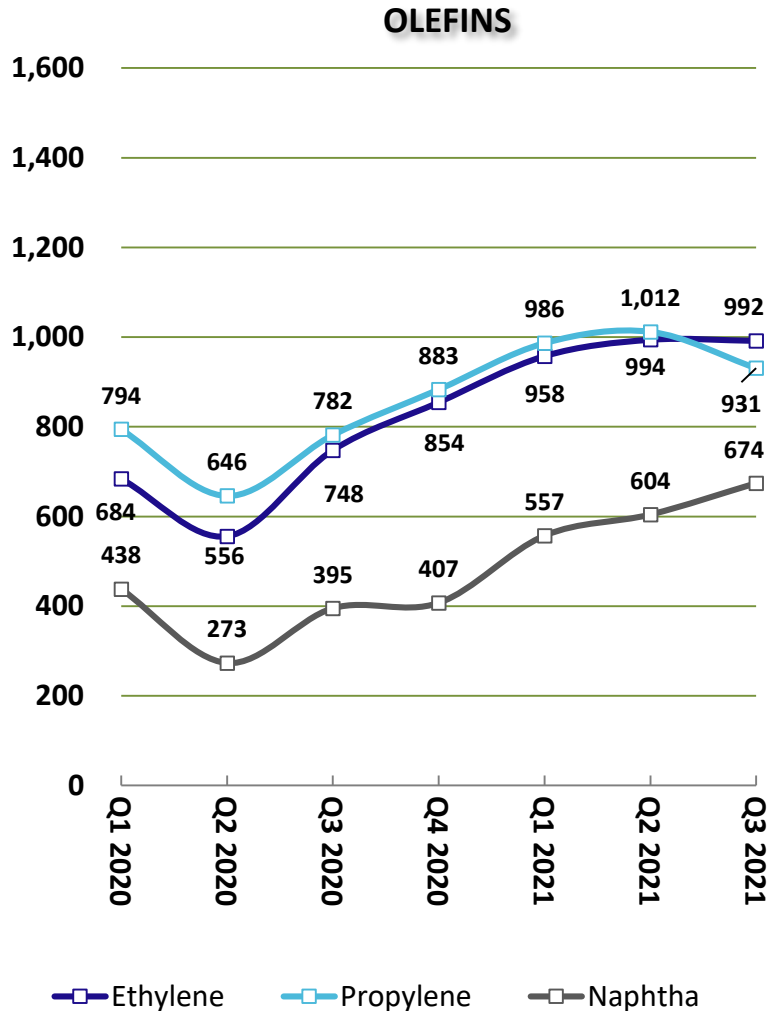
# Financial Highlights

<b>US\$m</b> unless otherwise stated	YTD Sep 20	▶	YTD Sep 21
Revenue	\$1,268m	↑	\$1,881m
EBITDA	\$66m	↑	\$314m
Net Income	(\$19m)	↑	\$166m
Liquidity Pool	\$797m	↑	\$2,211m
EBITDA Margin (%)	5%	↑	17%
Net Debt-to-EBITDA (times) (rolling 12 months)	3.7x	↓	Net Cash
Net (Debt) / Cash	(\$320)	↓	\$766m

# Market Product Prices

## Moderating spreads with the rampant COVID-19 Delta variant in Q3 2021

(all figures in US\$/T)



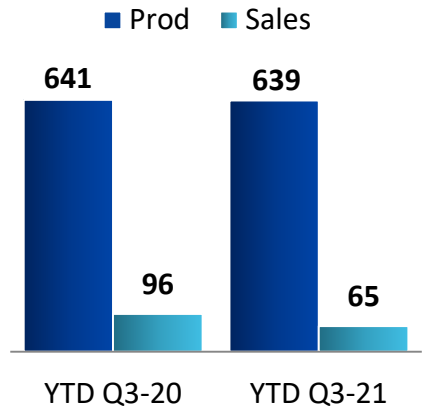
Note: Market data from ICIS

# Production and Sales

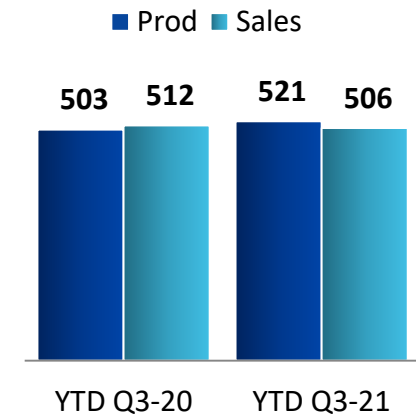
**With internal Ethylene and B1 consumption, sales volume remains stable**

(all figures in KT)

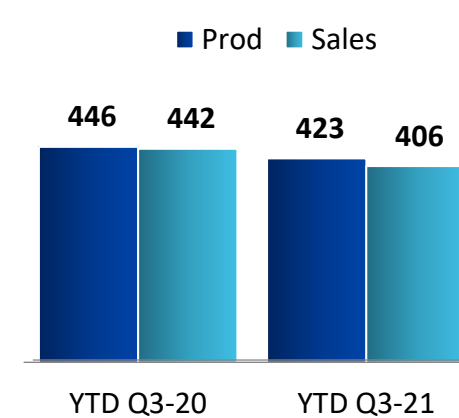
Ethylene<sup>(1)</sup>



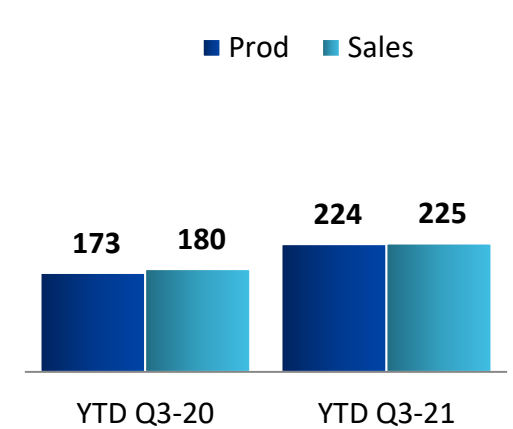
Polyethylene Plant



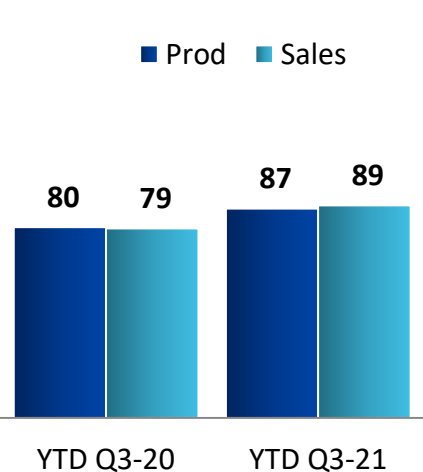
Polypropylene Plant



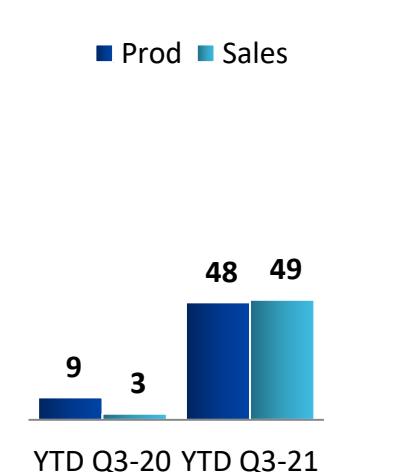
Styrene Monomer Plant



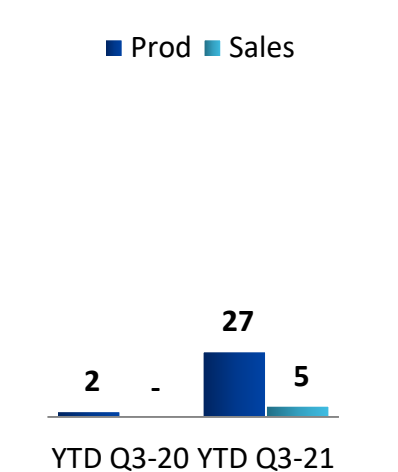
Butadiene Plant



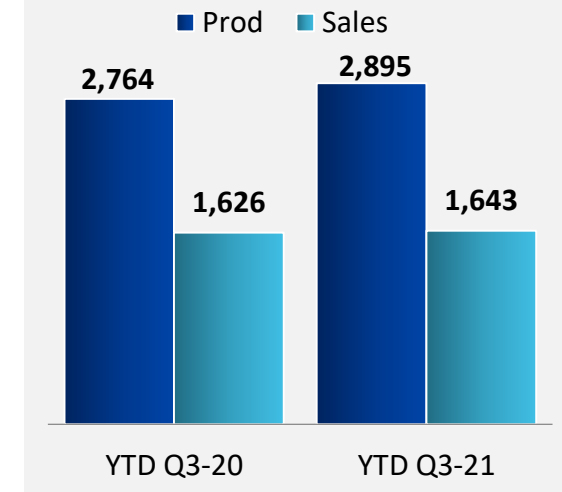
MTBE Plant<sup>(2)</sup>



Butene-1 Plant<sup>(2)</sup>



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.

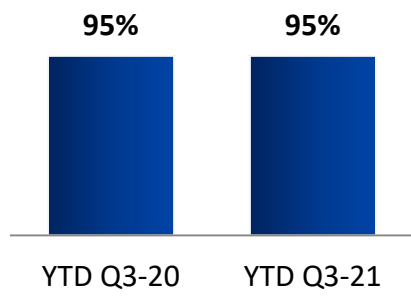
(2) New B1-MTBE plants started-up since 29 August 2020.

# Operating Rates

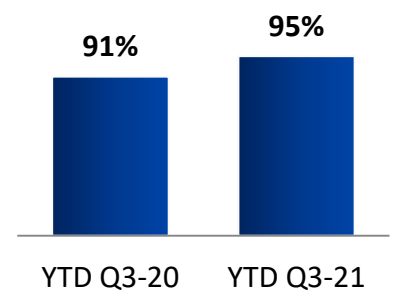
## Plants running safely with sustained operational excellence

(all figures in %)

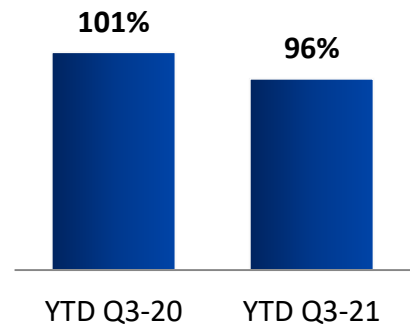
### Naphtha Cracker



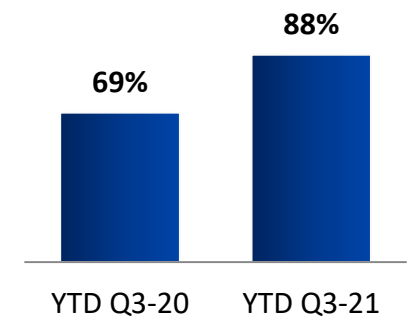
### Polyethylene Plant



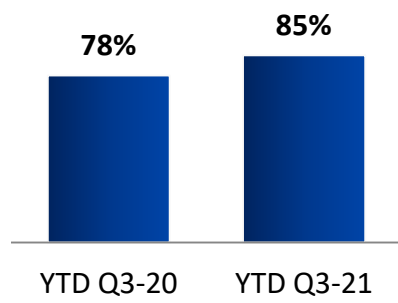
### Polypropylene Plant



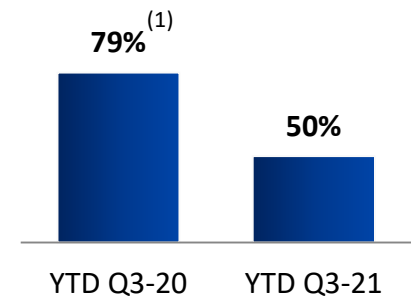
### Styrene Monomer Plant



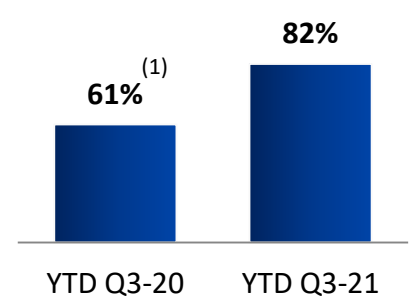
### Butadiene Plant



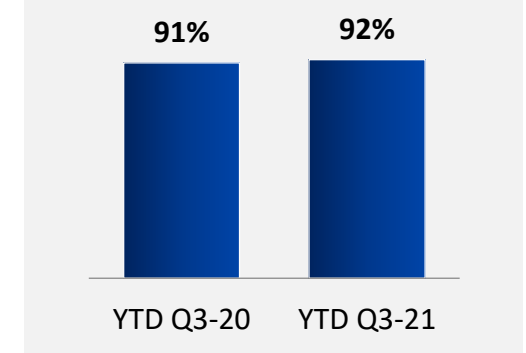
### MTBE Plant



### Butene-1 Plant



### All Plants



(1) New B1-MTBE plants on stream since 29 August 2020.

(2) Whilst B1-MTBE 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.

# ESG Leadership and Partnership (1 of 2)

## Continued expansion of partnership with market leaders



### SOLAR PANEL INSTALLATION

- Total Energies delivers the second solar rooftop installation for Chandra Asri.
- The 3,146 panels installed increases the solar power capacity by more than 50% - significantly increasing cost savings and reducing carbon footprint, est. 1,080 tons of CO<sup>2</sup> emissions per year. The capacity is 1,153 kWp and generates 1,500 MWh.



### TURNING PLASTIC WASTE INTO ASPHALT

- Utilizing 5.37 tons of plastic waste (~3.58m plastic bags) with Sinar Mas Land applying asphalt with a mixture of plastic waste in BSD City, a total area of 15,518 m<sup>2</sup>. It increases road durability by up to 40%.
- The initiative is part of Chandra Asri's "Plastic Asphalt for Beautiful Indonesia" program implemented since 2018.



### WINNING ICSR AWARDS

- ICSR IV 2021 Awards
- 2<sup>nd</sup> The Best of The Best – CSR of The Year 2021 Category: Industry Non-Finance Public Company
  - 2<sup>nd</sup> The Best CSR of The Year 2021 Category: Public Company for Industry

# ESG Leadership and Partnership (2 of 2)

Awards recognizes Chandra Asri's ESG efforts are on the right track



## WINNING SUBROTO ENERGY EFFICIENCY AWARD 2021

“Energy Saving in Coal Boiler Operations with Innovations in Economizer & Air Preheater and Optimization of Coal Procurement with an Acceptance Ratio of 70% Fine and 30% Nut”.

Subroto Award is the highest in the energy and mineral resources sector given to stakeholders who have performed the best.



## WINNING ISDA AWARD 2021

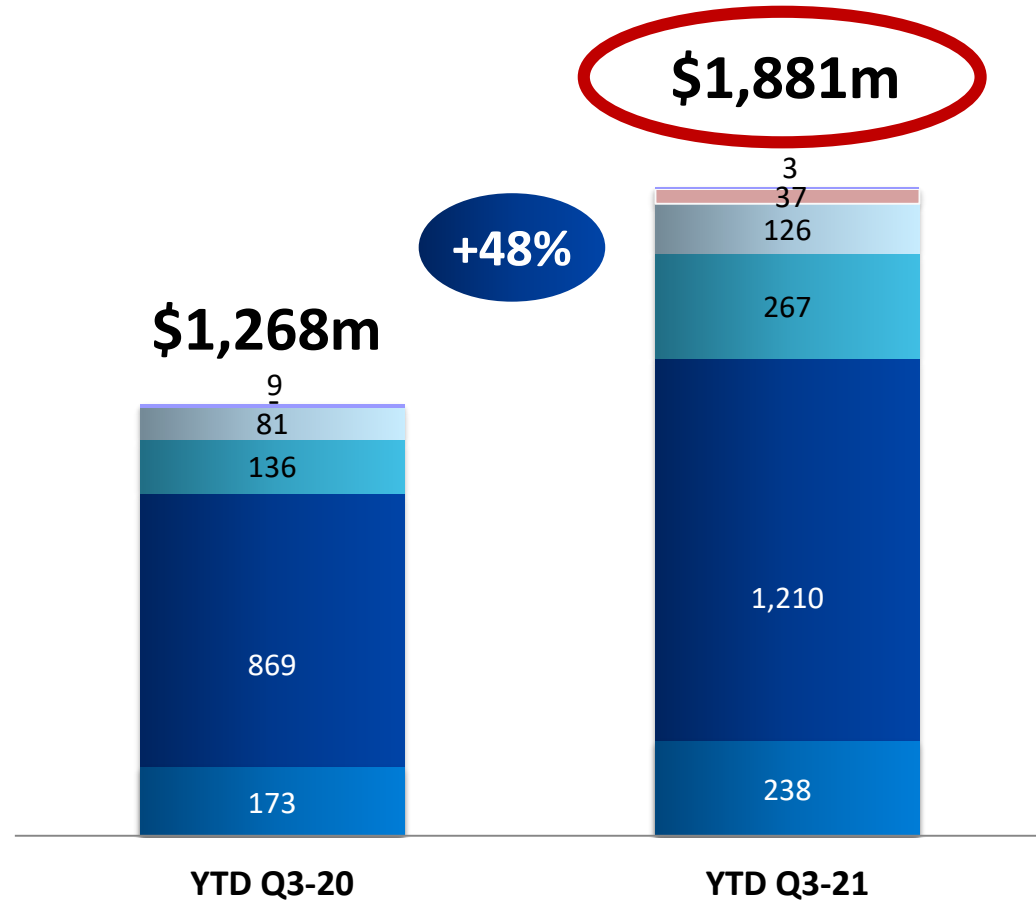
Indonesia Sustainable Development Goals (ISDA) Award 2021, a recognition of Chandra Asri's continuous contributions in social, environment, health and nature conservation.

- The Most Committed Corporate for SDGs on Environment
- Platinum Category
- Gold Category
- Silver Category

# Revenues

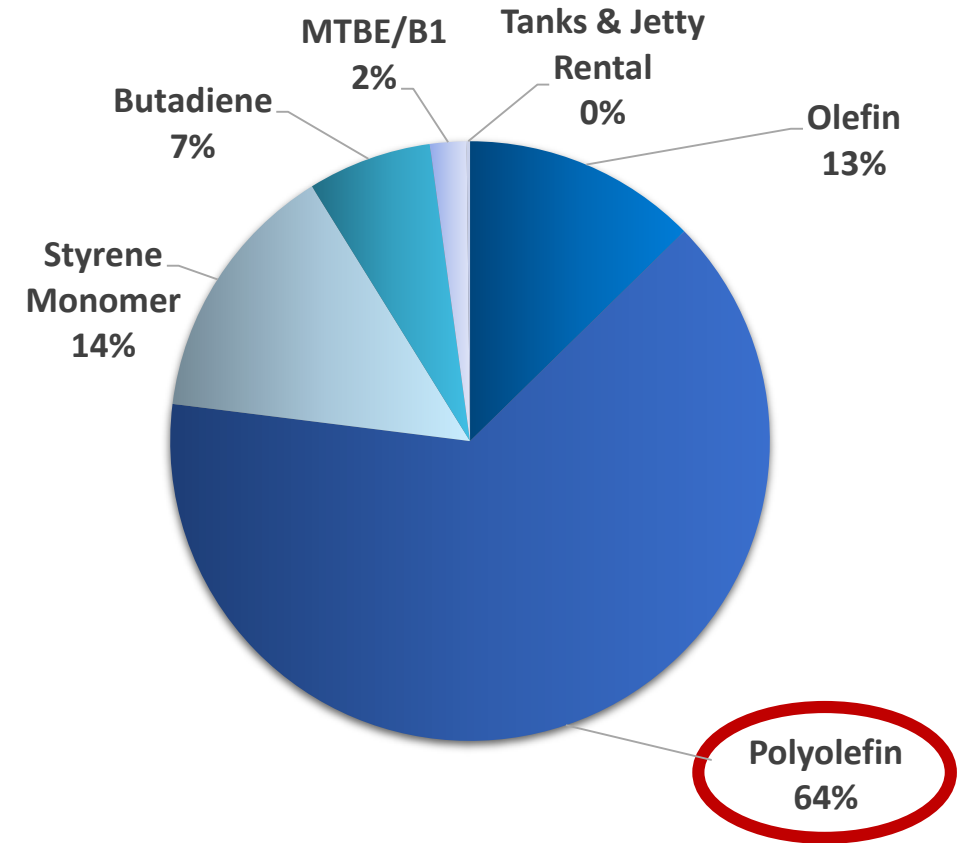
Higher revenue largely supported by stronger product prices especially for Polymers

Net Revenues (US\$m)



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

Net Revenues Split (%)

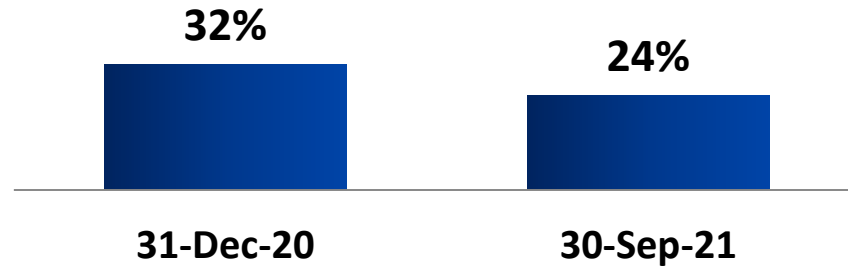


# Key Balance Sheet Highlights

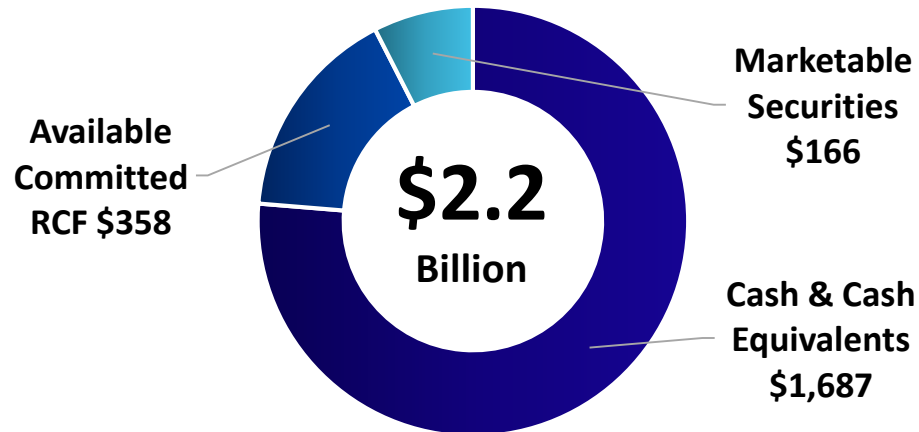
Maintained financial resilience with strong liquidity and diverse financing sources

## Debt to Capital Employed (%)

Max 50%

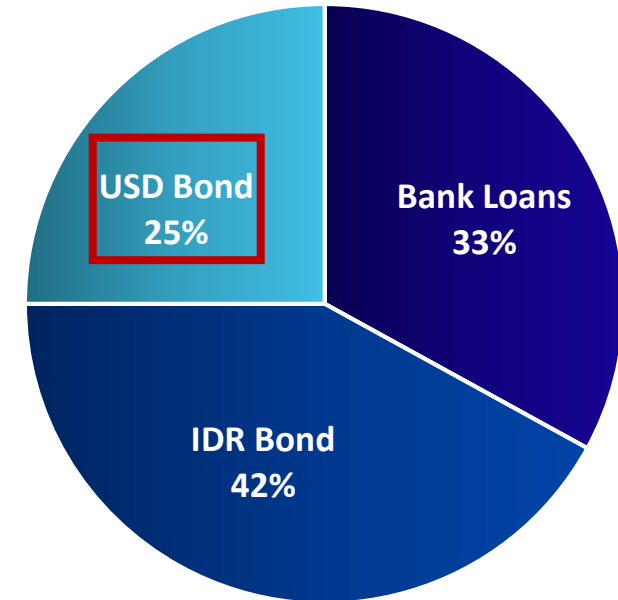


## Total Liquidity Pool (US\$m)



## Financing Sources (%)

As of 30 September 2021

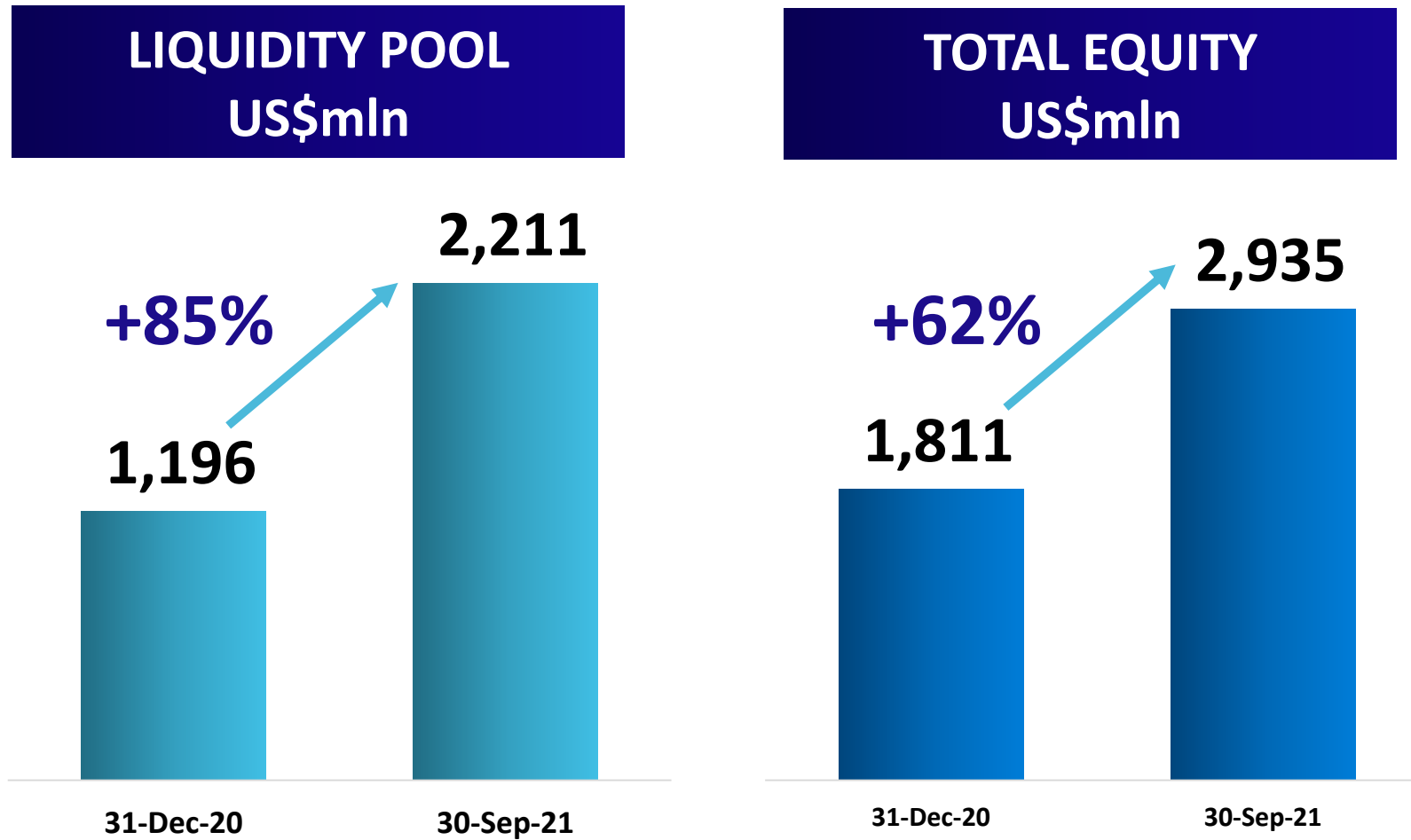


- Bank Loans from long term Partner Banks and Japan Bank for International Cooperation (JBIC)
- IDR Bond issuance is part of an ongoing Shelf Program rated at idAA- by Pefindo
- **USD Bond is a Reg S/144A issuance rated at BB-/Ba3. Will be called back in November 2021 in line with Proactive Liability Management.**

As of 30 September 2021

# Completion of Rights Issue

Established solid equity base with robust liquidity pool



# IDR Bonds Highlight

## Breakthrough Milestones in latest IDR bond issuance



# Broader and Deeper Bank Relationships

**Closing Landmark Balloon Facilities with tenors of 7 - 10 years**



**Chandra Asri – Bank Central Asia Credit Facility Signing in September 2021 amounting IDR1.9t (US\$135m)**



**Chandra Asri – Bank Negara Indonesia Term Loan Facility Signing in October 2021 amounting US\$250m**



# STRATEGY & GROWTH CAP 2 PROJECT UPDATES



# CAP 2 Progress Overview

**Many key milestones completed. FEED Award is next major step.**

- 1 Sufficient Land Bank Achieved for Plot Plan
- 2 Tax Holiday for 20+2 years Obtained
- 3 Licenses and Technology Selected
- 4 FEED Selection Process Initiated
- 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 (Amdal) Approved
- 9 LOI Signed with Utility Partner
- 10 Strategic Investor Chosen - Thaioil
- ✓ 11 Capital Injection through Rights Issue
- ✓ 12 MoU signed with ARAMCO for Long-term feedstock supply



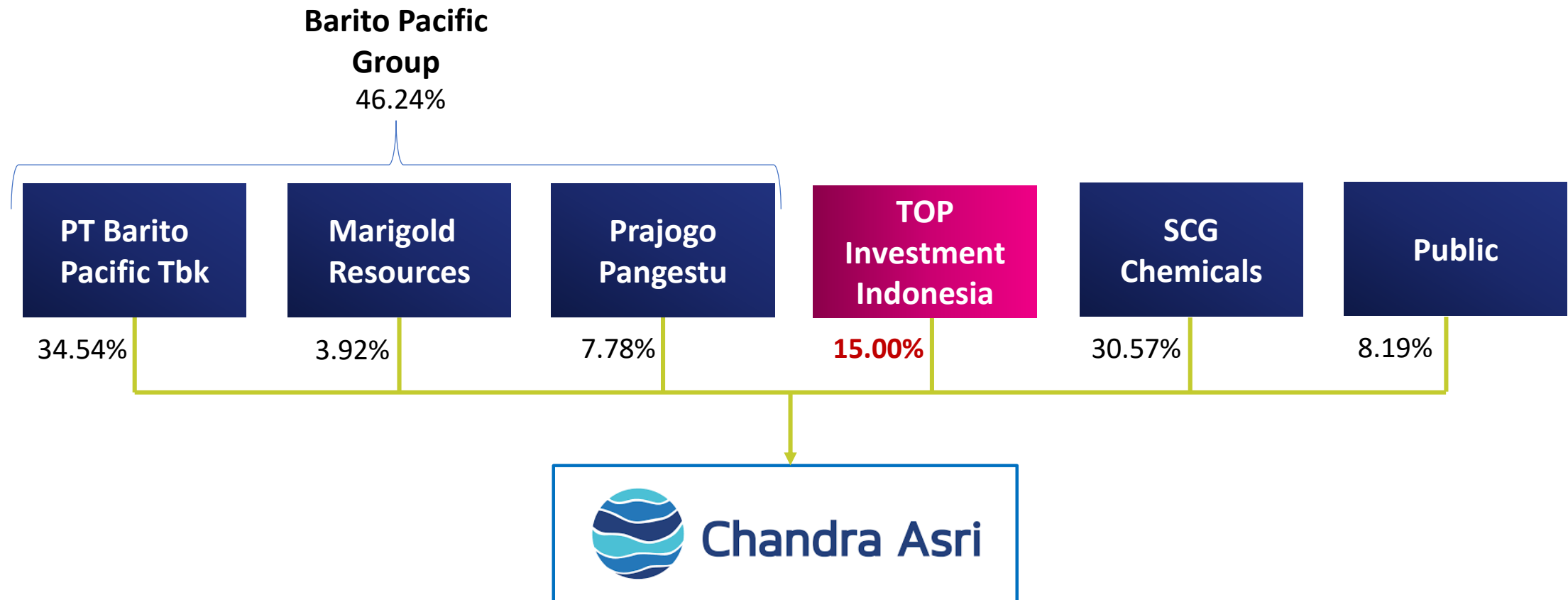
**NEXT MILESTONE**  
**FEED AWARD**  
**WITHIN Q4 2021**



Key Milestones Achieved in Q3 2021

# Enhanced Credit Strength with New Cornerstone Investor - Thairoil

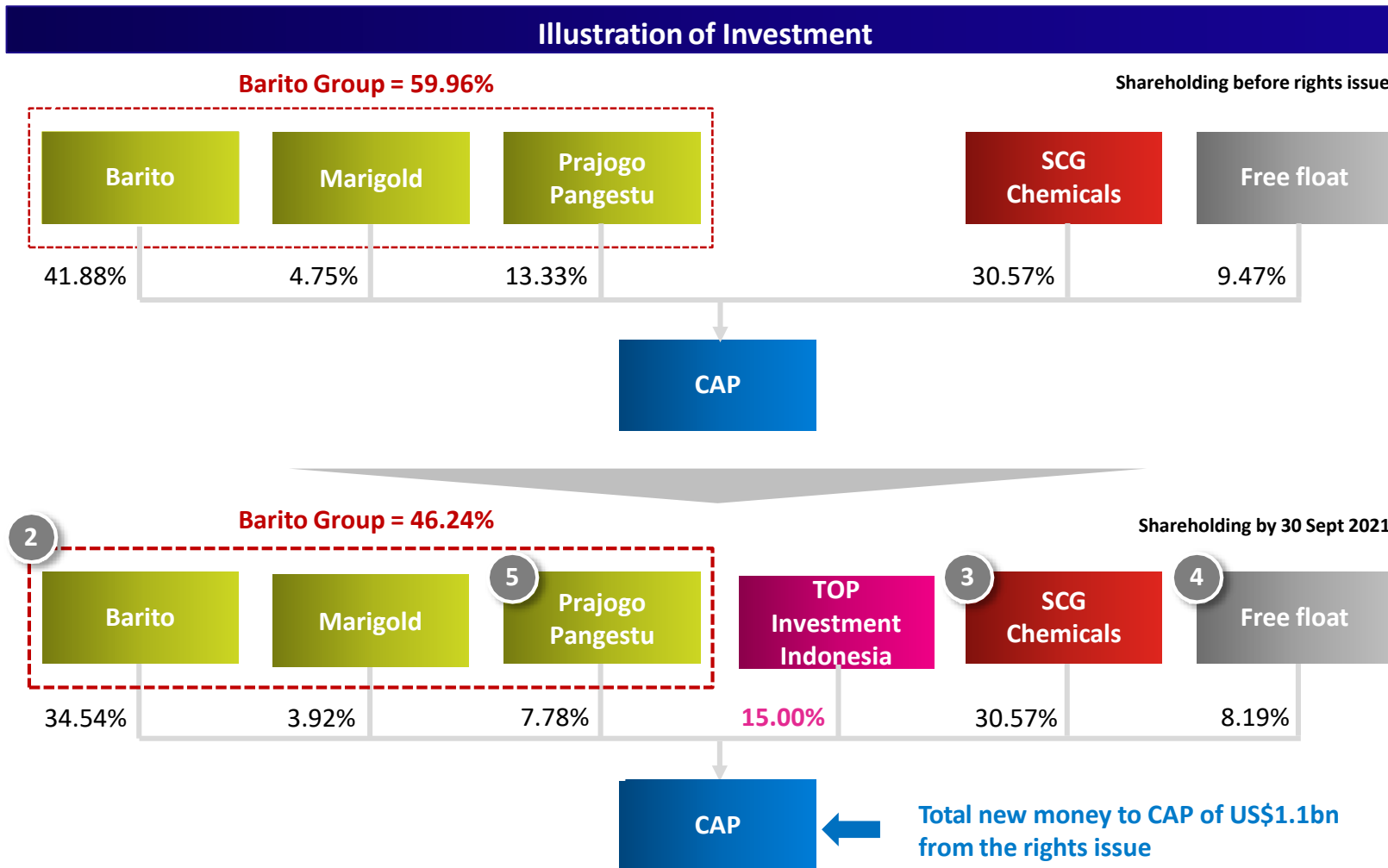
## Pre-emptive rights issue completed successfully in September 2021



Note: Group Structure September 2021. TOP refers to Thai Oil Public Company Limited.

# Investment Mechanics

## Smooth and flawless execution of a multi-step corporate structuring exercise



### 1<sup>st</sup> Tranche Mechanics

- 1 CAP carried out a rights issue by issuing 3.79 billion new shares to existing shareholders (10 new shares for every 47 existing) at US\$0.2815 or IDR4,082 per share
- 2 TOP acquired rights from Barito Group and subscribed to new CAP shares according to such rights
- 3 SCG Chemicals exercised its rights and subscribed to new shares to maintain its current shareholding
- 4 TOP acted as a standby purchaser to acquire and exercise all unexercised rights by the public
- 5 Top-up from Mr. Prajogo Pangestu as required such that TOP holds exactly 15.00% in CAP after the 1<sup>st</sup> tranche

### 2<sup>nd</sup> Tranche Mechanics\*

- Subject to FID of CAP2, TOP will invest another **US\$270mln to reach shareholding of 15.38%**
- Subject to FID of CAP2, SCG will invest another **US\$107mln to retain shareholding of 30.57%**

# Secured Feedstock Requirements Signed MoU with Aramco Trading Company

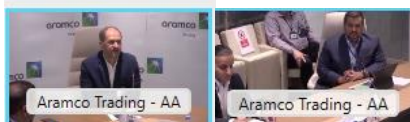
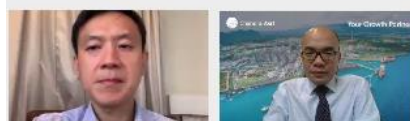
Aramco Trading Company to supply up to 85% of CAP 2 requirements for a long-term period



## Virtual MOU Signing

Chandra Asri and Aramco Trading Company  
Signing of Memorandum of Understanding to  
Secure Feedstock for Indonesia's Second  
Petrochemical Complex

October 12, 2021, Tuesday, 8:30AM



*“This collaboration highlights ATC’s commitment to explore opportunities between our two businesses, as ATC expands its portfolio in the Indonesian market. We hope to strengthen our footprint in the Asian market where our volume of trading has remarkably increased over the years. Particularly, ATC seeks to explore Indonesia’s vast potential as a rising economic powerhouse, with expanding refining capability and huge growth in the demand for energy products.”*

**Ibrahim Albuainain, Chief Executive Officer of ATC**





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