



Chandra Asri  
Petrochemical



**Public Expose 2016**

**PT Chandra Asri Petrochemical Tbk**

**Jakarta, 6 June 2016**



Certificate Number: 1007/00963



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Certificate Number: 1002/54337



Certificate Number: 1002/54337

# **1. Company Profile**

- 2. Operational & Financial Performance
- 3. Project Updates
- 4. Industry Outlook

## 1. Company Profile

### 2. Operational & Financial Performance

### 3. Project Updates

### 4. Industry Outlook



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## Company Profile (“CAP”)

- The largest integrated producer of Olefins and Polyolefins in Indonesia.
- Producing plastic raw materials and chemicals used in a variety of everyday consumer products (packaging, pipes, jerry cans, automotive, electronics, shoes, etc.).
- Owns the only Naphtha Cracker, Styrene Monomer, and Butadiene plant in Indonesia.
- The largest producer of Propylene (470KTA) & Polypropylene (480KTA) in Indonesia.
- Sole producer of Ethylene (860KTA); and one of two Polyethylene producers (336KTA) in Indonesia.
- Strategic/adjacent plant location with customers in the industrial estate of Cilegon-Merak.
- Operates 3 Jetty with capacity of DWT 6K, 10K, and 80K within the plant complex to facilitate logistics.
- Majority Shareholders, Barito Pacific Grup\* (65.2%) and SCG Chemicals (30.5%) as of May 2016.

Notes: (\*) Including the ownership of Marigold Resources and Magna Resources.

KTA: Kilo tonnes per annum; DWT: Dead-weight ton



Integrated Petrochemical Complex



Naphtha Cracker



Polypropylene Plant



Styrene Monomer Plant

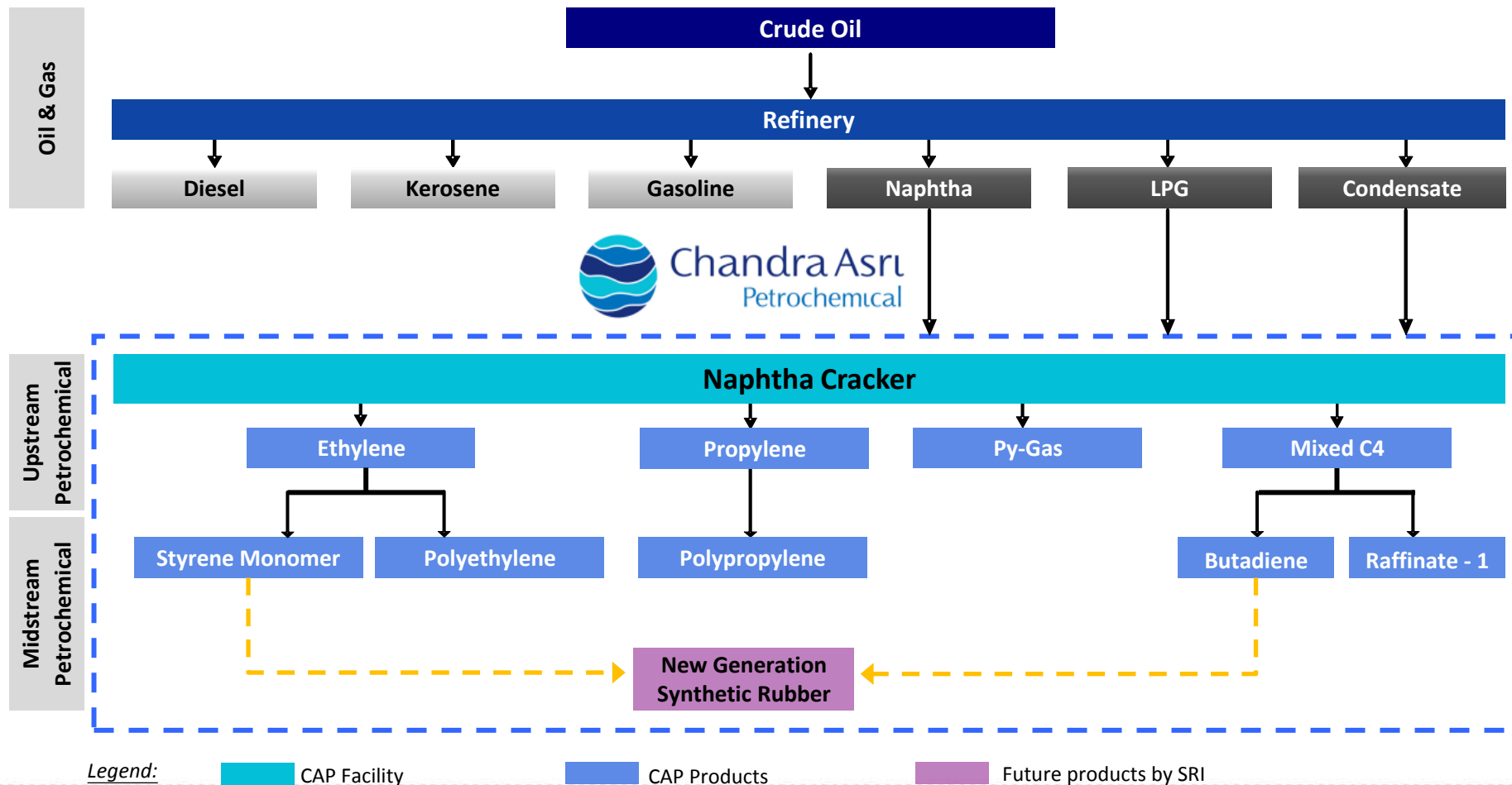


Butadiene Plant



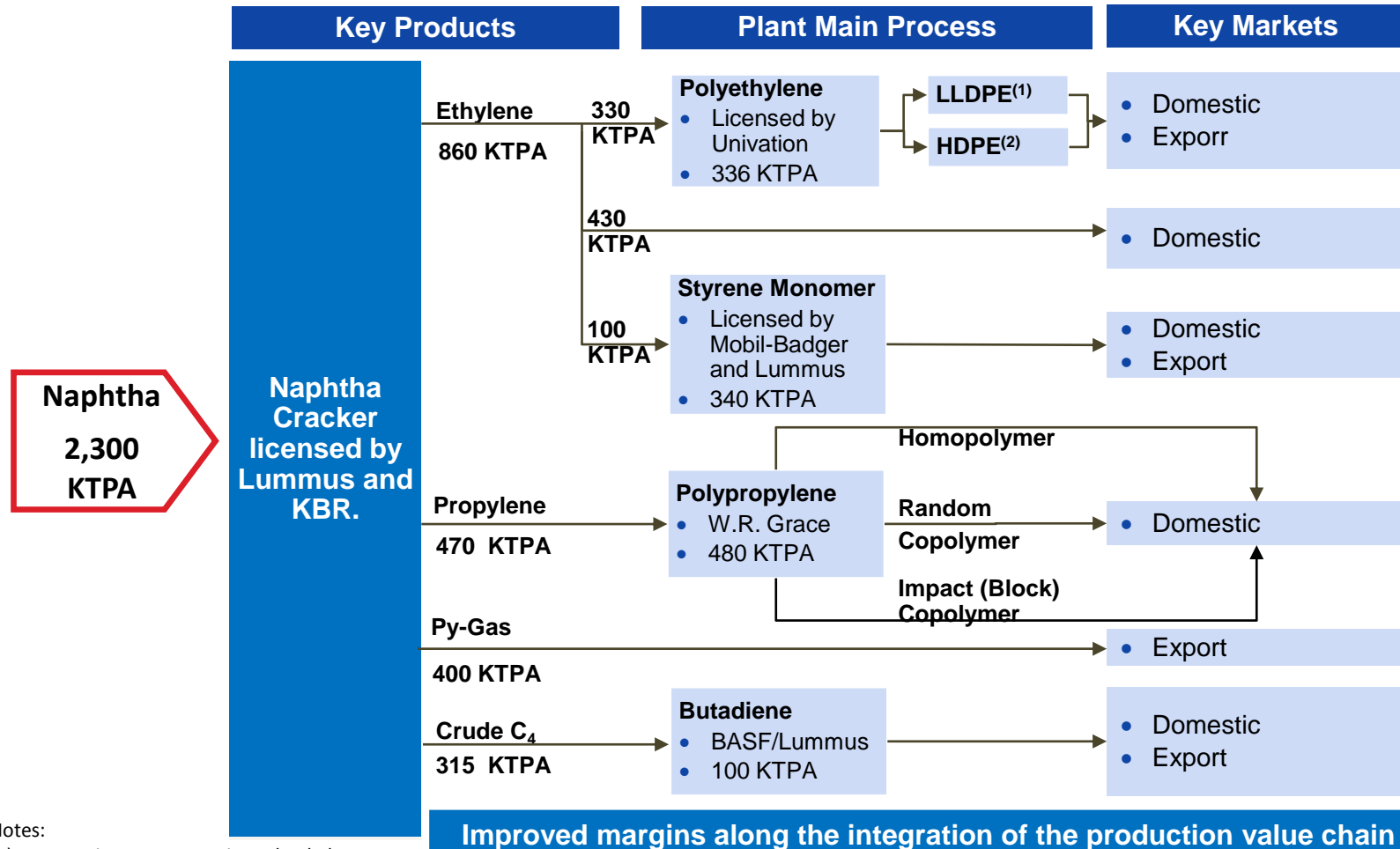
## Integrated Business Operations

*“Integrated business operations from upstream to downstream resulting in higher efficiency, lower costs, and value-added”.*





## Integrated Business Operations (cont'd)



Notes:

(1) LLDPE: Linear Low Density Polyethylene

(2) HDPE: High Density Polyethylene

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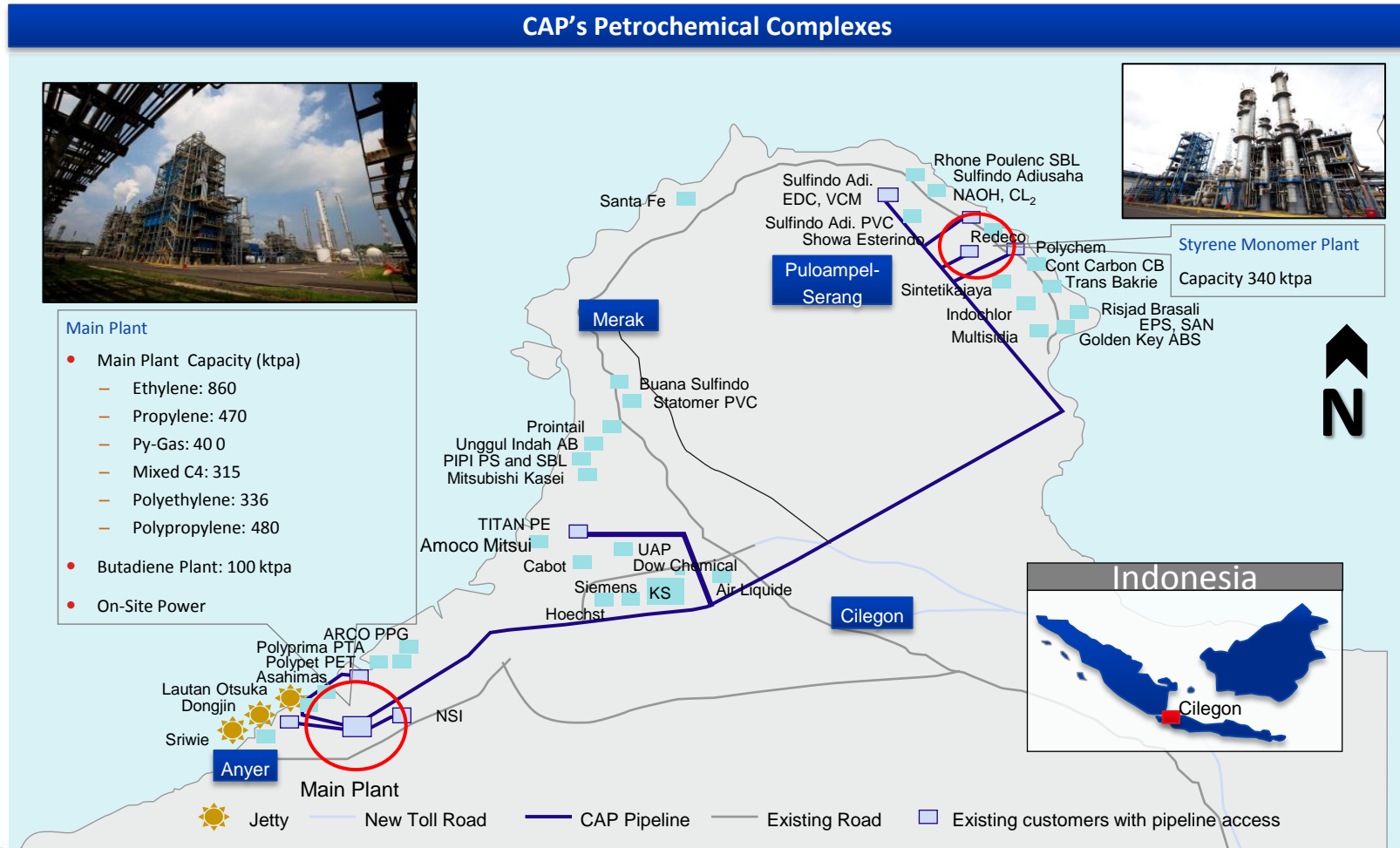
## 4. Industry Outlook



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## Strategic Location

*“Adjacent and interlinked with customer’s facilities (45 km Ethylene pipeline)”*



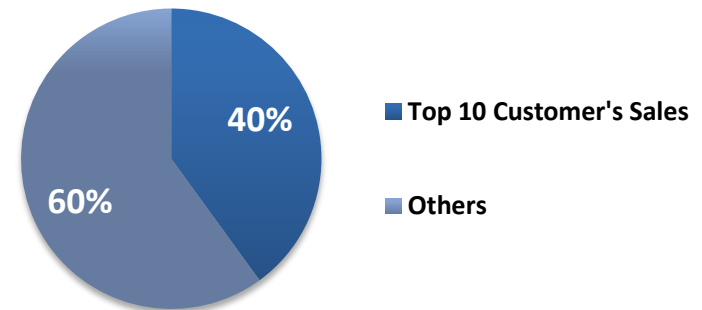


## Loyal & Broad Customer Base

- Diversified clientele. Top 10 Customers contribute 40% of revenues in 2015.
- Key Customers are loyal customers who have long term relationship.
- Convenience for customers who are directly linked with pipes integrated with CAP's production facilities.
- Strong marketing and distribution platform with wide network serving ~300+ Customers.
- Short delivery trend time resulting in pricing premium to market reference prices.

### Top 10 Customer's Sales Breakdown

Total Net Revenues 2015: US\$1,377 million



### Key Customers



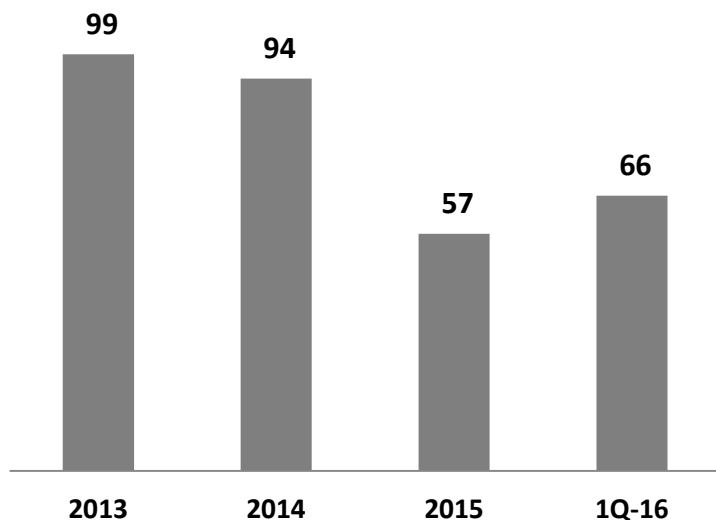
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## Plan Utilization Rate

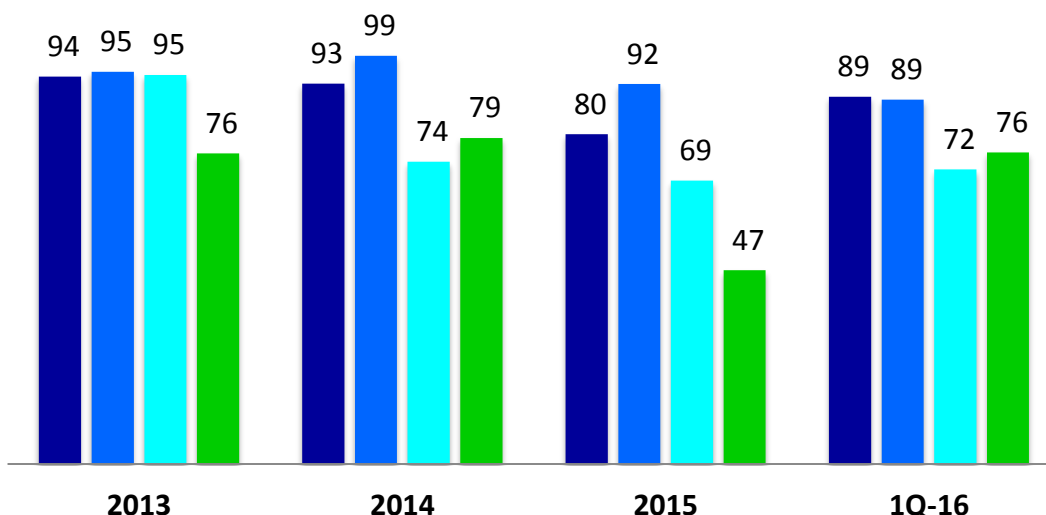
(dalam %)

### Ethylene



### Polyethylene, Polypropylene, Styrene Monomer, Butadiene

■ Polyethylene ■ Polypropylene ■ Styrene Monomer ■ Butadiene



- Decline of utilization in 2015 was due to shutdowns in the 4th quarter for Tie-in work of the Cracker Expansion project. In addition, within the 85-day shutdowns period were also conducted a Turnaround Maintenance (TAM).
- 1st Quarter -2016, plant utilization showed an increase post Expansion completion in Dec-2015. Cracker plant has a new capacity of 860 KTA (up to 43%) and ramp up gradually to optimum capacity.
- Butadiene Plant operates since Sept-2013.

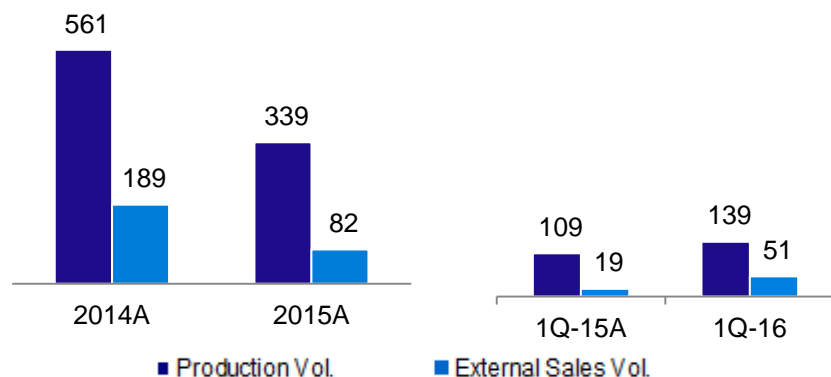


## Volume and Price by products

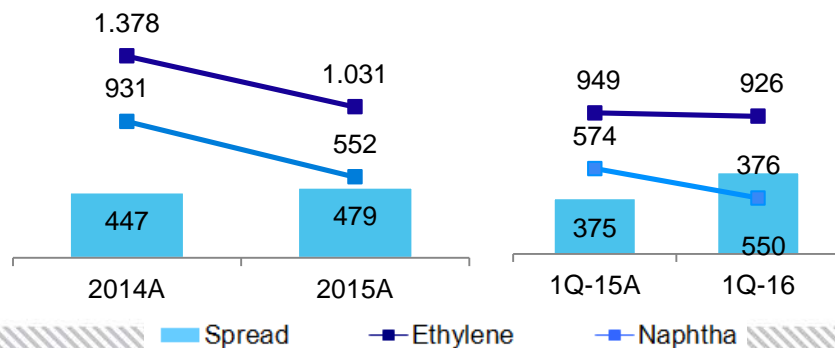
### Olefins

#### Ethylene

##### Volume (KT)

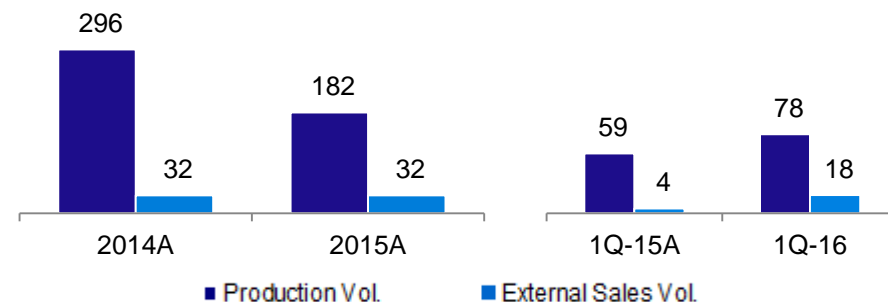


##### Price & spread (US\$/ton)

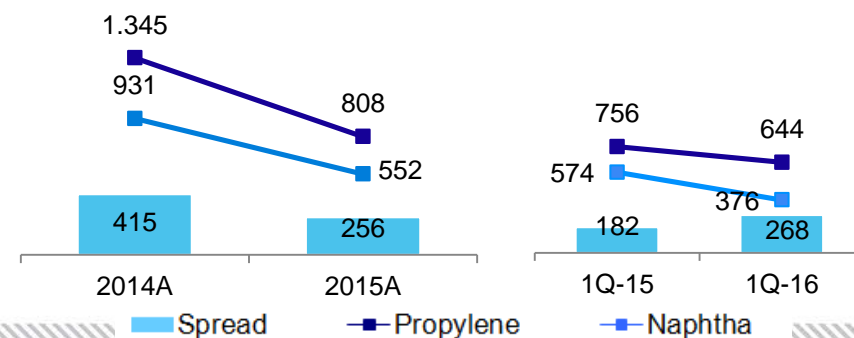


#### Propylene

##### Volume (KT)



##### Price & spread (US\$/ton)



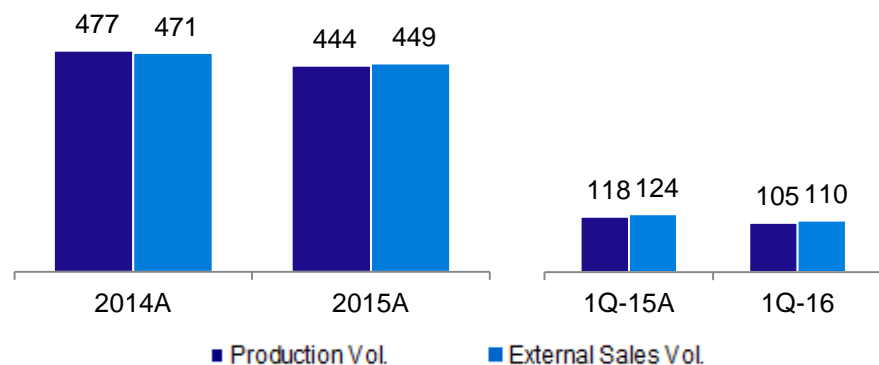


## Volume and Price by products

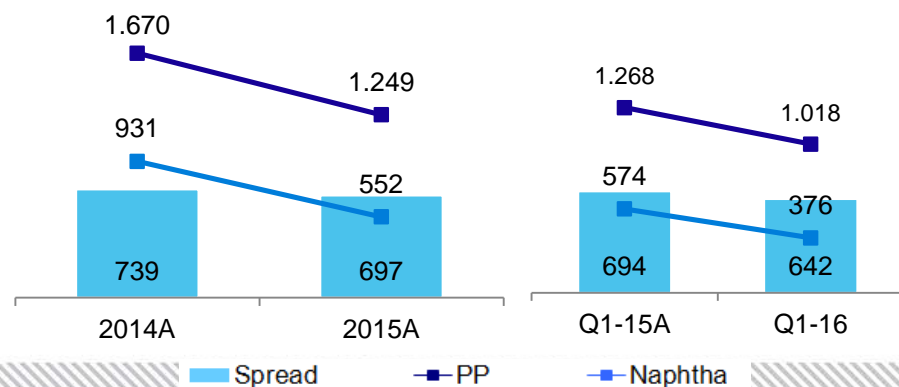
### Polyolefins

#### Polypropylene

##### Volume (KT)

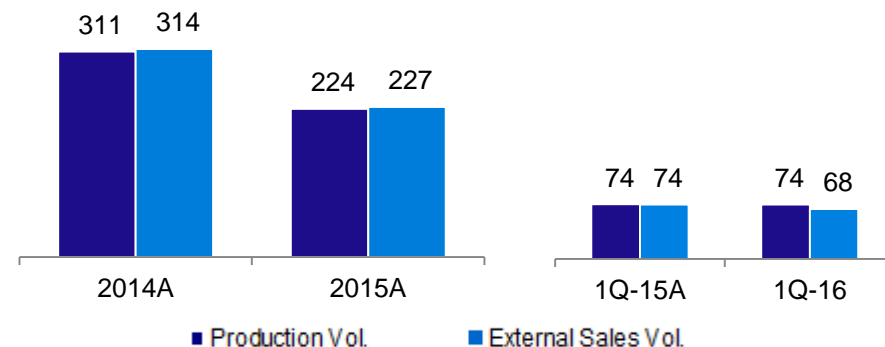


##### Price & spread (US\$/ton)

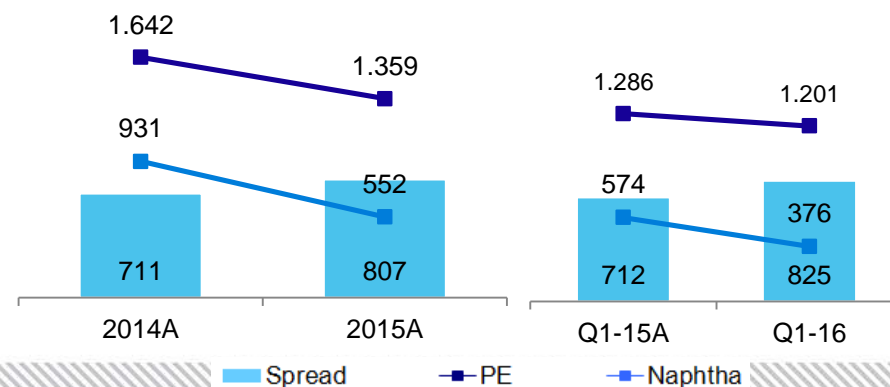


#### Polyethylene

##### Volume (KT)



##### Price & spread (US\$/ton)



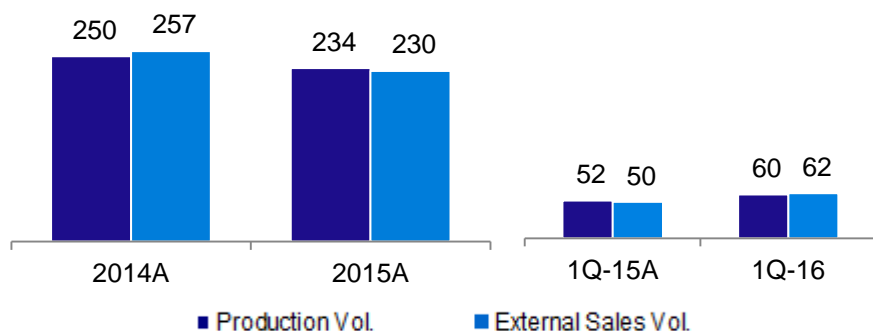


## Volume and Price by products

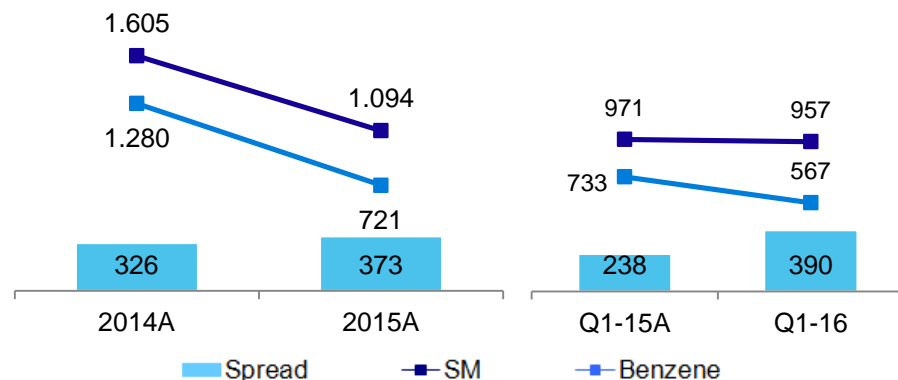
### Styrene Monomer and Butadiene

#### Styrene Monomer<sup>(1)</sup>

##### Volume (KT)

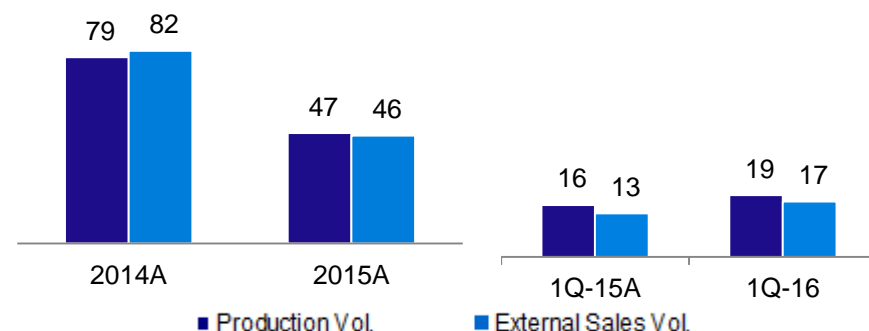


##### Price & spread (US\$/ton)

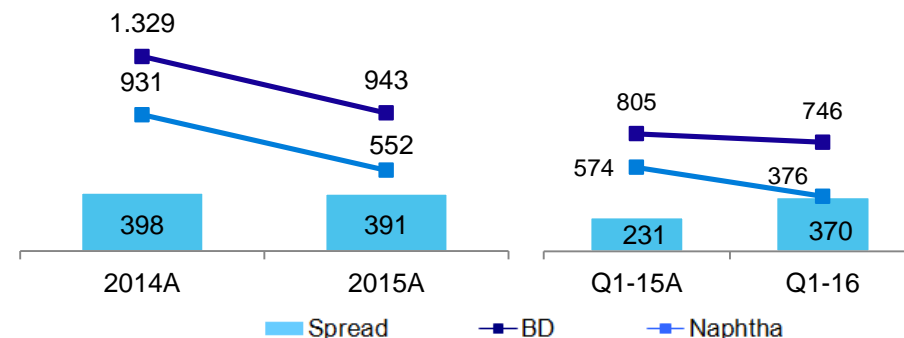


#### Butadiene

##### Volume (KT)



##### Price & spread (US\$/ton)



(1) Styrene Monomer and by products (Toluene and Ethyl Benzene)



## Financial Highlights: Financial Position FY-2015 and 1Q-2016

	31-Dec-2014 (US\$ '000)	31-Dec-2015 (US\$ '000)	31-Mar-2016 (US\$ '000)	Changes Yoy (%)	Changes Ytd (%)
Cash and cash equivalents	207,939	96,835	141,242	-53.4	45.9
Current Assets (exclude Cash and cash equivalents)	458,495	319,799	339,572	-30.3	6.2
Non Current Assets	1,257,077	1,445,752	1,461,442	15.0	1.1
<b>TOTAL ASSETS</b>	<b>1,923,511</b>	<b>1,862,386</b>	<b>1,942,256</b>	<b>-3.2</b>	<b>4.3</b>
Current Liabilities	477,912	377,753	440,255	-21.0	16.5
Non Current Liabilities	579,737	597,787	579,753	3.1	-3.0
Equity	865,862	886,846	922,248	2.4	4.0
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,923,511</b>	<b>1,862,386</b>	<b>1,942,256</b>	<b>-3.2</b>	<b>4.3</b>



## Financial Highlights: Profit or Loss FY-2015 and 1Q-2016

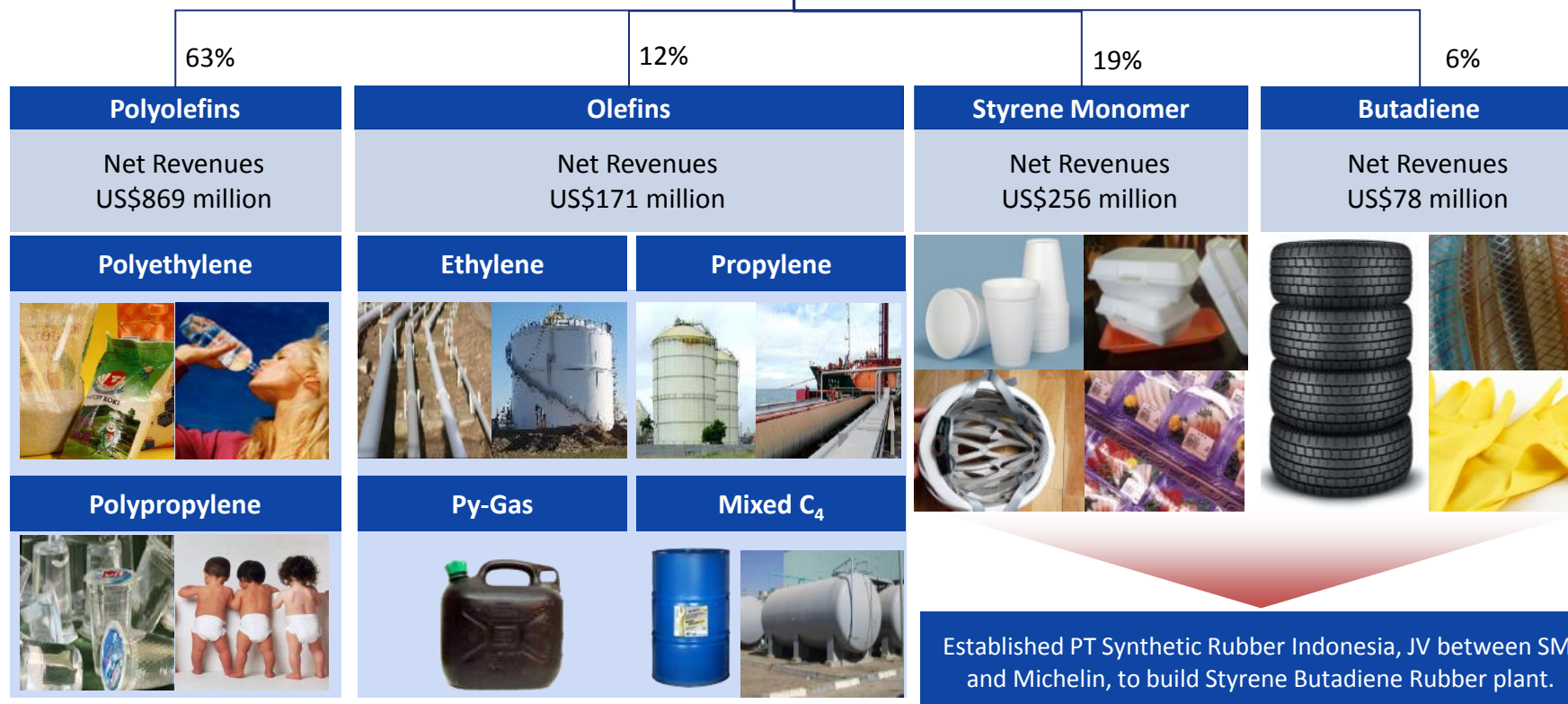
	FY-2014 (US\$ '000)	FY-2015 (US\$ '000)	Changes (%)	3M-2015 (US\$ '000)	3M-2016 (US\$ '000)	Changes (%)
Net Revenues	2,460,051	1,377,573	-44.0	357,933	358,895	0.3
Cost of Revenues	2,342,587	1,231,844	-47.4	341,186	296,396	-13.1
Gross Profit	117,464	145,729	24.1	16,747	62,499	273.2
Operating Profit (Loss)	50,187	79,222	57.9	(531)	45,894	8,742.9
Profit (Loss) For The Year	18,439	26,256	42.4	2,849	35,402	1,142.6
EBITDA	133,762	154,825	15.7	31,299	68,091	117.6
Gross Profit Margin (%)	4.8	10.6		4.7	17.4	
Operating Profit Margin (%)	2.0	5.8		-0.1	12.8	
Net Profit Margin (%)	0.7	1.9		0.8	9.9	
EBITDA Margin (%)	5.4	11.2		8.7	19.0	



## Diverse Product Portfolio

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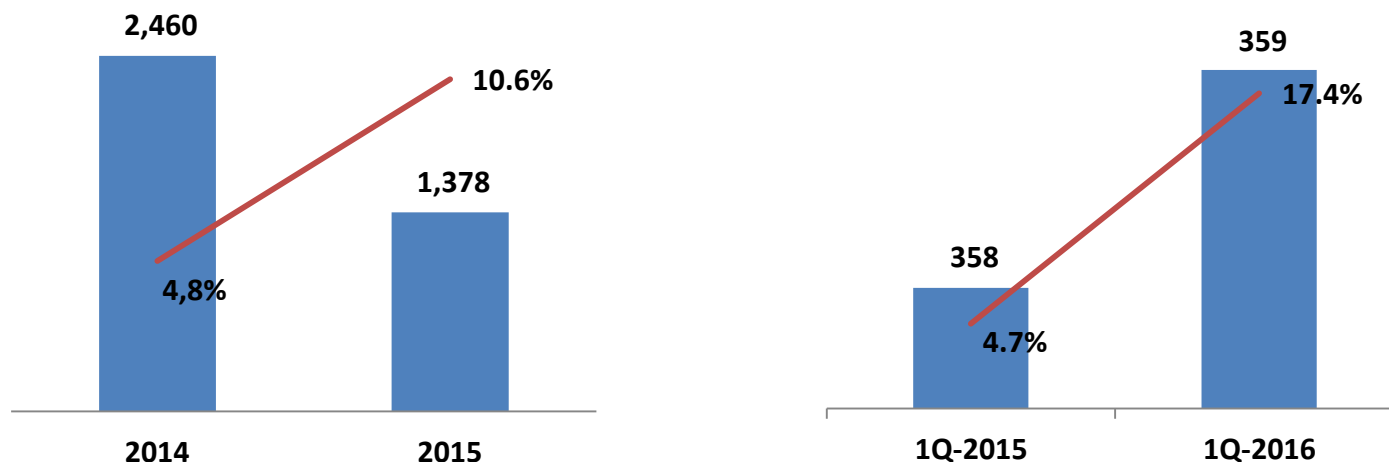
Net Revenues FY-2015: US\$1,377 million (100%)



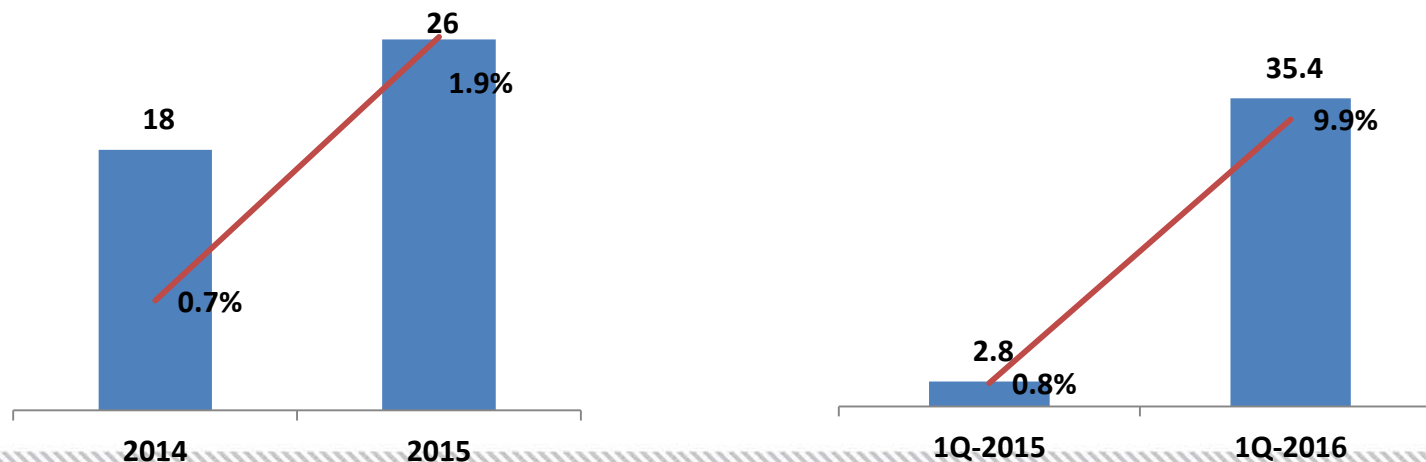


## Financial Performance

### Net Revenues (million US\$) & Gross Profit Margin (%)



### Net Profit (million US\$) & Net Profit Margin (%)



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## Cracker Expansion Project

- Achieved Mechanical Completion on 9 December 2015.
- TAM/Expansion tie-in works successfully completed on schedule. Cracker re-started with on-spec products on 19 December, 5-days ahead of plan.
- Total spending US\$378m vs budget of US\$380m as of 31 December 2015.
- Cracker facility capacity increased to 860 KTA (up to 43%) since early 2016.

*"With Cracker capacity equivalent to world-class capacity added with plant modernization, CAP further established its position in the petrochemical industry in Indonesia".*



BA-109 New Furnace



DA-415 New Propylene Tower



EBR Compressor

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## Cracker Expansion Project



## SBR plant project

- EPC contract awarded to Toyo Engineering & IKPT in June 2015.
- CAP has fully injected total equity of US\$54m.
- Overall progress 27% as of May 2016.
- Drainage work & temporary site facility completed.
- Soil improvement work, civil construction work, structure and building erection, on-going.



*Future SBR Plant Facility Area*



*Soil Improvement*



*Temporary Site Facility*



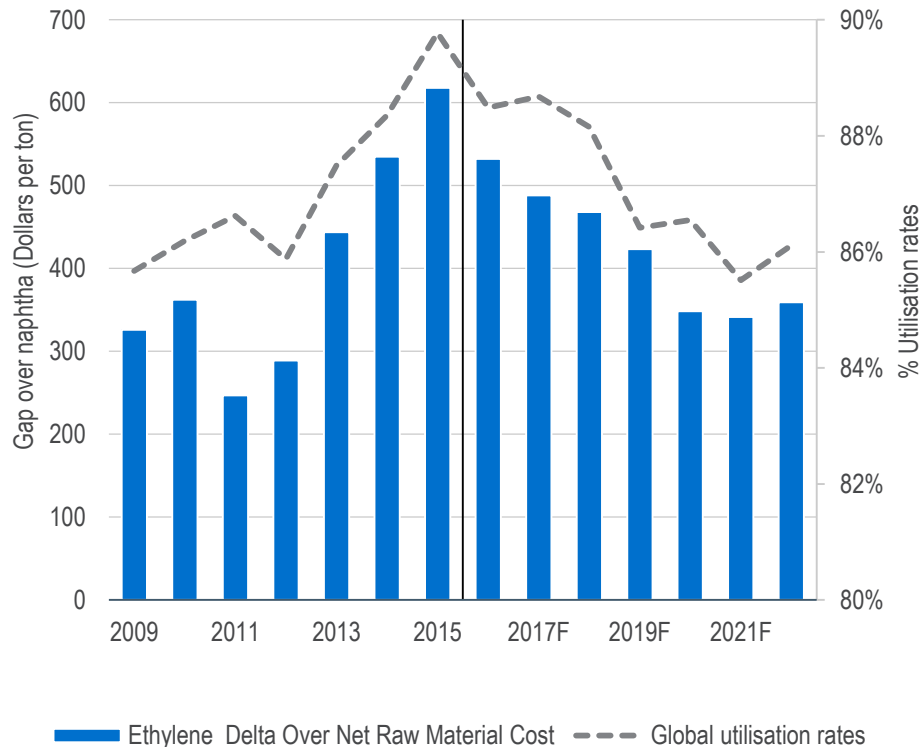
*CCR & Substation*

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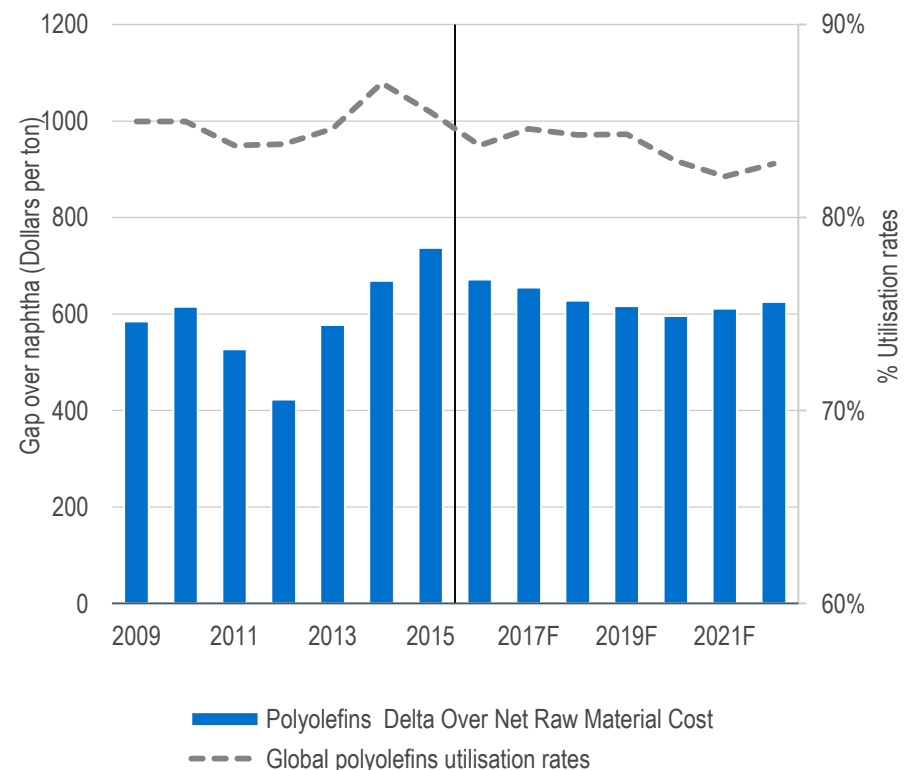
## Industry Outlook

*“Demand fundamental remain good for petrochemical industry over the next few years, new capacity additions post 2015 resulting in modest decline in average margins following period of sustained higher profitability”*

**SEA Ethylene price spreads over naphtha**



**SEA Polyolefins price spreads over naphtha**

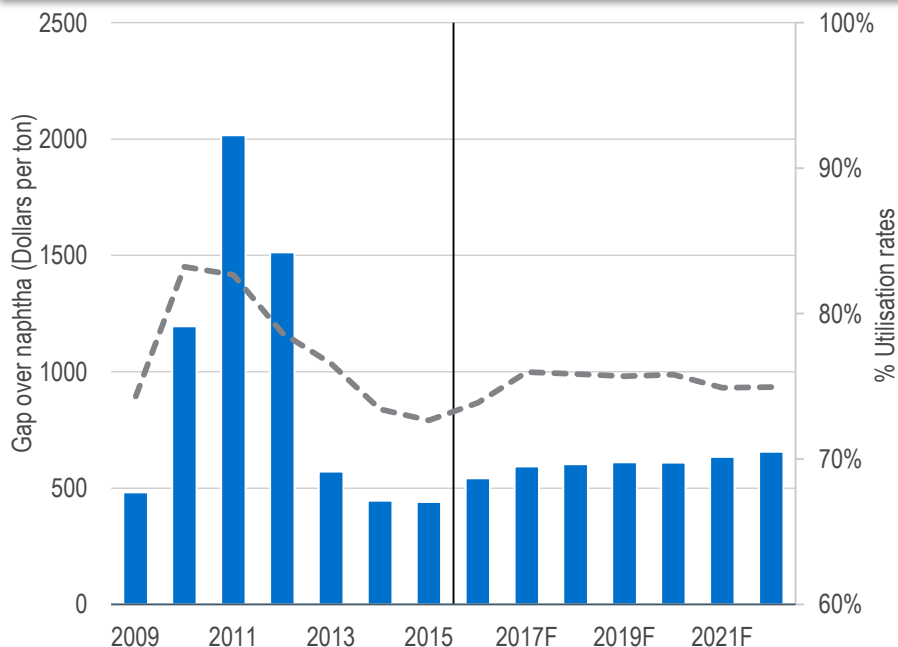


Note:  
- 2015 is based on actual on year to date basis (Jan-Nov)  
- Forecast price is based on Brent Crude at \$30 (2016-2020) and \$50 (2021-2022) per barrel

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- 2015 is based on actual on year to date basis (Jan-Nov)  
- Forecast price is based on Brent Crude at \$30 (2016-2020) and \$50 (2021-2022) per barrel

## Industry Outlook (Cont'd)

**SEA Butadiene price spreads over Net Raw Material Cost**

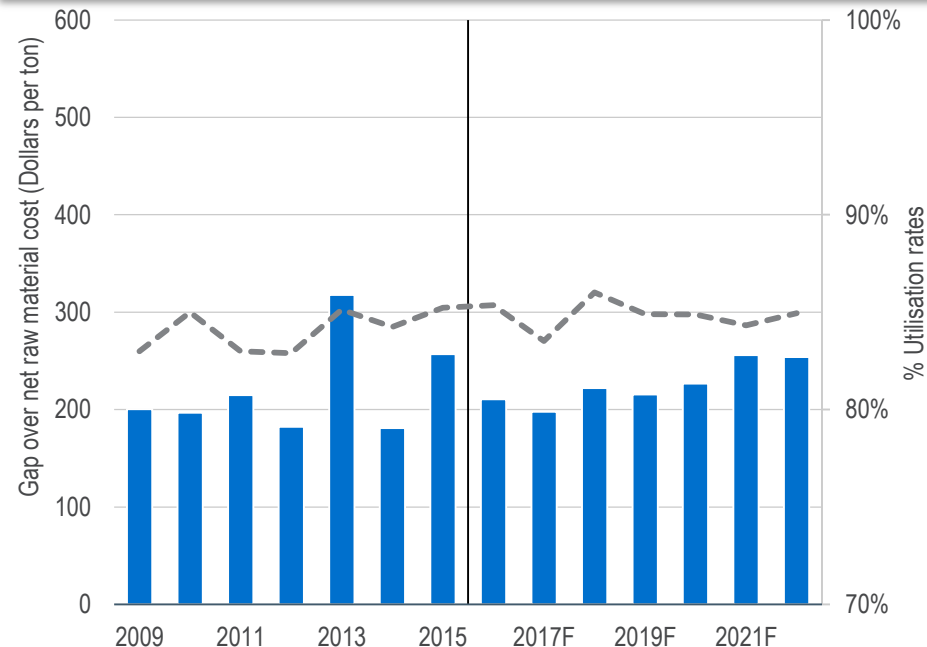


Butadiene Delta Over Net Raw Material Cost — Global utilisation rates

Note:

- 2015 is based on actual on year to date basis (Jan-Nov)
- Forecast price is based on Brent Crude at \$30 (2016-2020) and \$50 (2021-2022) per barrel

**SEA SM price spreads over Net Raw Material Cost**



Styrene Delta Over Net Raw Material Cost\* — Global utilisation rates

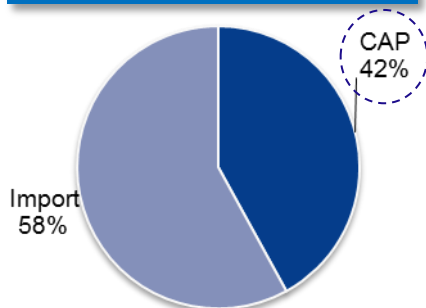
Note: - 2015 is based on actual on year to date basis (Jan-Nov)

- Forecast price is based on Brent Crude at \$30 (2016-2020) and \$50 (2021-2022) per barrel
- \* Styrene market price less net raw material prices (benzene\*0.78 + ethylene\*0.28)

*“CAP is a market leader in Indonesia across all of its products and a leading player in the region”.*

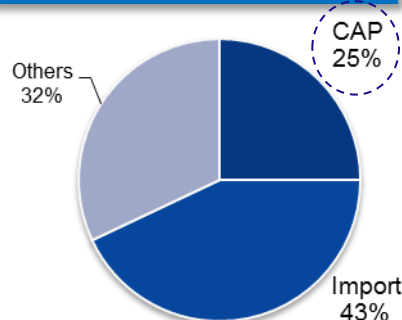
**1 Largest Petrochemical company in Indonesia<sup>(1)</sup>**

**Ethylene (2015)**



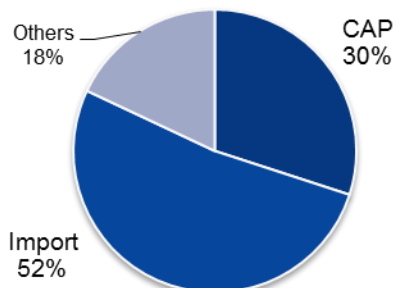
**Total Supply: 1.4M tons**

**Polyethylene (2015)**



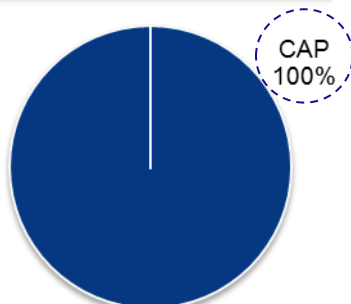
**Total Supply: 1.4M tons**

**Polypropylene (2015)**



**Total Supply: 1.6M tons**

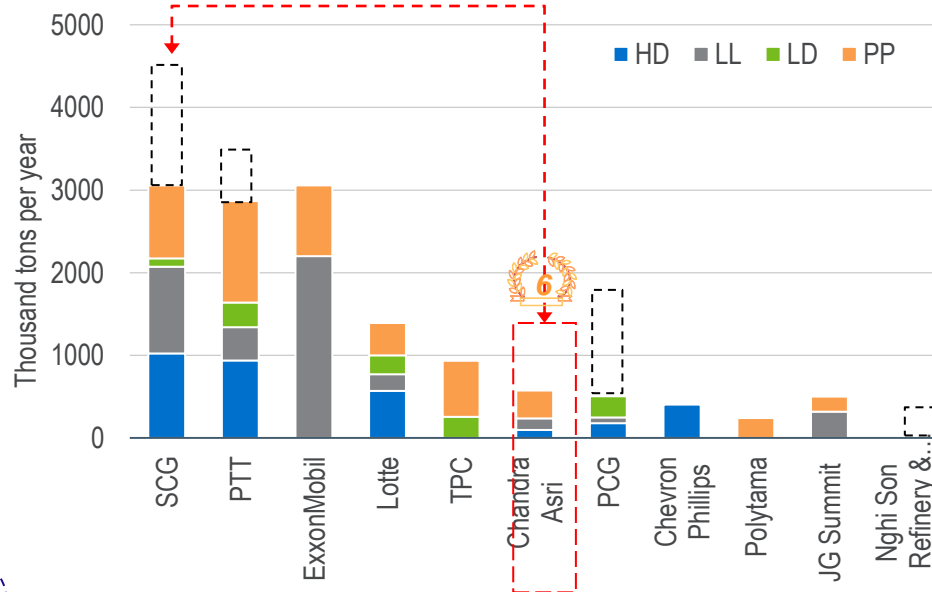
**Styrene Monomer (2015)**



**Total Supply: 0.2M tons**

Source: CAP, Nexant (Feb 2016)  
Note: (1) By production excluding fertilizer producers

**Polyolefin Top 10 South East Asia Producers**



Source: Nexant (Feb-2016)

# Thank You

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