

PT Chandra Asri Petrochemical Tbk

# Q3 2022 Results

3 November 2022 Earnings Call  
**Presentation to Analysts and Investors**

**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.



- 01 Summary Highlights
- 02 Performance Overview
- 03 Strategy & Growth
- 04 Questions & Answers





## Summary Highlights 01

**US\$2bln  
Revenue**

**US\$2.3bln  
Liquidity pool**

**US\$11mln  
EBITDA**

**Top 1 Percentile  
ESG Rating**



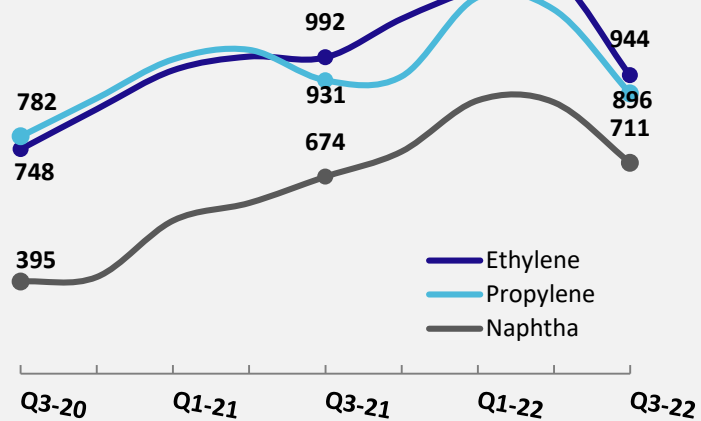




## Performance Overview 02

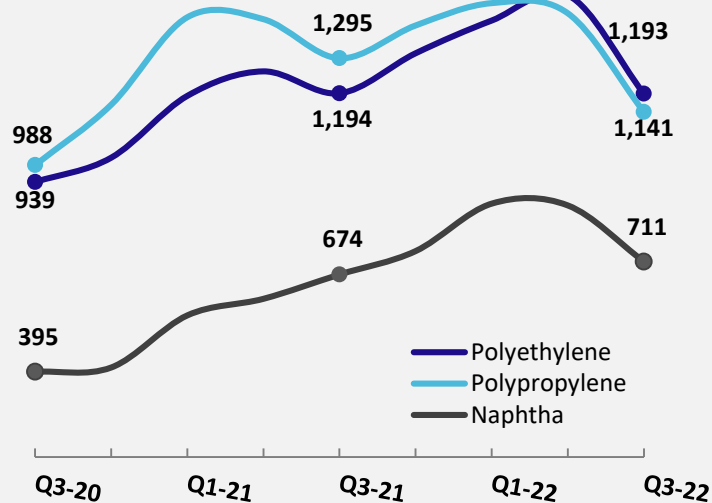
Significant volatility amidst broad market movements

## Olefins



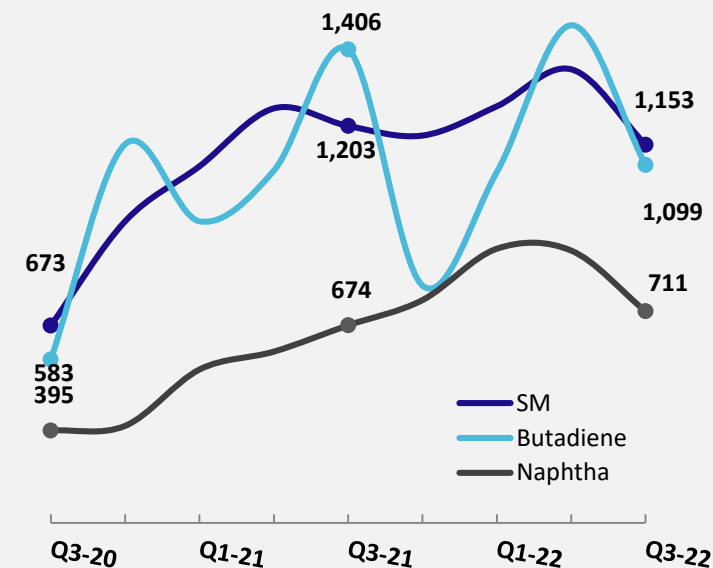
- Naphtha price ↓  
Reduced demand – crackers' production cut and China's lockdown.
- Ethylene price ↓  
More export cargoes from MDE and US.

## Polyolefin



- PE price ↓  
Lower offers from suppliers, fears of economic slowdown & bleak finished goods demand.
- PP price ↓  
Lack of import demand (strengthening USD) and competitive prices from China & S. Korea.

## Styrene Monomer & Butadiene



- SM price ↓  
Weak demand and downtrend in Benzene prices.
- Butadiene price ↓  
Weak demand and higher export volume from China.

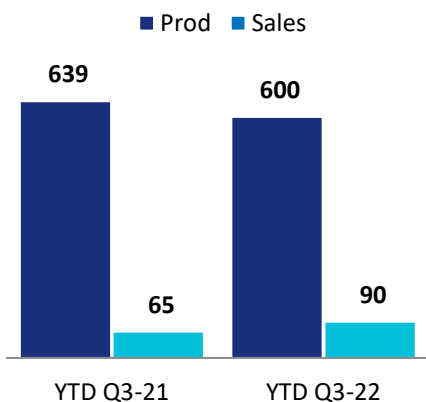
Note: Market data from ICIS

# Production & Sales

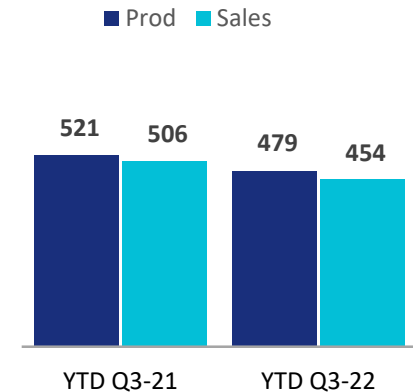
Sales volume reflecting soften margins whilst domestic market demand remains healthy

(all figures in KT)

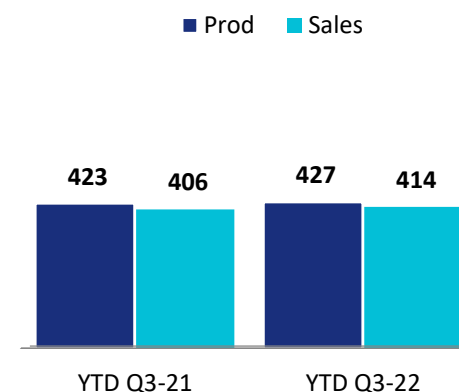
## Ethylene<sup>(1)</sup>



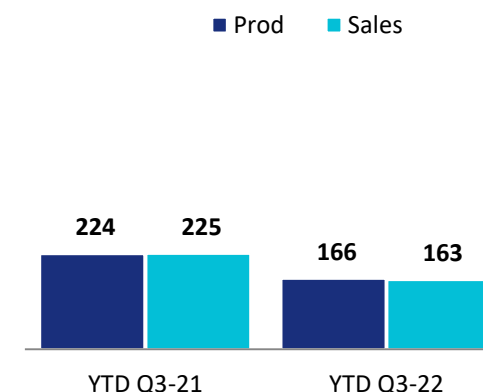
## Polyethylene Plant



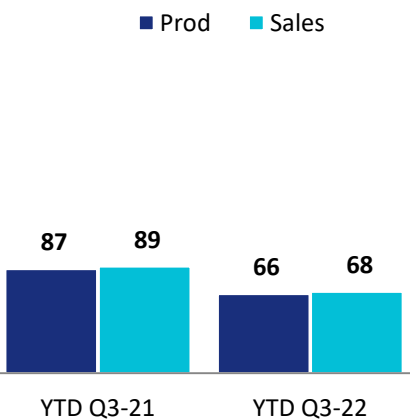
## Polypropylene Plant



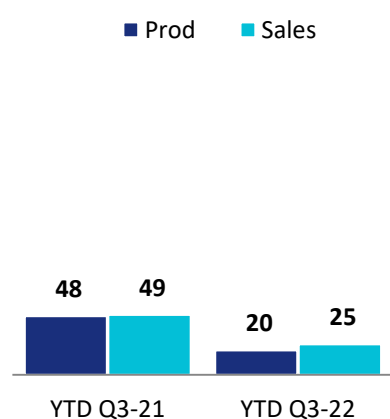
## Styrene Monomer Plant



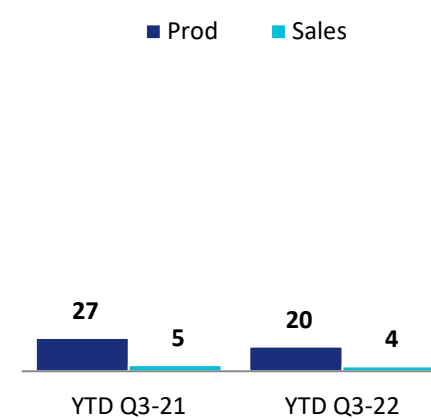
## Butadiene Plant



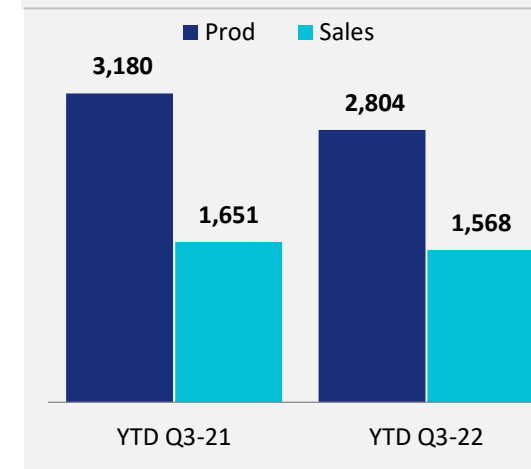
## MTBE Plant



## 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.

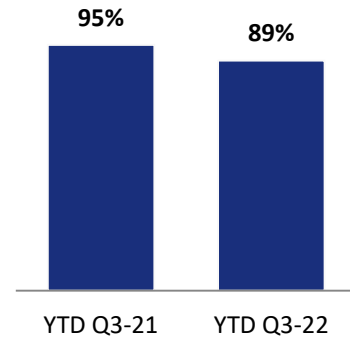
(2) B1 is mainly for internal use as co-monomer in Polyethylene production process



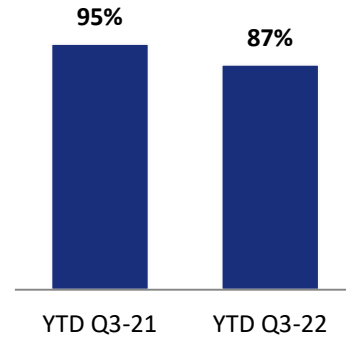
# Operating Rates

Various optimization initiatives launched reflecting market economics and dynamics

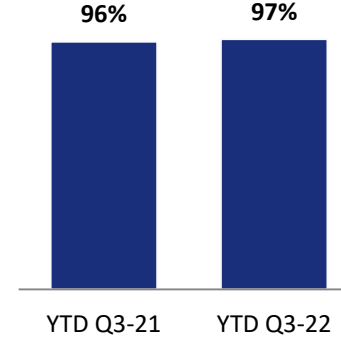
## Naphtha Cracker



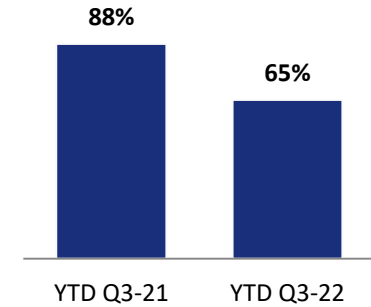
## Polyethylene Plant



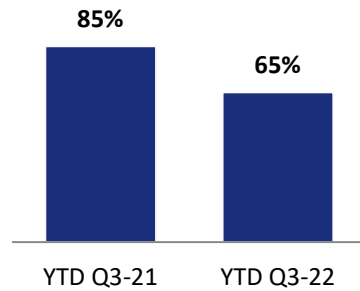
## Polypropylene Plant



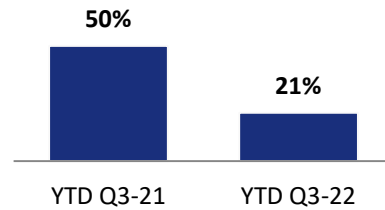
## Styrene Monomer Plant



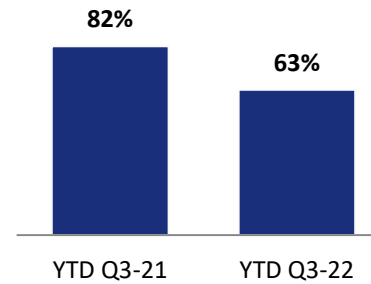
## Butadiene Plant



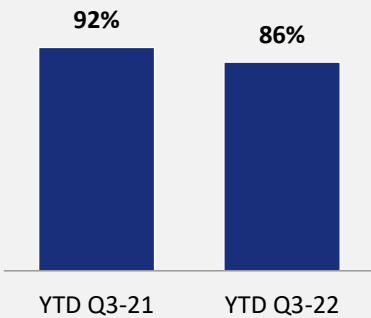
## MTBE Plant<sup>(1)</sup>



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

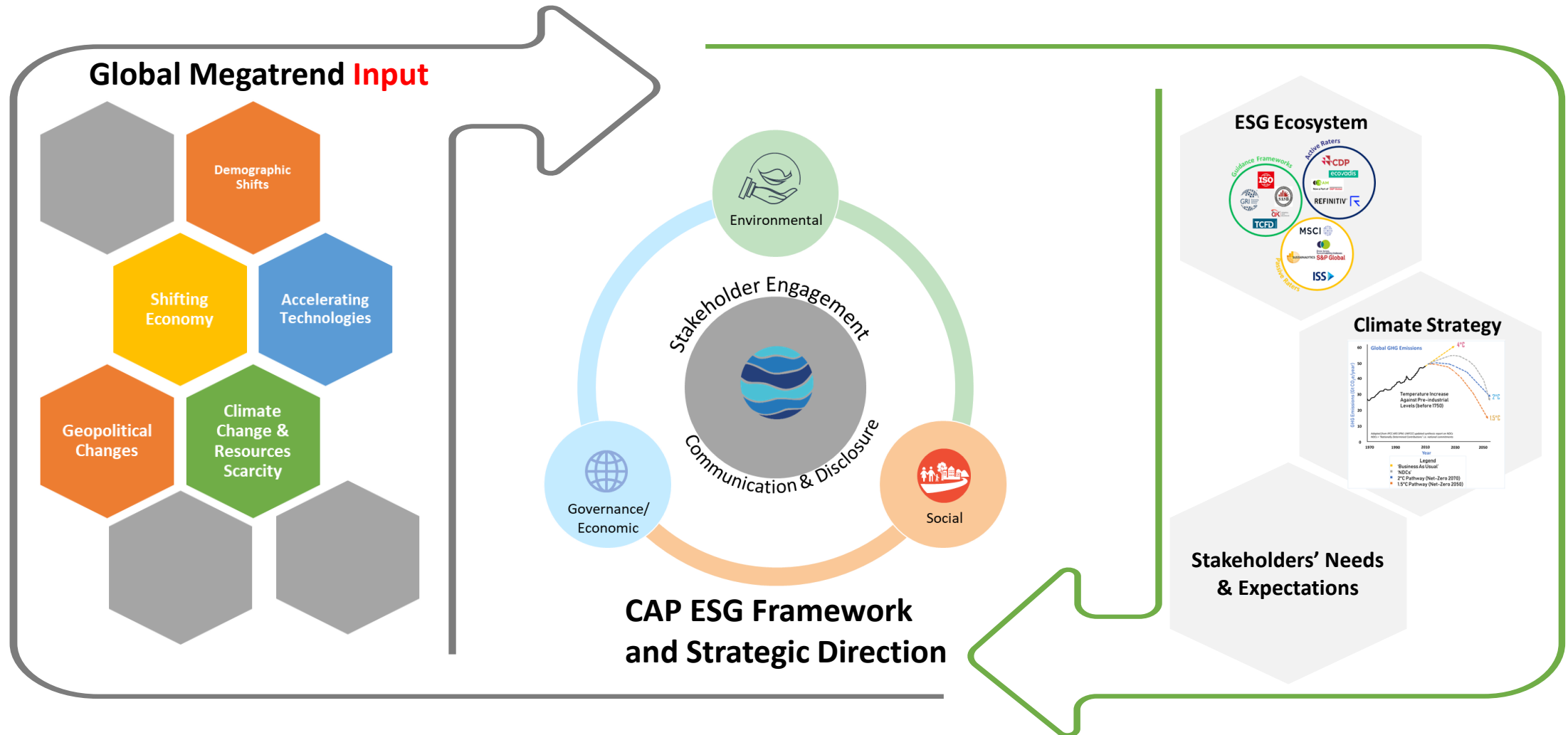


## All Plants



(1) 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.

Launch of Chandra Asri's holistic ESG and Sustainability Framework to underpin our various programs



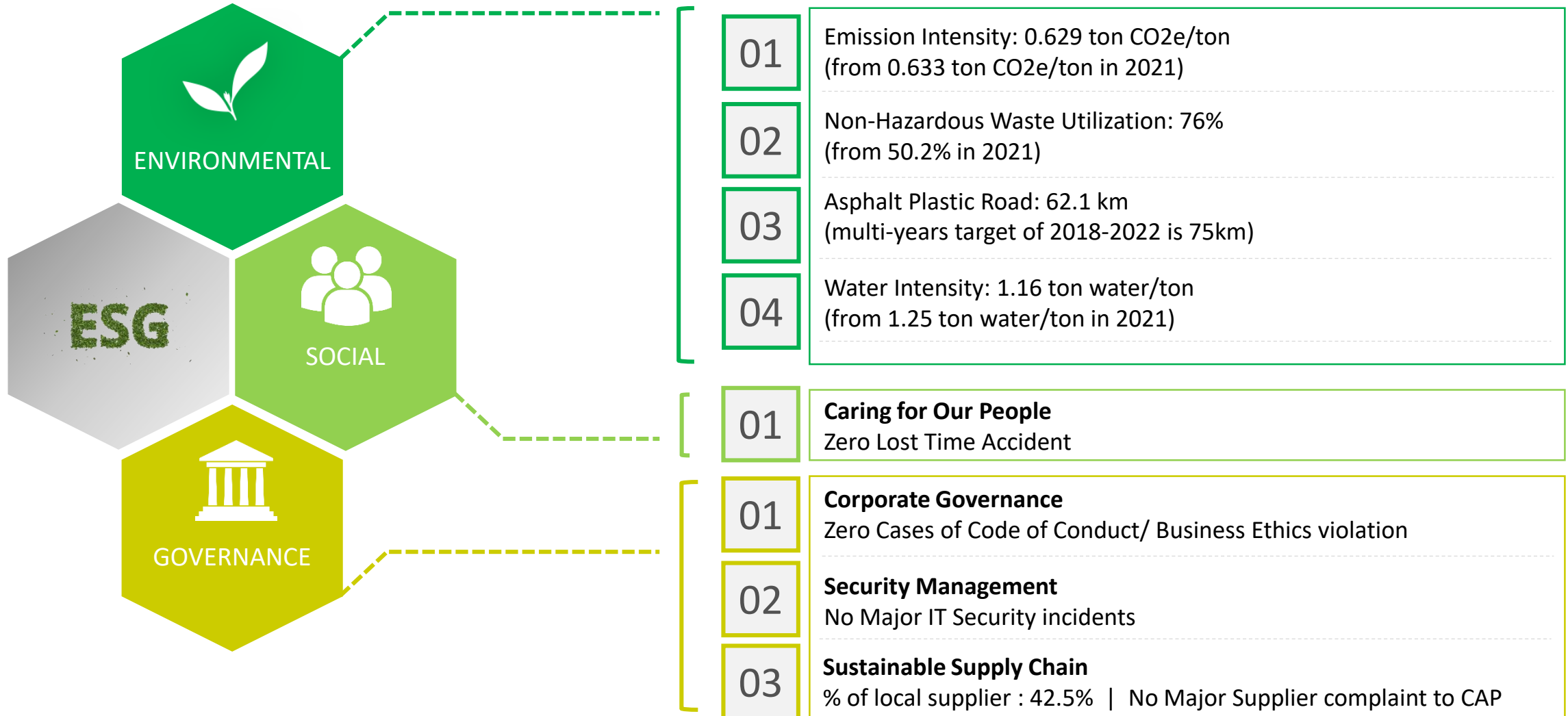
# ESG Initiatives

Chandra Asri's commitment for continuous improvement in ESG pillars through a RESPONSIBLE focus





Track record of progress made in Environmental, Social and Governance (ESG) initiatives





## Bridge Construction in Lebak Regency to Eradicate Isolation

Chandra Asri together with Yayasan Relawan Kampung and the Lebak Regency Government inaugurated a suspension bridge in Ciodeng Village, Lebak Regency. Chandra Asri realizes how important it is to have a bridge in a remote village so that it is free from isolation and drives the community's economy.



## Providing Organic Waste Crushing Machines to Reduce Methane Hazards

Providing organic chopping machines with a capacity of 100kg/hour to PT Putri Banten Progressive to manage leftover food. As part of circular economy initiatives, the leftover food will be processed into maggot using the Black Soldier Fly (BSF) method, the results of which can be reused as animal feed.



## Vaccination Program to Support Government Programs

Since the start of vaccination efforts to combat COVID-19, Chandra Asri has facilitated more than 11,000 people consisting of employees, employees' families, work partners and the general public to get the COVID-19 vaccine, both the first and second doses, plus booster vaccines to achieve herd immunity.



## Beach Clean Up as Manifestation to Environmental Preservation

Holding a Beach Clean Up event at Paku and Pangaradan Beaches, Anyer, in collaboration with Bank Sampah Digital involving 336 volunteers. Managed to accumulate 507.2 kg of waste, making a total of 1,572.7 kg of waste collected if combined with the Kampung Bersih activity. The waste were then handed over to the waste bank and TPS3R to be managed and recycled.





## Dukung Pengaplikasian **JARINGAN PIPA GAS**

*Untuk Rumah Tangga*

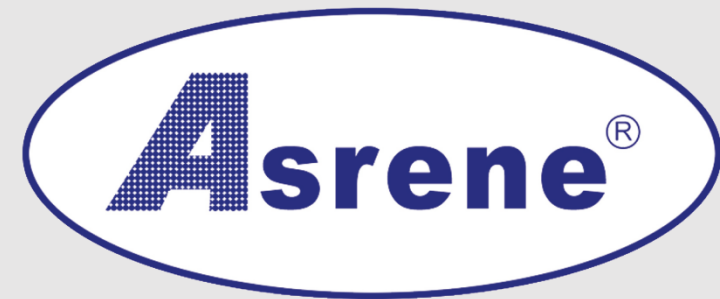


#YourGrowthPartner

▶ Chandra Asri obtains SNI Certification for Gas Pipeline Applications to Support the Government's Target to Build 4 Million Gas Pipe Connections for Households in 2024

Chandra Asri has obtained SNI 8887:2020 certification, a standard for gas pipe application raw materials for High Density Polypropylene (HDPE) products, Asrene® SP4808.

Through this product, Chandra Asri is committed to supporting the Government's target in building natural gas distribution grid (jargas) for 4 million household connections by 2024. The use of Asrene® SP4808 for gas pipeline applications can increase domestic components level (TKDN), given that the raw materials used for gas grid projects are 100% imports.





## ▶ 2 Awards in Bisnis Indonesia Award 2022



Chandra Asri won 2 awards in Bisnis Indonesia Award 2022. The awards are:

1. **The Best Company in Raw Material Sector** for the success in delivering 13 percent increase in net revenues in Q1-2022.
2. **The Best CEO of the Year** on behalf of Mr. Erwin Ciputra, was assessed based on good business development, implementation of GCG, and disclosure of company information.

## ▶ 3 Award Categories in the Indonesia CSR Award 2022 from Economic Review



Chandra Asri won 3 award categories in the Indonesia CSR Award 2022 from Economic Review. The categories are:

1. **The Best Indonesian Director for CSR 2022:** Mr. Edi Rivai
2. **1<sup>st</sup> The Best Indonesia Public Company** (Score: 93.76, Platinum Award, Very Excellent)
3. **The Best Environmental Social Governance – Overall Champion** (Score 96.50, Platinum Award, Very Excellent)

## PT Chandra Asri Petrochemical Tbk

Commodity Chemicals Indonesia JKT:TPIA

### ESG Risk Rating

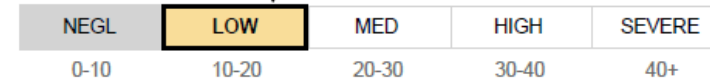
# 17.7

Updated Oct 8, 2022

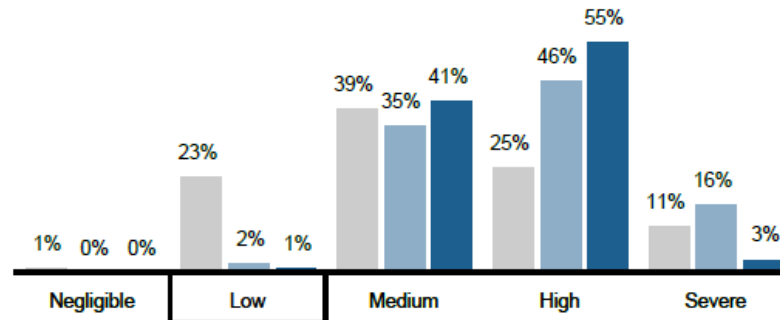
Not available

Momentum

## Low Risk



### ESG Risk Rating Distribution

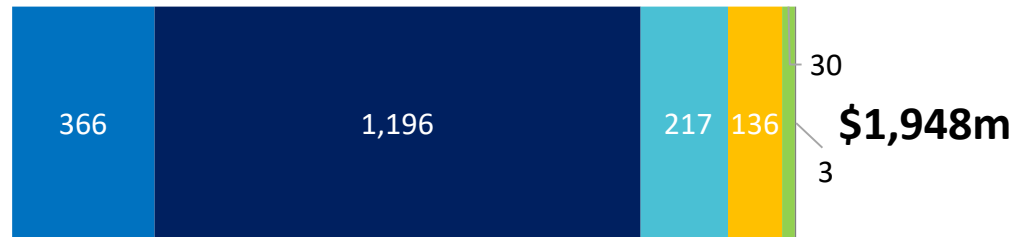


### ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = lowest risk)
Global Universe	2554/14794	18th
Chemicals INDUSTRY	10/487	3rd
<b>Commodity Chemicals SUBINDUSTRY</b>	<b>2/236</b>	<b>1st</b>

## Net Revenues (US\$m)

YTD Q3-2022

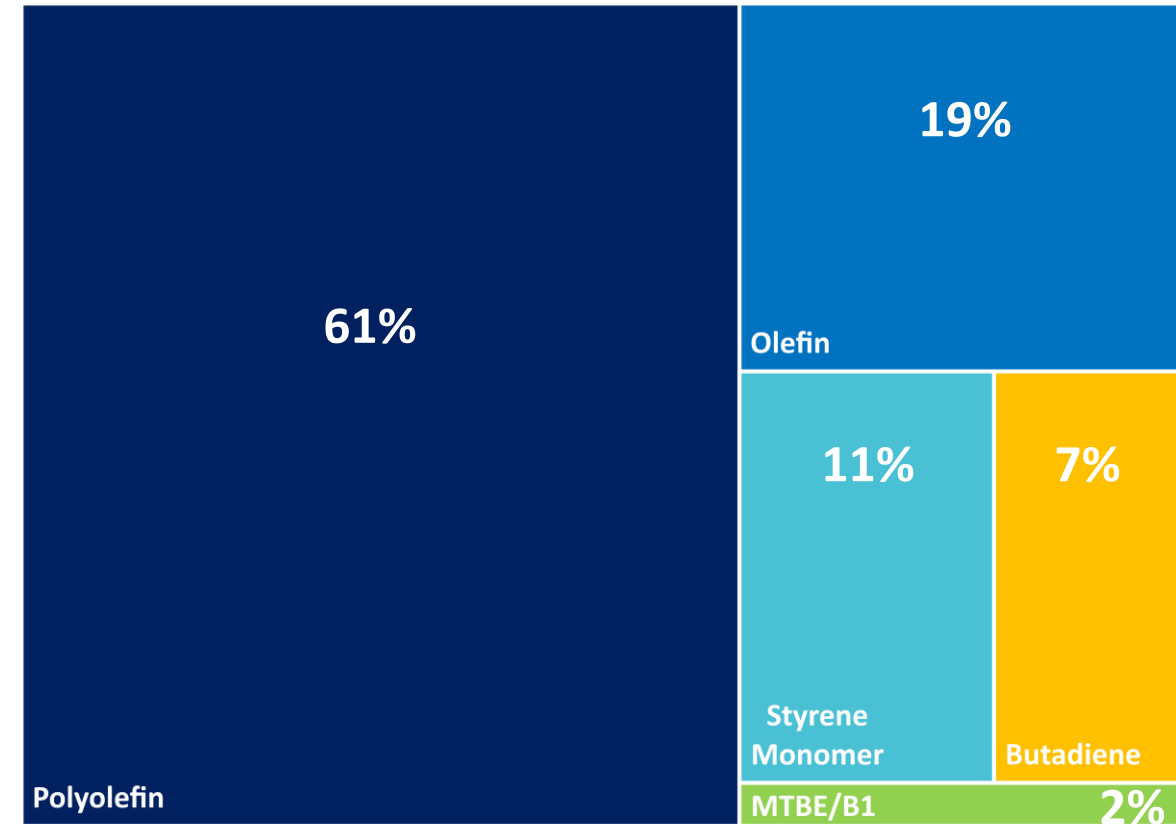


YTD Q3-2021



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

## Net Revenues Split (%)



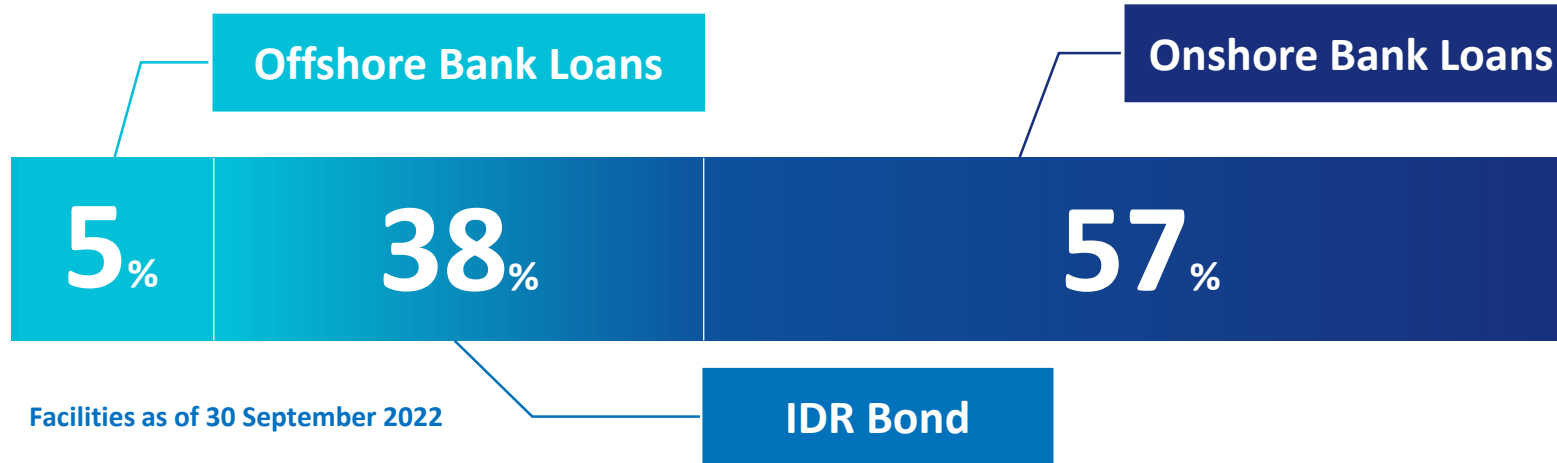
YTD 30 September 2022



# Balance Sheet Highlights

Robust liquidity pool of US\$2.3 billion

## Financing Sources (%)



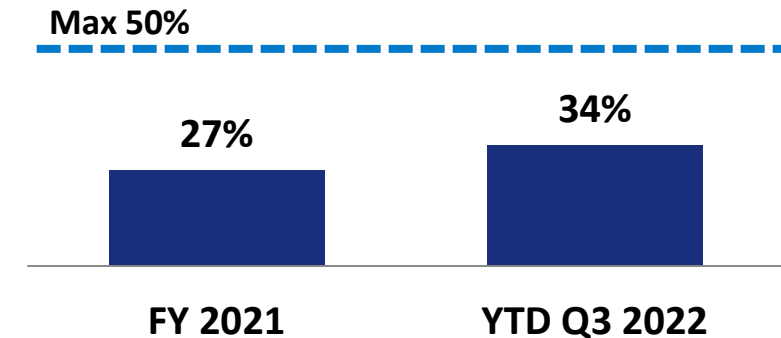
## Liquidity Pool

**US\$2.3** billion

As of 30 September 2022

- Available Committed RCF US\$343 million
- Marketable Securities US\$799 million
- Cash & Cash Equivalents US\$1,144 million

## Debt to Capitalization



▶ Signed US\$100mio Loan Facility with OCBC NISP to Facilitate Domestic Petrochemical Industry Growth



▶ First recipient of US\$100mio Sustainability-Linked Trade facility in Indonesia through UOB



**Successful Progress and Completion with Strong Support of Key Partner Banks and Investors**

**Full Commitment to Win-Win-Win Partnership with Investors**

## ▶ Prepayment on Unsecured Export Credit Facility from Japan Bank for International Cooperation

In August 2022, Chandra Asri has prepaid the Unsecured Export Credit Facility from Japan Bank for International Cooperation, Nippon Export and Investment Insurance, as well as BNP Paribas that is scheduled to matured on 2026.

This decision was taken in order to streamline our financial commitments and harmonize the terms of our existing financing facilities, as we move towards the Final Investment Decision on our Second Petrochemical Complex “CAP 2”) by 2022.

## ▶ Successful Start of 4<sup>th</sup> IDR Bond Shelf Programme of IDR8tn (US\$550mln)

- The Phase I 2022 issuance recorded the biggest ever order book
- A new record of largest single-tranche issuance for Chandra Asri of IDR2 trillion (~US\$137.5mln)
- It also maintained its longest tenor for a private industrial company, with up to 10 years bullet repayment, at a competitive and compelling terms.
- Investment grade bond with idAA- rating from PEFINDO
- Consistency in tapping Indonesia’s bond market throughout the years.





## CHANDRA ASRI STOCK SPLIT *August 2022*

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**1:4**  
ratio

**86,511,545,092 shares**  
outstanding shares

**Rp50,-**  
nominal value per share

**Average Volume + 315%**

**Average Frequency +80%**

**Average number of retail shareholders +13%**



## Strategy & Growth

03

# 3 Key Strategic Focus Areas for 2022 and Beyond

Disciplined Delivery with Resilience

## Exponential Growth via CAP2



**Complete FEED**

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**Take Final  
Investment Decision**

## Sustainability & ESG



**Crystalize Framework**

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**Broaden Partnerships**

## Digital Transformation



**New ERP Implementation**

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**Digital Plant**

# CAP2 Progress Overview

All key milestones primed towards EPC Bidding process

Sufficient Land Bank Achieved for Plot Plan	1	8	Environmental Permit (Amdal) Approved
Tax Holiday for 20+2 years Obtained	2	9	LOI Signed with Utility Partner
Licenses and Technology Selected	3	10	Strategic Investor Chosen - Thaioil
FEED Selection Process Initiated	4	11	Capital Injection through Rights Issue
Capex Plan and Design Firmed up +/- 30%	5	12	MoU signed with ARAMCO for Long-term feedstock supply
Clear Financing Plan with Strong Bank Support	6	13	FEED Award
Consistent and Solid Government Support	7	14	EPC Bidding





Q&A

04



Chandra Asri

# Thank you!

Feel free to reach out to us should you have any questions

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