



Chandra Asri

PT Chandra Asri Pacific Tbk

# Q4 & FY2023 Results

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02 April 2024 Earnings Call

Presentation to Analysts and Investors





# Forward-Looking Statement

**IMPORTANT NOTICE:** This document contains forward-looking statements concerning the financial condition, results of operations and business of PT Chandra Asri Pacific Tbk. All statements other than statements of historical facts 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 Pacific 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 feedstock costs, (d) variances to capacities and product expansion plans, (e) increased global and local competitions, (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 in this document are expressly qualified in their entirety. Readers should not place undue reliance on forward-looking statements. Neither PT Chandra Asri Pacific Tbk. nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statements 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

- ▶ Summary Highlights
- ▶ Performance Overview
- ▶ Strategy & Growth
- ▶ Questions & Answers



# 01 Summary Highlights

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# Summary Highlights



**Reports strong EBITDA of US\$130m, increase by 2352% from last year, showing strong financial performance**



**Ontrack CA-EDC Plant; MoU with INA for Potential Equity Partnership, Caustic Soda Supply to INALUM, Offtake Agreement with BCI Minerals**



**Chandra Daya Investasi, A Subsidiary of Chandra Asri Group Secured a US\$194m investment from EGCO Group**



**ESG Excellence: Renowned accolades for sustainable impact**

**FY2023 HIGHLIGHTS**





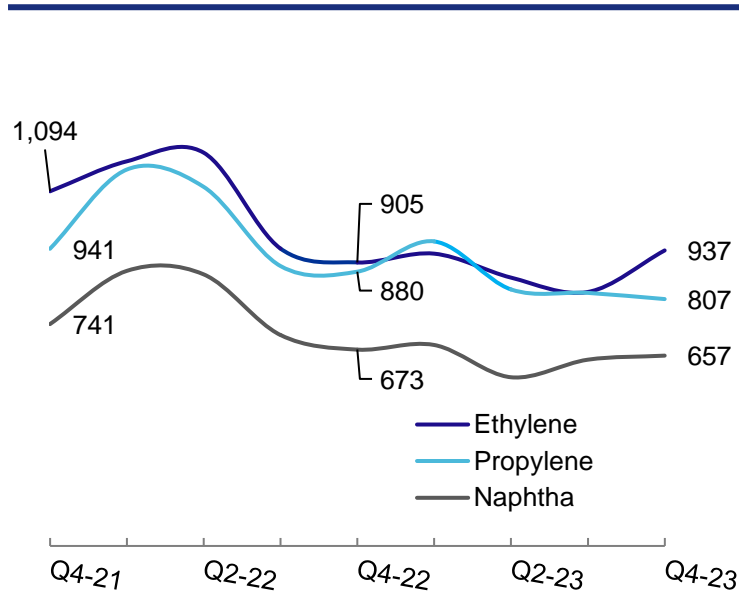
## 02 Performance Overview

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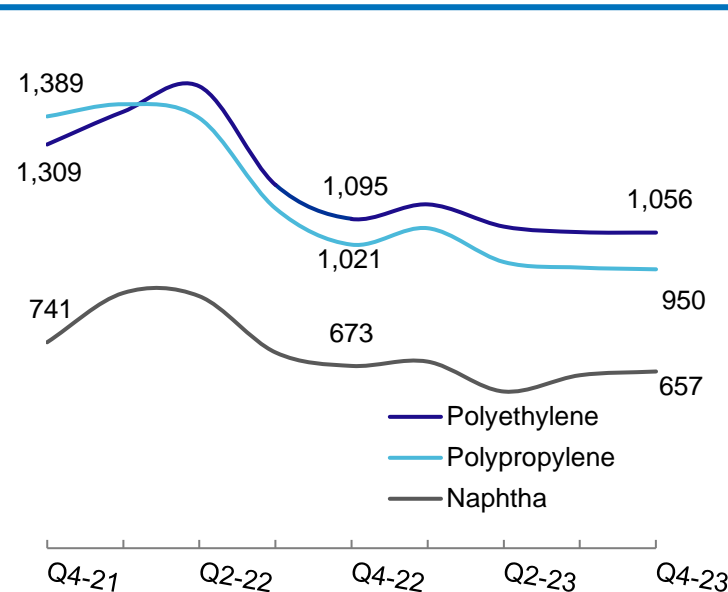
# Market Product Prices

Spreads Generally Improved with the Decline of Naphtha Price

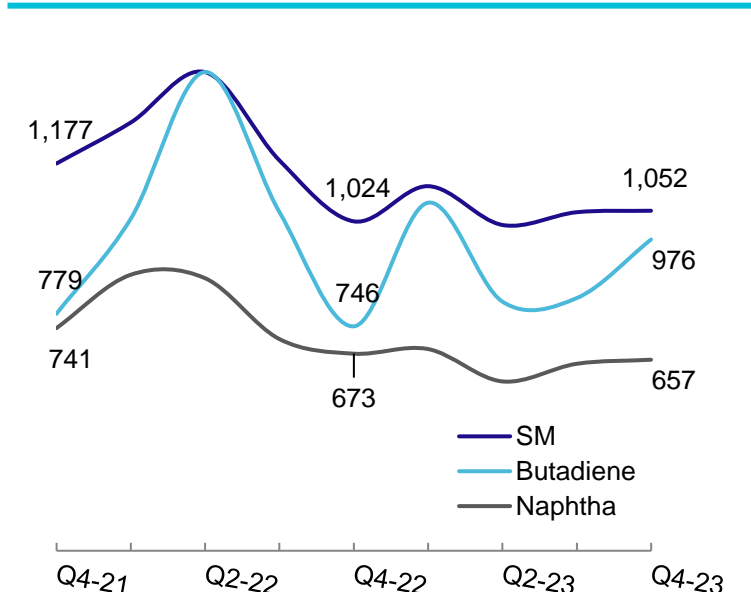
## Olefins



## Polyolefins



## Styrene Monomer (SM) & Butadiene



### Naphtha price ↓

Weak demand from gasoline blendstock and production reductions in key oil-producing countries, notably Saudi Arabia and Russia.

### Ethylene price ↑

Supply constraints resulting from persistently low run rates at many crackers and maintenance.

### PE price ↓

Downstream demand activity was sluggish as buyers lacked urgency to build inventory, opting instead to maintain lean stock levels.

### PP price ↓

Continued high feedstock expenses and low converting margins prompted multiple buyers to scale back their production volumes.

### SM price ↑

Increased import demand from Europe and active inquiries from Korean importers to address the domestic supply shortfall..

### BD price ↓

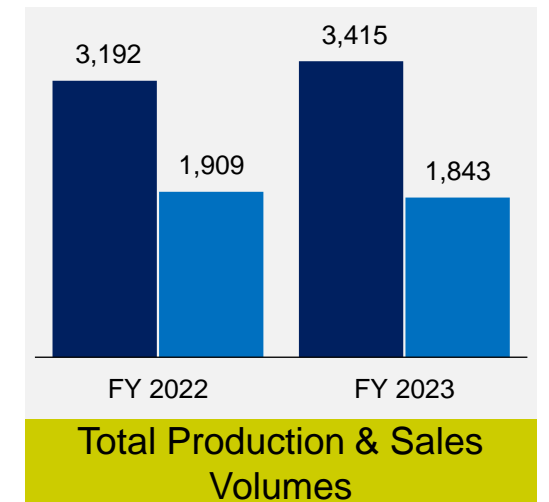
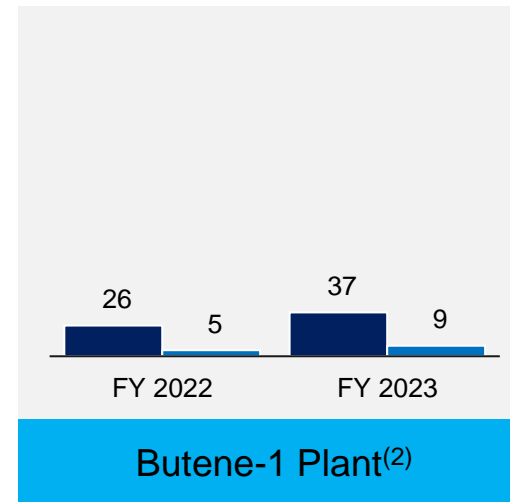
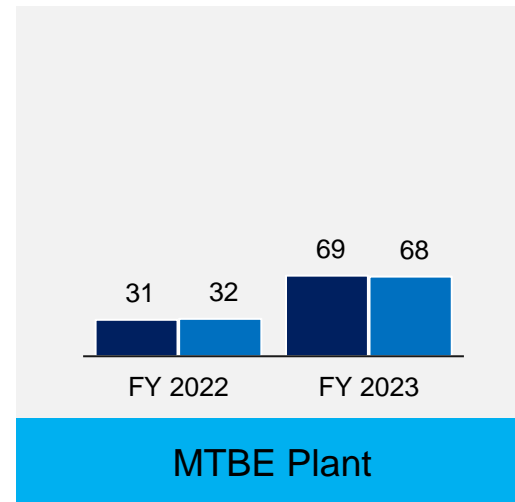
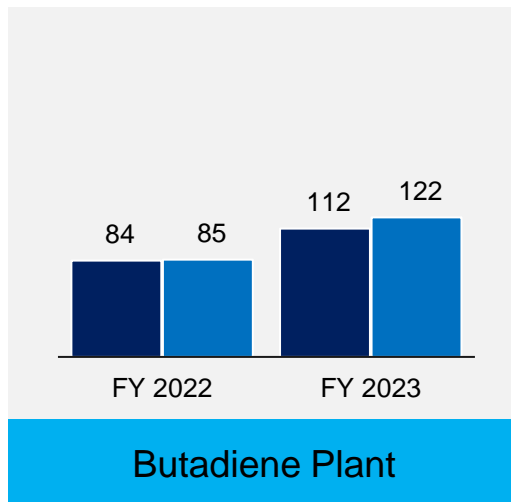
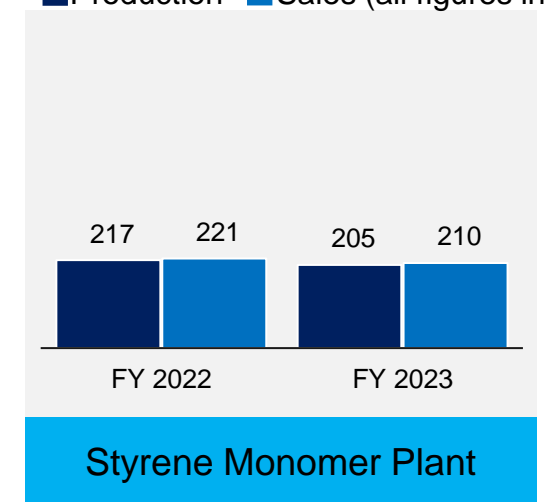
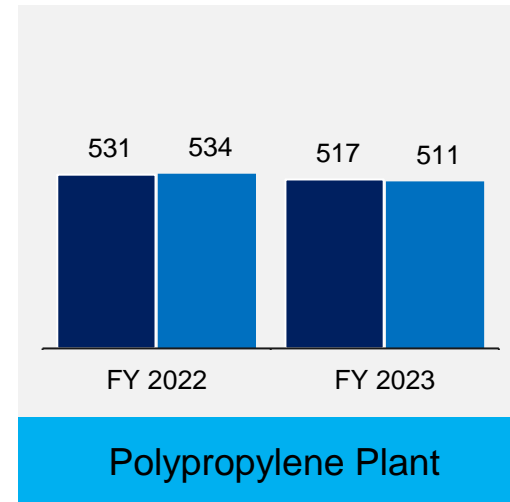
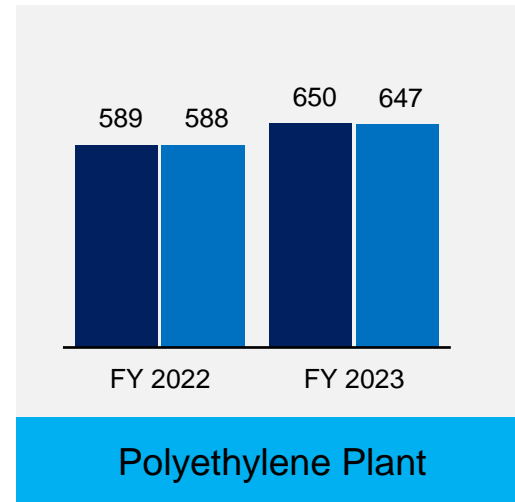
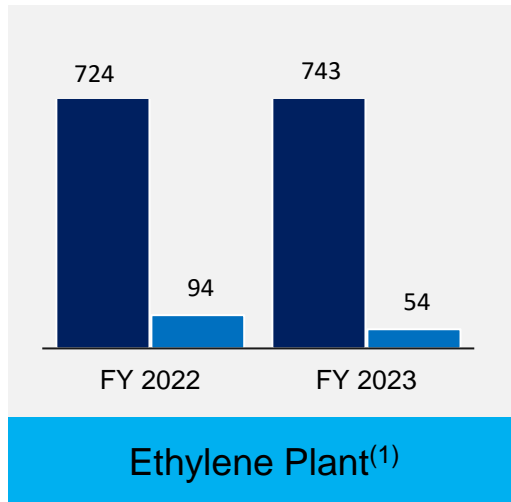
Limited supply as buyers sought spot materials due to delays in arbitrage cargoes.

Sources: Market data from ICIS & Chemanalyst

# Production and Sales

Steadfast Commitment: Sustaining Production Levels to Ensure Reliable Market Supply

■ Production ■ Sales (all figures in KT)



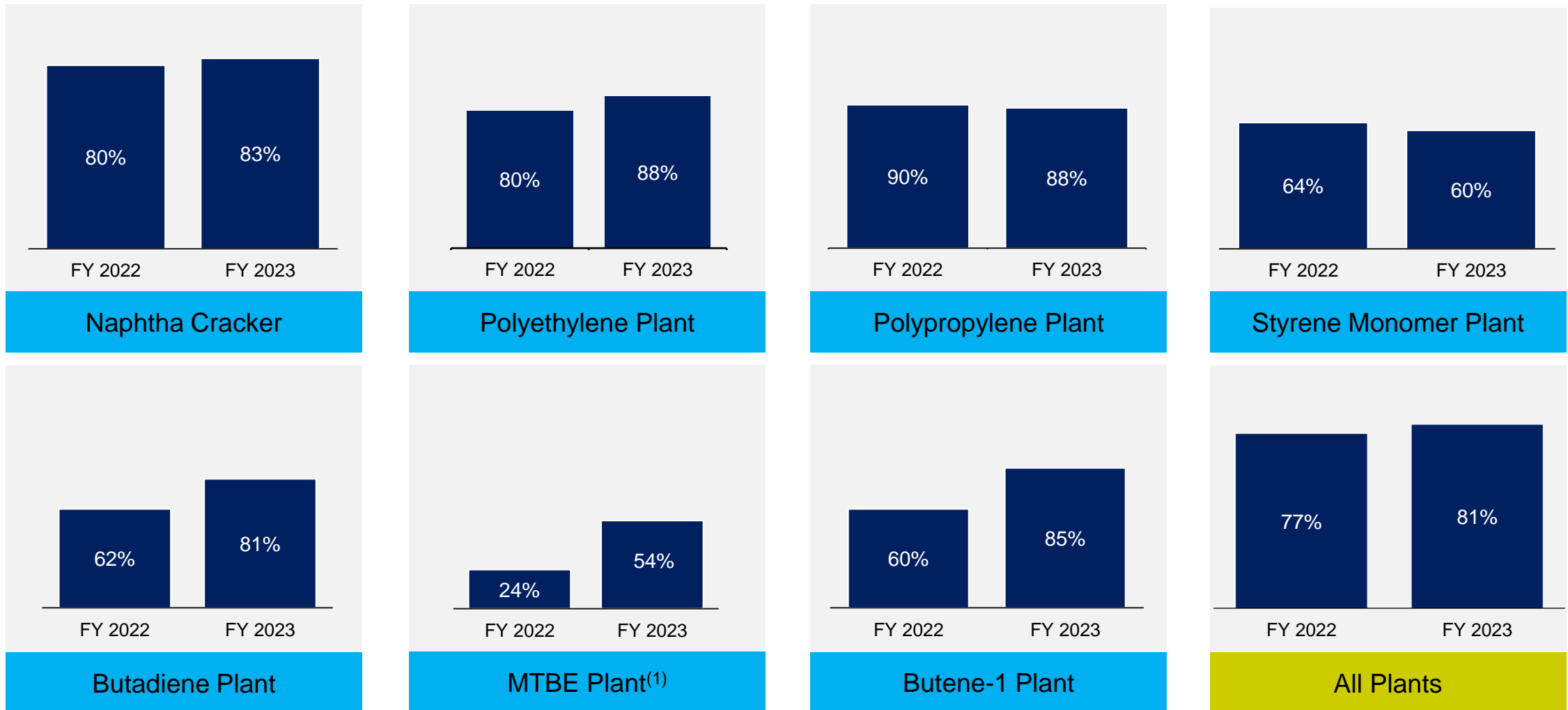
(1) Ethylene is used as a feedstock for our Polyethylene and Styrene Monomer plants, while the remaining of Ethylene is sold to merchant market. Since the New Polyethylene plant 400KTA's operation started in Q4 2019, Ethylene is mostly self-consumed as a feedstock for the Polyethylene plant.

(2) Butene-1 (B1) is mainly for internal use as a co-monomer in the Polyethylene production process.



# Operating Rates

Persistent and Strong: Sustaining Robust Operating Rates Amidst Market Challenges



(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 was active until H1 2023. This is considered as a part of the Final Investment Decision approval process.

# ESG Framework

Continuous Focus to Weave ESG into Strategic, Financial and Operational Decisions



Resource use and Environmental Management

Energy Transition and Low Carbon Solution

Social and Community Engagement

Product Stewardship

OHS and Human Right

Nurture our People (Human Capital Development)

Supply Chain Management

I.T. and Security Management

Business Risk Management

Liability on Corporate Governance

ESG Communication and Disclosure (include Stakeholder Engagement)





# ESG Initiatives

Elevated ESG Measures for Promoting Sustainable Impact and Long-Term Growth



Chandra Asri Group Successfully Installed more than 100km Plastic Asphalt Road



Chandra Asri Group manages 1.7 tons of plastic waste from Cilegon City DLH Competition



Collaborate with Syekh Nawawi Banten University on sustainable waste management education



5-year collaboration of Chandra Asri Group with Happy Hearts Indonesia



Chandra Asri Presents #IndonesiaAsri Sustainability Campaign



Supports Cirata Floating Solar PV to fulfill domestic content level



Chandra Asri Group supports mobility of deaf people through plastic waste circular economy

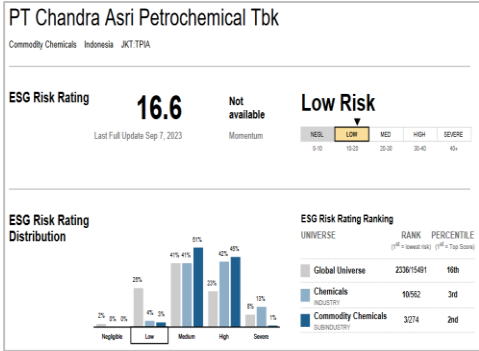


Chandra Asri Group supports a new, renewable, geothermal-based energy mix with Asrene®SP4808



# ESG Excellence

Chandra Asri is Acknowledged for Achieving Sustainable Impact



No	Code	Company Name	ESG Score
1	ERAA	PT Erjaya Swasembada Tbk	12.67
2	EMTK	PT Elang Mahkota Teknologi Tbk	14.9
3	BSDE	PT Bumi Serpong Damai Tbk	15.09
4	JSMR	PT Jasa Marga Tbk	15.15
5	SCMA	PT Surya Citra Media Tbk	15.35
6	MPMX	PT Mitra Ptaschika Mustika Tbk	15.9
7	TPIA	PT Chandra Asri Petrochemical Tbk	16.6
8	MINN	PT Media Nusantara Citra Tbk	17.7
9	BMTR	PT Global Mediacom Tbk	18.14
10	UNVR	PT Unilever Indonesia Tbk	18.8



Top 3 of the  
Commodity  
Chemical Sub-  
Industry ESG Risk  
Rating

Included in IDX's  
ESG Leaders Index  
(#7 in Indonesia)

Plastic Waste  
Circularity Award at  
2023 ASEAN  
Business Awards

Gold and Green  
Predicate in  
PROPER 2023

Chandra Asri Group  
achieved B Score  
from CDP

# Digital Transformation

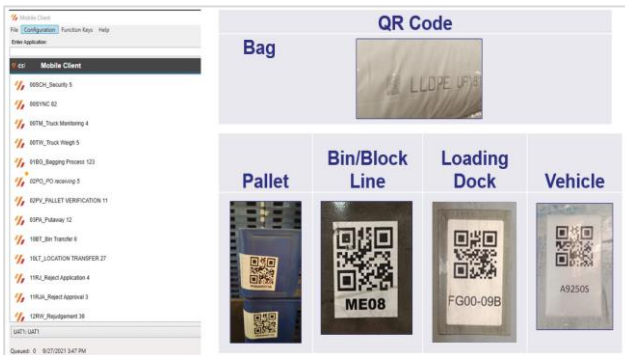
Recent achievement of Chandra Asri Group in Digital Transformation to enhance efficiency, productivity, customer service and competitiveness



## National Lighthouse Industry 4.0 award by the Ministry of Industry

Chandra Asri has been recognized with the **National Lighthouse Industry 4.0 award** by the **Ministry of Industry**. This award reinforces Chandra Asri Group's position as a benchmark role model in digital transformation for industry players in similar sectors. The National Lighthouse Industry 4.0 award was officially **presented by the Minister of Industry, Agus Gumiwang Kartasasmita**.

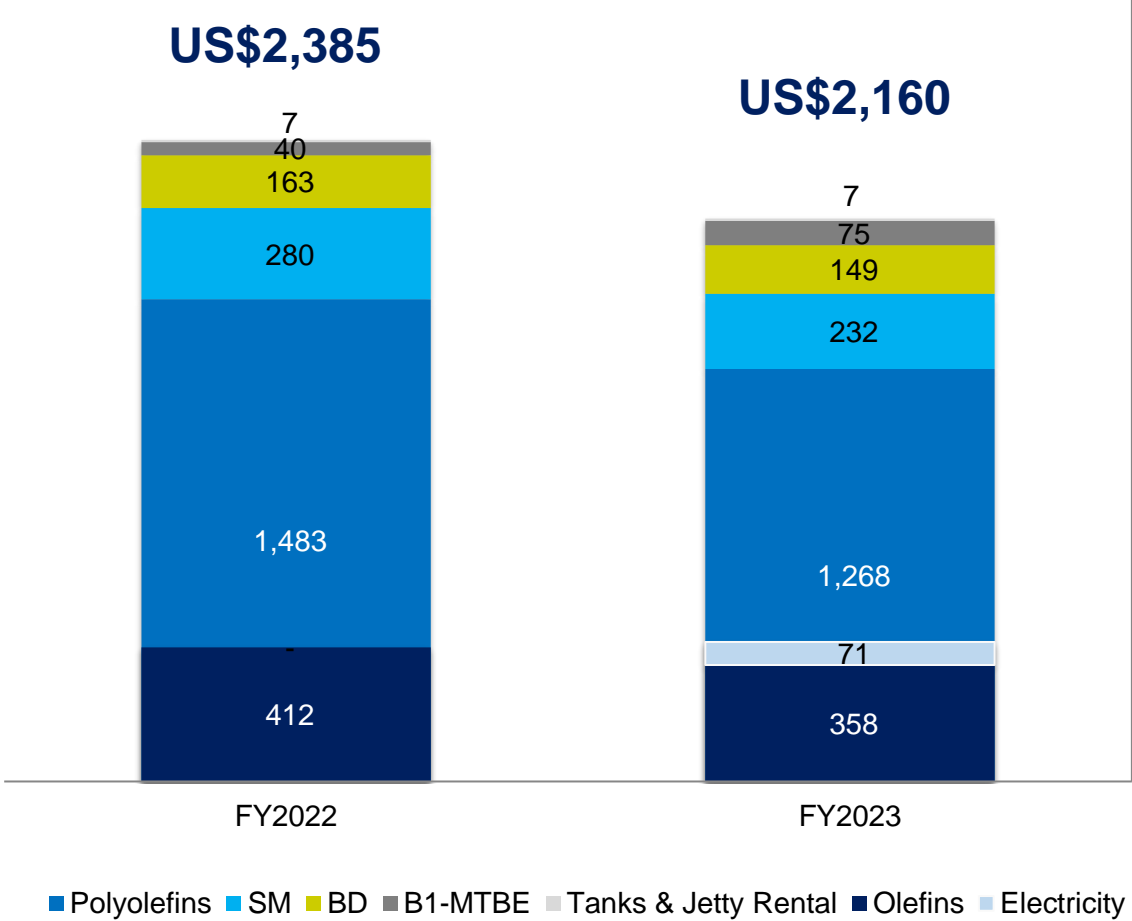
This transformation involves the application of cutting-edge digital technologies such as **Internet of Things (IoT)**, **Blockchain Technology**, **Supply Chain Automation**, and **Robotic Process Automation (RPA)** in our business processes and manufacturing operations to enhance efficiency, productivity, customer service and overall competitiveness.



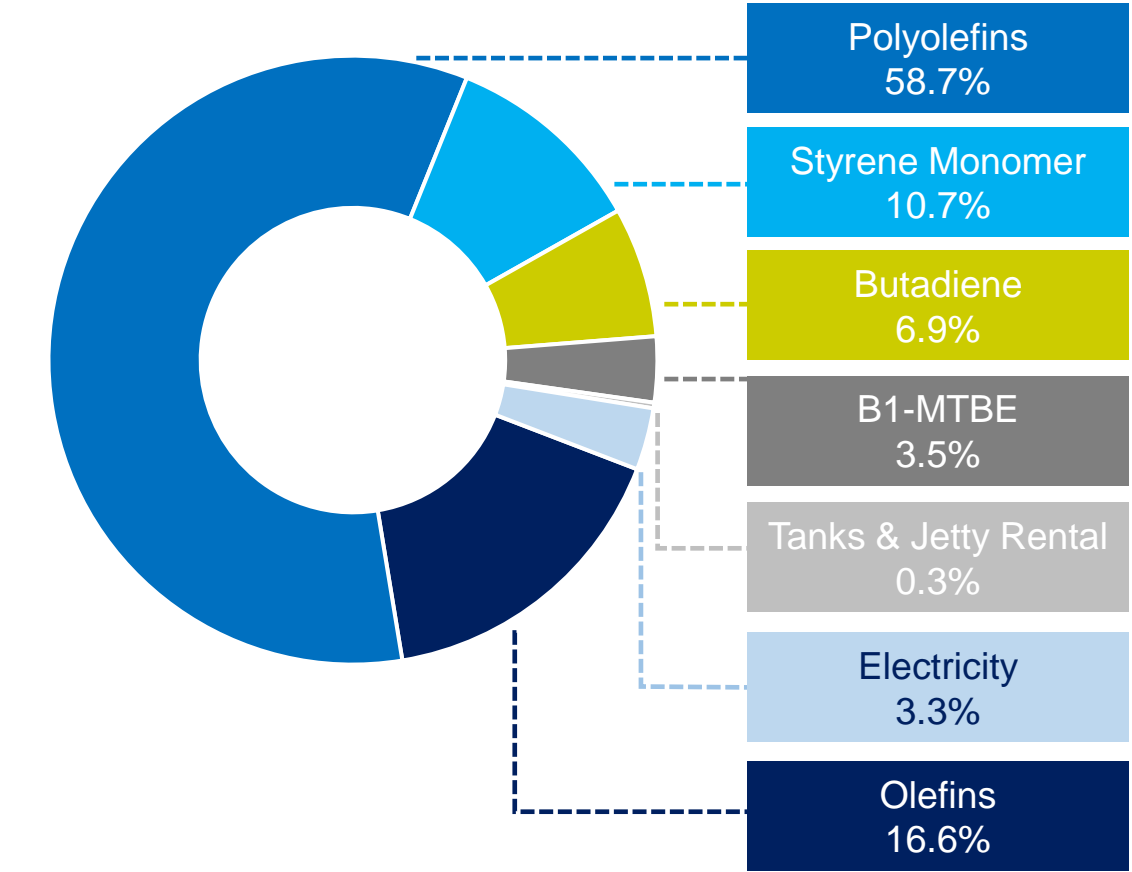
# Revenue

Polyolefins Leads the Way to Healthy Revenue with Added Electricity Income

Net Revenues (US\$m)



Net Revenues Split (%)

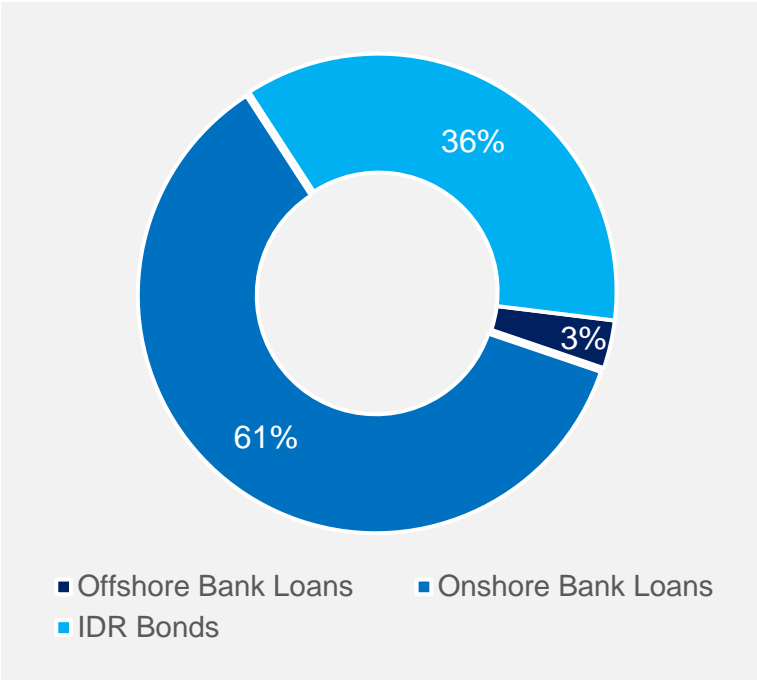




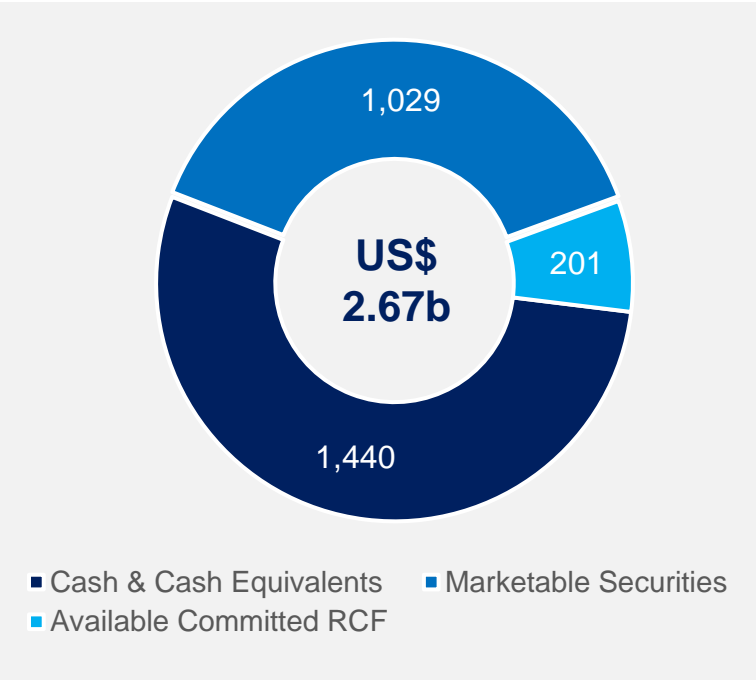
# Balance Sheet Highlights

A Strong Balance Sheet Supports Chandra Asri's Financial Flexibility and Agility

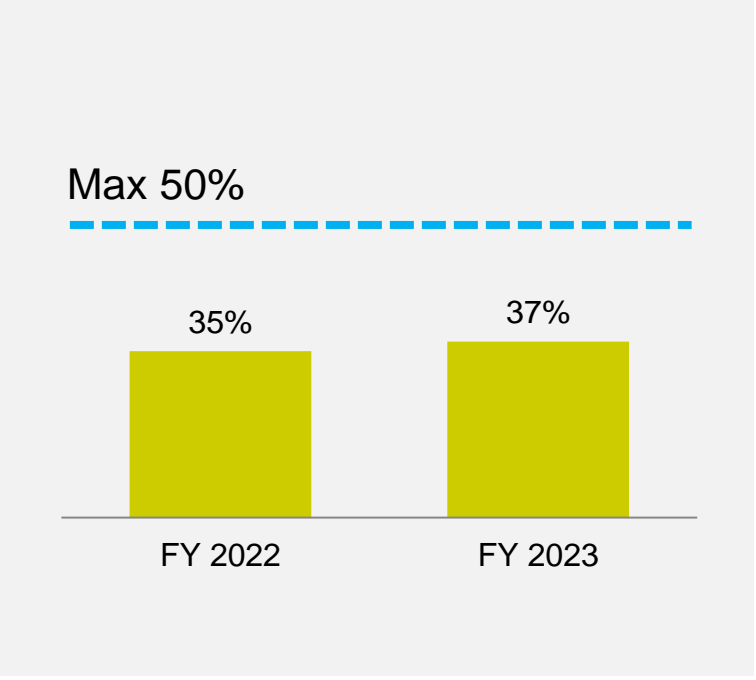
Financing Sources (%)



Liquidity Pool



Debt-to-Capitalisation





## 03 Strategy & Growth

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# Chandra Asri has Transformed into a Chemical and Infrastructure Solutions Company

## Before



### NAME

PT Chandra Asri Petrochemical Tbk



### VISION

Indonesia's Leading and Preferred Petrochemical Company



### MISSION

Continue to grow and improve our leadership position through integration, development of human capital and preferred partnership, in a sustainable manner that will contribute to the growth of Indonesia.

## After

### NAME

PT Chandra Asri Pacific Tbk

### VISION

Indonesia's leading chemical and infrastructure solutions company

### MISSION

At Chandra Asri, we are dedicated to enhancing lives, communities, and the environment. Our mission is built on the pillars of innovative solutions and strong partnerships, with a solid commitment to sustainability, safety, and best practices.



# Company Profile

## Chandra Asri Group at a Glance

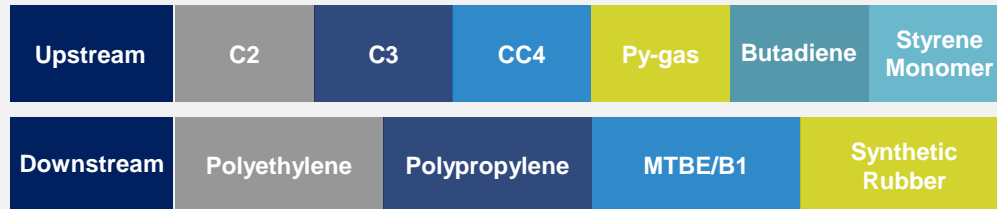


### CHEMICAL

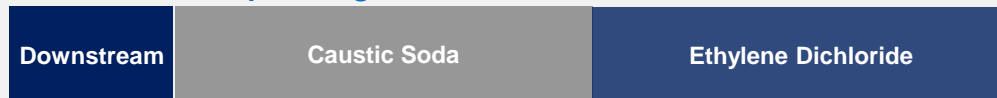


- Strategic Vital National Object
- Market Leadership in highly attractive Indonesia and SEA petrochemical market with domestic market share of up to 50%<sup>[1]</sup>
- Support from Barito Pacific Group, Siam Cement Group, and Thai Oil Group

#### Chandra Asri's petrochemical streams:



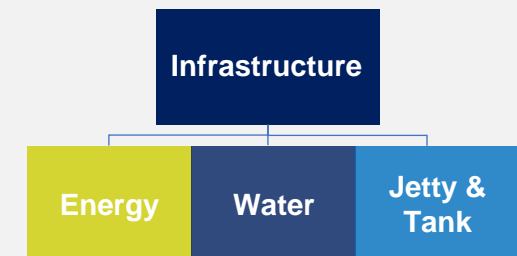
#### Chandra Asri's upcoming chemical streams:



### INFRASTRUCTURE



- Strengthening Chandra Asri's business franchise through expansion into core infrastructure facilities, via a dedicated special-purpose vehicle, Chandra Daya Investasi ("CDI")
- CDI is focused on generating long-term, stable, and sustainable shareholder returns
- It provides further growth upside to the assets under its portfolio through (i) value enhancement via operational excellence, (ii) realisation of cross-entity synergies, and (iii) integrating ESG best practices



<sup>[1]</sup> 50%, 40% and 32% of the domestic market (including imports) for Olefins, Polyethylene and Polypropylene, respectively

# Chandra Asri as the Growth Partner of Choice

Solid track record of growth through partnerships with world-class institutions



1

- CA's shareholder (46.34%)
- Indonesia based conglomerate with diversified businesses

- Pefindo Rating: idA+
- Available land for CAP's expansion

2

- CA's shareholder (30.57%)
- One of the Asia's largest petrochemical companies

- Fitch Rating: A+
- Product off-taker

3

- CA's shareholder (15.00%)
- The largest oil refinery in Thailand

- Fitch Rating: A+
- Feedstock supplier

4

- One of the Indonesia's biggest conglomerates
- JV Partner in Jetty & Tank Farm Business through RPU

5

- A French multinational tire manufacturer
- Fitch Rating: A-

- JV Partner in SSBR Business through SRI
- Product off-taker

6

- Indonesia's largest integrated steel maker
- Partner in Energy & Water Infrastructure Business (KCE & KTI)

7

- The 6<sup>th</sup> world's largest steel maker; HQ in South Korea
- S&P Rating: A-

- JV Partner in Energy Business (KPE) – electricity provider

8

- The first Independent Power Producer in Thailand
- Tris Rating: AA+

- JV Partner in Infrastructure business via CDI

# Chandra Asri's Strategic Framework

Performance underpinned by Chandra Asri's strong track record of execution



## STRONG CORE

Expand chemicals & infrastructure businesses organically

Cost leadership

Operational excellence



## MAJOR SPRINTS

Development of CA-EDC as part of reconfigured CAP 2

Execute programmatic M&A and integrate acquisitions to grow infrastructure business



## SUSTAINABLE PATHWAYS

Maintain industry leadership in ESG

Explore partnerships in renewables (HVO and Bio Products)

**OPTIMISE VALUE AND SHAREHOLDER RETURNS**  
**“UPLIFT AND SMOOTHEN THE VALUE CURVE”**



# CA-EDC Expansion Plans Well Underway

World-scale plant aimed towards supporting the mining requirements of the growing electric vehicle industry

Chandra Asri through its wholly-owned subsidiary, Chandra Asri Alkali (“CAA”), is developing the CA-EDC plant, which will produce more than 400 KTA of caustic soda and 500 KTA of ethylene dichloride (EDC) to serve the region’s short market.



## Current Progress



Join forces with INA, Indonesia’s sovereign wealth fund, as Chandra Asri embarks on potential partnership



Appointed a world-class leading licensor with the state-of-the-art chlor-alkali technology, Asahi Kasei Corporation (AKC) from Japan



Appointed a leading vinyl technology licensor from United States of America, to develop ethylene dichloride (EDC) plant



Signed a Letter of Intent (LoI) with INALUM for potential supply of caustic soda solution to INALUM and potential equity contribution by INALUM in CAA



## Latest Update



## Salt Offtake Agreement Signing with BCI Minerals



# Key Achievements of Chandra Asri's Programmatic M&A in 2023

Strategic Measures for Business Diversification in Chemical and Infrastructure Sectors to Improve Chandra Asri Group's Performance



**Acquisition of Krakatau Steel's Subsidiaries: 70% Krakatau Chandra Energi & 49% Krakatau Tirta Industri**



**Increasing KCE's Ownership Stake in PT Krakatau Posco Energy to 45%**



**Strategic Investment in Sustainability-Focused Infrastructure Project**

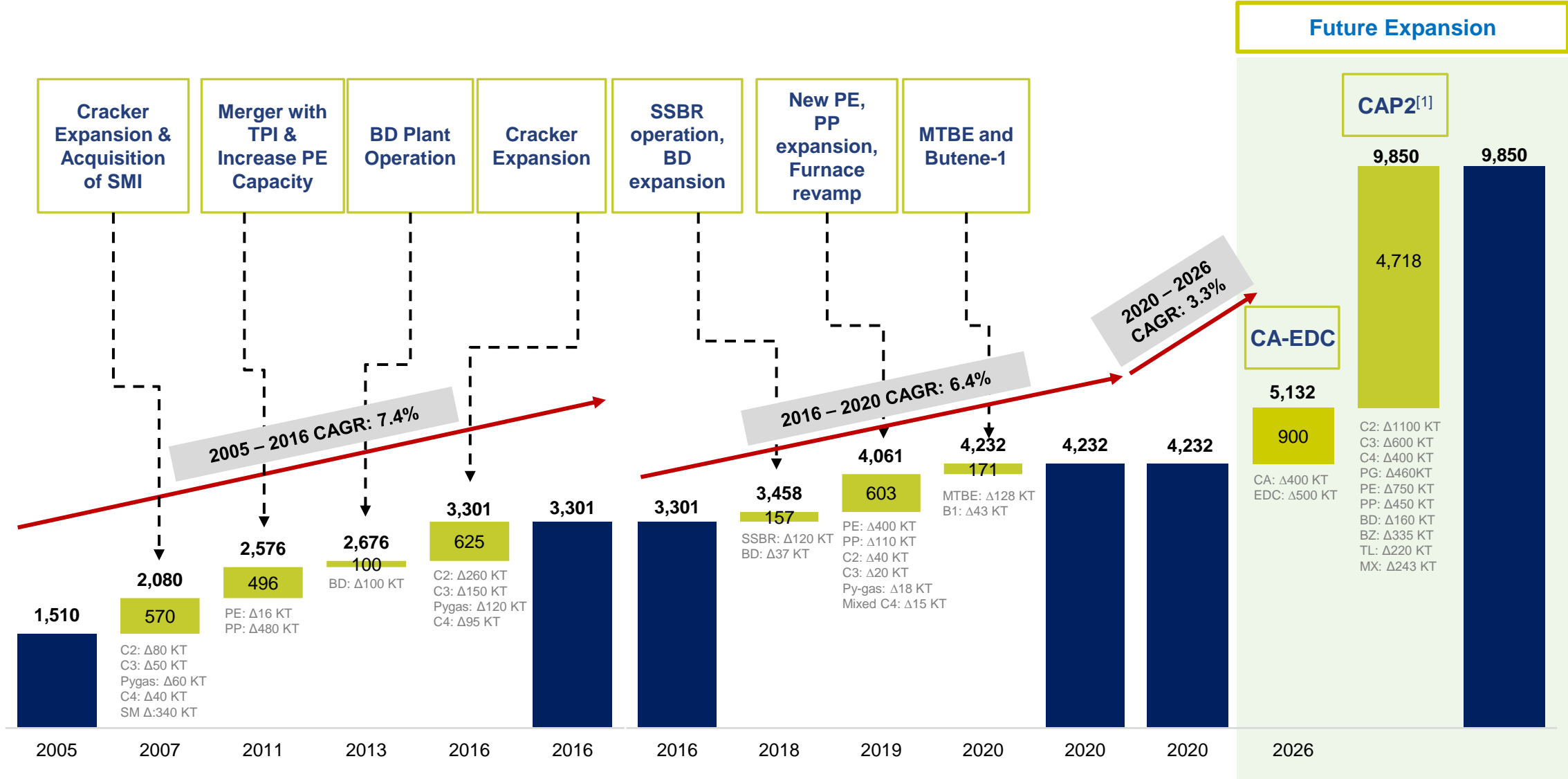
**Chandra Asri memperoleh investasi ekuitas US\$194 juta dari EGCO Group**

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**A Subsidiary of Chandra Asri Group Secures a US\$194m Investment from EGCO Group**

# Major Projects – Delivering Sustainable & Profitable Growth



<sup>[1]</sup> Subject to FID





## 04 Questions & Answers

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Chandra Asri

# Thank you

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

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