

About Chandra Asri:

Chandra Asri, a subsidiary of PT Barito Pacific Tbk, is Indonesia's largest integrated petrochemical company producing olefins and polyolefins. Chandra Asri's state-of-the-art facility and infrastructure are located in Cilegon and Serang, in Banten province in Java. Chandra Asri operates the country's only naphtha cracker, and is the sole producer of ethylene, styrene monomer, butadiene and MTBE/B1 in Indonesia. In addition, Chandra Asri is also the largest polyolefins producer in Indonesia, producing raw materials and base petrochemical products used for packaging products, pipes, automotive, electronics, and consumer goods in support of Indonesia's growth and industrialization ambitions. Chandra Asri is currently expanding its investment portfolio in the energy sector and incorporating its asset as well as operational infrastructure to support the expansion plan of the second world-scale integrated petrochemical complex owned by the Company, CAP2.

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# NEWS RELEASE

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## CHANDRA ASRI COMMITS TO SUSTAINABLE & PROFITABLE OPERATIONS WHILE EXECUTING TRANSFORMATION STRATEGY

- **NET REVENUES OF US\$502.3 MILLION IN Q1 2023**
- **NET PROFIT AFTER TAX OF US\$8.5 MILLION VS A NET LOSS AFTER TAX OF US\$11.1 MILLION IN Q1 2022**
- **POSITIVE EBITDA OF US\$66.1 MILLION**
- **MAINTAINS STRONG LIQUIDITY POOL IN Q1 2023 OF US\$2.3 BILLION**

On 19 June 2023, PT Chandra Asri Petrochemical Tbk (IDX: TPIA) released its audited consolidated financial statements for the first quarter 2023.

The Company's Director, Suryandi, commented:

**"Q1 2023 marked a turnaround for the petrochemical industry. Growth largely stemmed from a rebound in the global economy, as marked by a strong rise in Southeast Asia's production levels, and China's reopening following the COVID-restriction reversals. The Company recorded Net Revenues of US\$502.3 million and a positive EBITDA of US\$66.1 million, compared to an EBITDA of US\$24.1 million in Q1 2022, marking a 174% increment. Net Profit for the first 3 months of the year came in at US\$8.5 million, compared to a Net Loss of US\$11.1 million over the same period last year.**

Chandra Asri continues to maintain a solid balance sheet under financial resilience and provides strategic flexibility. As of 31 March 2023, the Company has a US\$2.3 billion Liquidity Pool consisting of US\$881 million Cash and Cash Equivalents, US\$997 million Marketable Securities and US\$422 million of Available Committed Revolving Credit Facilities.

On 27 February 2023, the Company successfully executed the acquisition of a 70% equity stake in Krakatau Daya Listrik (KDL, an electricity business) and 49% equity stake in Krakatau Tirta Industri (KTI, a water business) via its special purpose vehicle, PT Chandra Daya Investasi. The series of bolt-on transactions in the infrastructure sector are geared to deliver stronger business performance with less risks, through creating integrated ecosystems and synergies within the industrial complex in the Cilegon area. This is part of the Company's Programmatic M&A strategy, leveraging Chandra Asri's financial strength and solid reputation as a Growth Partner.

Whilst there is continuing volatility expected on the horizon due to ongoing geopolitical and energy price uncertainty, the Company continues to be confident in its long-term prospects and execute its expansion plans with discipline and focus. Over Q1 2023, Chandra Asri finalized and signed a MoU with INA, the sovereign wealth fund, to jointly develop a world-scale chlor-alkali plant in Indonesia, which is designed to service Indonesia's growing downstream industries focused on the Electric Vehicle (EV) value chain. As part of the accelerated investment plans, the Company has also appointed world-renowned licensors and progressed to the FEED bidding process."

**Q1 2023 FINANCIAL HIGHLIGHTS:**

- Net Revenues declined by 34.9% in Q1 2023 to US\$502.3 million from US\$677.7 million in Q1 2022 affected by external supply – demand disruption that leads to lower overall sales volume for the quarter.
- Cost of Revenues decreased to US\$469 million in Q1 2023 from US\$652.7 million in Q1 2022 mainly due to lower average feedstock price with Naphtha averages at US\$651/T for the Q1 2023 compared to an average of US\$856/T in Q1 2022 on the back of a 17% decrease in Brent Crude prices during Q1 2023 to an average of US\$82/bbl compared to an average of US\$99/bbl in Q1 2022.
- In addition to the positive EBITDA of US\$66.1 million, the Company also recorded Net Profit after Tax of US\$8.5 million in Q1 2023.

US\$ million, unless otherwise stated	3M 2023	3M 2022	% change
Net Revenues	502.3	677.7	(25.9)
Cost of Revenues	469.0	652.7	(28.1)
Gross Profit	33.4	25.0	33.6
Net (Loss) Profit after Tax	8.5	(11.1)	(176.6)
EBITDA	66.1	24.1	174.3
Cash Flows from (used in) Operating Activities	(357.6)	(562.1)	(36.4)
Capital Investments	40.6	35.1	NR
Earnings (loss) per share (US\$)	0.0001	(0.0002)	NR
US\$ million, unless otherwise stated	3M 2023	3M 2022	% change
Total Assets	4,983.3	4,929.9	1.1
Total Liabilities	2,113.8	2,120.8	(0.3)
Shareholders' Equity	2,869.5	2,809.1	2.2
Interest Bearing Debt	1,708.0	1,471.1	16.1
Cash & Cash Equivalents	881.0	1,404.0	(37.3)
Net Debt / (Cash)	827.0	67.1	NR

Note:

NR.: Not Relevant

**Financial Ratios**

	3M 2023	3M 2022
Gross Profit Margin	6.6%	3.7%
EBITDA Margin	13.2%	3.6%
Debt to Capitalization	37.3%	34%
Debt to Equity	59.4%	52.4%
Debt to EBITDA (x) - LTM	36.1	6.4
Net Debt/(Cash) to EBITDA (x) – LTM	17.5	(1.0)

## Business Segments

In US\$ million	Revenues		
	3M 2023	3M 2022	% change
Olefins	75.0	111.2	(32.6)
Polyolefins	303.6	438.0	(30.7)
Styrene Monomer	60.9	69.6	(12.5)
Butadiene	42.6	41.3	3.1
MTBE and Butene-1	10.8	16.4	(34.1)
Tanks and Jetty Rental	2.1	1.3	61.5
Electricity	7.4	-	NR
<b>Consolidated</b>	<b>502.3</b>	<b>677.7</b>	<b>(25.9)</b>

In US\$ million	Gross Profit		
	3M 2023	3M 2022	% change
Olefins	13.1	10.0	31.0
Polyolefins	8.8	18.4	(52.2)
Styrene Monomer	2.7	(3.5)	(177.1)
Butadiene	4.9	(2.4)	(304.2)
MTBE and Butene-1	1.1	1.8	(38.9)
Tanks and Jetty Rental	2.0	0.8	150.0
Electricity	0.8	-	NR
<b>Consolidated</b>	<b>33.4</b>	<b>25.0</b>	<b>33.6</b>

Note:

NR.: Not Relevant

## FINANCIAL PERFORMANCE ANALYSIS

### Net Revenues

Net Revenues for the Q1 2023 were booked at US\$502.3 million, down from US\$677.7 million in Q1 2022 affected by external supply – demand disruption that leads to lower overall sales volume for the quarter. Q1 2023 sales volume was at 424 KT, down from 528 KT in Q1 2022.

### Cost of Revenues

Cost of Revenues decreased to US\$469.0 million in Q1 2023 from US\$652.7 million in Q1 2022 mainly due to lower average feedstock price with Naphtha averages at US\$651/T for the Q1 2023 compared to an average of US\$856/T in Q1 2022 on the back of a 17% decrease in Brent Crude prices during Q1 2023 to an average of US\$82/bbl compared to an average of US\$99/bbl in Q1 2022.

### EBITDA

EBITDA in Q1 2023 increases compared to Q1 2022 as the gross profit increases due to loosened COVID-lockdowns in China and fewer global uncertainties. Company's EBITDA in Q1 2023 is US\$66.1 million over Q1 2022 compared to US\$24.1 million in Q1 2022.

**Net Profit (Loss) after Tax**

Following the conditions mentioned above, the Company recorded US\$8.5 million of Net Profit after Tax in Q1 2023 compared to US\$11.2 million Net Loss after Tax in Q1 2022.

**Total Assets**

The Company booked Total Assets of US\$4,983.3 million as of 31 March 2023, increased by 1.1% from US\$4,929.9 million as of 31 December 2022.

**Total Liabilities**

The Company recorded slightly lower Total Liabilities of US\$2,113.8 million on March 31, 2023 from US\$2,120.8 million on 31 December 2022.

As of 31 March 2023, the Company had a total interest-bearing debt position of US\$1,708.0 million, against cash and cash equivalents balance of US\$881.0 million, resulting in an overall net debt position of US\$827.0 million. Net Debt to EBITDA (LTM) stood at 17.5x.

**Cash Flows (Used in)/Provided by Operating Activities**

Net cash used in operating activities during Q1 2023 was US\$357.6 million against US\$562.6 million net cash used in operating activities in Q1 2022, largely due to lower payments made to suppliers for feedstock purchases and inventories during the period, as part of various efforts to optimize our overall working capital, combined with higher EBITDA.

**Cash Flows (Used in)/Provided by Investing Activities**

Net cash used in investing activities in Q1 2023 was US\$403.2 million compared to net cash used in investing activities at US\$155.3 million in Q1 2022. In addition to the acquisition of KDL and KTI mentioned above, the Company had higher investments in financial assets and time deposits in Q1 2023 compared to Q1 2022.

**Cash Flows (Used in)/Provided by Financing Activities**

Net cash provided by financing activities was booked lower at US\$184.9 million in Q1 2023, compared to US\$421.1 million of net cash provided by financing activities in Q1 2022 due to lower proceeds from new term loan facilities and IDR bond issuances, alongside principal repayment of BCA loan, as part of proactive efforts to optimize the Company's overall weighted average cost of financing and capital structure.

## CORPORATE NEWS



### **Chandra Asri Receives Appreciation from Large Tax Office (LTO) Two**

On 20 March 2023, the Company received appreciation from Large Tax Office (LTO) Two (or KPP Wajib Pajak Besar Dua) due to its contribution in implementing the highest compliance towards tax obligations. The 2022 Best Taxpayer Award received by Chandra Asri is a concrete proof of the Company's commitment to ESG (Environmental, Social and Governance), especially in the governance aspect, in which Chandra Asri actively complies with the provisions required by the Government. Chandra Asri, in this case, also takes the initiative to continuously contribute to Indonesia, not only through its products but also with its business compliance in supporting Indonesia's economic growth.



### **Collaborates with TNI in Providing Healthy-Environmentally Friendly Sanitation and Access to Clean Water**

On 21 March 2023, the Company collaborates with the TNI to eradicate the practice of Open Defecation through Healthy-Environmentally Friendly Water Closet Program. Together with the TNI, the Company built water closets for 18 families, one mosque in the Sambiranyok neighborhood, Kepuh sub-district, and two families in the Gunung Sugih sub-district. These water closets were built using a bio-septic tank (Biotank), which is more environmentally friendly because the output water is odorless, non-toxic, and does not pollute the environment. This Biotank water closet is a collaboration between Chandra Asri and a customer, PT Profilia Indotech, where the water closet utilized Chandra Asri's material, PE UR3840V.



### **Together with INA Exploring the Establishment of a World-Scale Chlor Alkali Plant**

On 13 April 2023, the Company, and the Indonesia Investment Authority (INA) have signed a Memorandum of Understanding (MoU) to work together to develop a world-scale chlor-alkali plant in Indonesia, PT Chandra Asri Alkali (CAA). The establishment of this world-class chlor-alkali company is expected to accelerate the growth of the national downstream industry, support Indonesia's ambition to become one of the world's largest nickel producers, as well as position itself in the global electric vehicle value chain.



### **Chandra Asri Distributed Plastic Fuel to MSMEs and Fishermen at Pangaradan Beach**

On 13 April 2023, the Company distributed 6 liters of plastic fuel, consisting of 2 liters of plastic gasoline and 4 liters of plastic kerosene, to fishermen and home-based businesses residing at the coast of Pangaradan Beach, Anyar Village, Serang Regency, Banten. This plastic fuel is generated from Chandra Asri's integrated waste management initiative (end-to-end plastic waste management) based on a circular economy principle. These 6 liters of plastic fuel distributed by Chandra Asri are equivalent to converting 8 kilograms of low-value plastic waste from landfills. Previously, Chandra Asri had also distributed 1,079 liters of plastic fuel (equivalent to 1,402.7 kilograms of low-value plastic waste) to the people involved in the SAGARA program.





#### **Chandra Asri's Bonds' Received Stable Rating from PEFINDO**

On 14 May 2023, PT Pemeringkat Efek Indonesia (PEFINDO) has affirmed its "idAA-" ratings for Chandra Asri and its outstanding bonds. The outlook for the corporate rating is affirmed to be "Stable". The rating reflects PEFINDO's view of Chandra Asri's leading position in the domestic petrochemical industry.



#### **Annual General Meeting of Shareholders (AGMS) 2023**

On 17 May 2023, Chandra Asri held the Annual General Meeting of Shareholders (AGMS) 2023 in Jakarta. In the agenda of this annual Meeting, there are 6 (six) agenda items discussed, including regarding the distribution of dividends and changes to the composition of the Company's management.



#### **Wajib Tera Award 2023 from Cilegon City Government**

On 22 May 2023, the Company was awarded the "Compulsory Calibration Award with the Highest Compliance in the Implementation of Calibration/Recalibration of UTTP Equipment in the Cilegon City Region in 2023" (Wajib Tera Award 2023) for complying with the Regulations of the Minister of Trade (Permendag). This award appreciates Company's achievements in carrying out calibration/recalibration by calibrating its measuring equipment (*Ukur, Takar, timbang, dan Perlengkapannya/UTTP*) at the specified time.



#### **Chandra Asri Received PPKM Award 2023**

On 22 May 2023, the Company received an award from the Ministry of Health for Company's contribution in handling Covid-19 in Indonesia. In 2022, 100% percent of the Company's employees have received the full dose of Covid-19 vaccination. Until the end of December 2022, Chandra Asri had distributed 1,540 basic food packages to Covid-19 pandemic affected communities.



#### **Together with Nippon Shokubai Group Exploring Green Chemical Business Opportunities**

On 23 May 2023, Chandra Asri, Nippon Shokubai Co.,Ltd. (NSCL), and PT Nippon Shokubai Indonesia (NSI) have signed a Memorandum of Understanding (MoU) to jointly explore green chemical business opportunities. Through this MoU, Chandra Asri and NSCL as well as its affiliates, NSI (hereinafter referred to as "Nippon Shokubai Group"), will explore the potential to produce 'bio' materials such as bio-naphtha, bio-olefins, and various products that use renewable energy, to produce sustainable derivative products such as acrylic acid (AA), acrylic ester (AES), and superabsorbent polymer (SAP).



#### **Chandra Asri Appointed Licensor for EDC Plant**

Chandra Asri through its subsidiary, PT Chandra Asri Alkali (CAA), has signed a License, Basic Engineering and Technical Services Agreement with a leading vinyl technology licensor from United States of America, to develop ethylene dichloride (EDC) plant following the Company's business plan to build a world-scale integrated chlor-alkali and EDC plant (CA-EDC plant). The CA-EDC plant, which will be operated by CAP2's subsidiary, CAA, will produce 500,000 metric tons per annum of ethylene dichloride (EDC) and more than 400,000 metric tons per annum of caustic soda.



#### **Together with Stakeholders, Chandra Asri Organizes Indonesia Coastal Clean Up 2023 in Banten**

On 10 June 2023, Chandra Asri supports the Ministry of Environment and Forestry (KLHK) initiative to hold Indonesia Coastal Clean Up at Berok Beach, Anyar. The clean-up action, which carried out in Banten Province and attended by more than 250 participants, prevented 790.75 kg of waste from leaking into the sea. In addition to the beach clean-up action, Chandra Asri also participated in planting ketapang laut (Terminalia trees) on the coast to minimize carbon and anticipate climate change. Chandra Asri also handed over 10 trash cans to the Berok beach community to support a clean and beautiful environment.