

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 industrialisation 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 DELIVERS RESILIENT PERFORMANCE FOR THE FIRST HALF OF 2023

- **NET REVENUES OF US\$1,074.3 MILLION IN H1 2023**
- **NET PROFIT AFTER TAX OF US\$0.3 MILLION VS A NET LOSS AFTER TAX OF US\$64.7 MILLION IN H1 2022**
- **POSITIVE EBITDA OF US\$95.3 MILLION**
- **STRONG LIQUIDITY POOL IN H1 2023 OF US\$2.3 BILLION**

On 31 July 2023, PT Chandra Asri Petrochemical Tbk (IDX: TPIA) released its consolidated financial statements for the first half of 2023.

The Company's Director, Suryandi, commented:

"Chandra Asri delivered a resilient performance in the first half of 2023. The Company recorded Net Revenues of US\$1,074.3 million and a positive EBITDA of US\$95.3 million, compared to an EBITDA of US\$24.1 million in H1 2022, marking a 295.4% increment. Net Profit for the first half of the year came in at US\$0.3 million, compared to a Net Loss of US\$64.7 million over the same period last year.

Chandra Asri continues to maintain its solid balance sheet to maintain financial resilience and strategic flexibility. As of 30 June 2023, the Company has a US\$2.3 billion Liquidity Pool consisting of US\$923 million Cash and Cash Equivalents, US\$954 million Marketable Securities and US\$405 million of Available Committed Revolving Credit Facilities.

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 H1 2023, Chandra Asri finalised and signed an MoU with INA, the Indonesia's sovereign wealth fund, to jointly develop a world-scale chlor-alkali & ethylene dichloride 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 appointed world-renowned licensors and progressed to the FEED bidding process.

In June 2023, as part of its programmatic M&A strategy to grow in the core infrastructure space, the Company via its subsidiary Krakatau Daya Listrik agreed to invest up to US\$200m to increase its ownership in Krakatau Posco Energy (KPE) from 10% to 45%, and to co-invest with Posco to construct a new 200-megawatt power plant after Final Investment Decision is taken. This move solidifies the Company's commitment to deepening strategic partnerships and reinforces its position as a key investor in the energy sector.

Chandra Asri continues to make progress on the ESG journey. The Company was incorporated into the IDX ESG Leaders Index as announced by the Indonesia Stock Exchange (IDX), being within the top 1 percentile in the industry group globally, as ranked by Sustainalytics, the international ESG rating agency."

H1 2023 FINANCIAL HIGHLIGHTS:

- Net Revenues declined by 19.62% in H1 2023 to US\$1,074.3 million from US\$1,336.5 million in H1 2022 affected by external supply – demand disruption that leads to lower overall sales volume for the semester.
- Cost of Revenues decreased to US\$1,027.0 million in H1 2023 from US\$1,335.2 million in H1 2022 mainly due to lower average feedstock price with Naphtha price averaged at US\$644/T for the H1 2023 compared to an average of US\$902/T in H1 2022 on the back of a 23.8% decrease in Brent crude prices during H1 2023 to an average of US\$80/bbl compared to an average of US\$105/bbl in H1 2022.
- In addition to the positive EBITDA of US\$95.3 million, the Company also recorded a Net Profit after Tax of US\$0.3 million in H1 2023.

US\$ million, unless otherwise stated	6M 2023	6M 2022	% change
Net Revenues	1,074.3	1,336.5	(19.6)
Cost of Revenues	1,027.0	1,335.2	(23.1)
Gross Profit	47.3	1.3	3,538.5
Net Profit (Loss) after Tax	0.3	(64.7)	(100.5)
EBITDA	95.3	24.1	295.4
Cash Flows used in Operating Activities	(346.3)	(674.7)	(48.7)
Capital Investments	(40.9)	(70.7)	NR
Earnings (loss) per share (US\$)	0.0	(0.0009)	NR
US\$ million, unless otherwise stated	6M 2023	FY 2022	% change
Total Assets	5,013.4	4,929.9	1.7
Total Liabilities	2,168.4	2,120.8	2.2
Shareholders' Equity	2,845.0	2,809.1	1.3
Interest Bearing Debt	1,781.5	1,471.1	21.1
Cash & Cash Equivalents plus Marketable Securities	1,877.0	1,874.9	NR

Note:

NR.: Not Relevant

Financial Ratios

	6M 2023	6M 2022
Gross Profit Margin	4.4%	0.1%
EBITDA Margin	8.9%	1.8%
Debt to Capitalisation	38.5%	34.4%
Debt to Equity	62.6%	52.4%

Business Segments

In US\$ million	Revenues		
	6M 2023	6M 2022	% change
Olefins	183.9	228.8	(19.6)
Polyolefins	627.9	824.7	(23.9)
Styrene Monomer	117.9	146.6	(19.6)
Butadiene	89.5	102.8	(12.9)
MTBE and Butene-1	22.1	29.5	(25.1)
Tanks and Jetty Rental	5.1	4.1	24.4
Electricity	27.9	-	NR
Consolidated	1,074.3	1,336.5	(19.6)

In US\$ million	Gross Profit		
	6M 2023	6M 2022	% change
Olefins	16.5	(1.0)	1,750.0
Polyolefins	1.6	(5.6)	128.6
Styrene Monomer	(2.4)	(2.1)	14.3
Butadiene	12.1	3.6	236.1
MTBE and Butene-1	2.1	2.7	(22.2)
Tanks and Jetty Rental	4.0	3.7	8.1
Electricity	3.1	-	NR
Consolidated	37.0	1.3	2,746.2

Note:

NR.: Not Relevant

FINANCIAL PERFORMANCE ANALYSIS

Net Revenues

Net Revenues for the H1 2023 were booked at US\$1,074.3 million, down from US\$1,336.5 million in H1 2022 affected by external supply – demand disruption that leads to lower overall sales volume for the quarter. H1 2023 sales volume was at 911.7 KT, down from 1,009.4 KT in H1 2022.

Cost of Revenues

Cost of Revenues decreased to US\$1,027.0 million in H1 2023 from US\$1,335.2 million in H1 2022 mainly due to lower average feedstock price with Naphtha price averaged at US\$644/T for the H1 2023 compared to an average of US\$902/T in H1 2022 on the back of a 23.8% decrease in Brent crude prices during H1 2023 to an average of US\$80/bbl compared to an average of US\$105/bbl in H1 2022.

EBITDA

EBITDA in H1 2023 increases compared to H1 2022 as the gross profit increases due to eased COVID-lockdowns in China and fewer global uncertainties. Company's EBITDA is US\$95.3 million over H1 2023 compared to US\$24.1 million in H1 2022.

Net Profit (Loss) after Tax

Following the conditions mentioned above, the Company recorded US\$0.3 million of Net Profit after Tax in H1 2023 compared to US\$64.7 million Net Loss after Tax in H1 2022.

Total Assets

The Company booked Total Assets of US\$5,013.4 million as of 30 June 2023, increased by 1.7% from US\$4,929.9 million as of December 31, 2022.

Total Liabilities

The Company recorded slightly higher Total Liabilities of US\$2,168.4 million on June 30, 2023 from US\$2,120.8 million on December 31, 2022.

Cash Flows (Used in)/Provided by Operating Activities

Net cash used in operating activities during H1 2023 was US\$346.3 million against US\$674.7 million net cash used in operating activities in H1 2022, largely due to lower payments made to suppliers for feedstock purchases and inventories during the period, as part of various efforts to optimise our overall working capital, combined with higher EBITDA.

Cash Flows (Used in)/Provided by Investing Activities

Net cash used in investing activities in H1 2023 was US\$463.1 million compared to net cash used in investing activities at US\$46.8 million in H1 2022. In addition to the acquisition of KDL and KTI, the Company had higher investments in financial assets and time deposits in H1 2023 compared to H1 2022.

Cash Flows (Used in)/Provided by Financing Activities

Net cash provided by financing activities was booked lower at US\$177.6 million in H1 2023, compared to US\$317.8 million of net cash provided by financing activities in H1 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 optimise the Company's overall weighted average cost of financing and capital structure.



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 closets utilised Chandra Asri's material, PE UR3840V.



Bersama INA Jajaki Pendirian Pabrik Chlor-Alkali Berskala Dunia

Pada 13 April 2023, Perseroan bersama Indonesia Investment Authority (INA) telah menandatangani *Memorandum of Understanding* (MoU) untuk bekerja sama mengembangkan pabrik chlor-alkali berskala dunia di Indonesia, PT Chandra Asri Alkali (CAA). Pendirian perusahaan chlor-alkali berskala dunia ini diharapkan dapat menunjang percepatan pertumbuhan industri hilir nasional, mendukung ambisi Indonesia sebagai salah satu penghasil nikel terbesar di dunia, sekaligus memposisikan diri dalam rantai nilai kendaraan listrik global.



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*, *Anyer* 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 and more than 400,000 metric tons per annum of caustic soda.



Together with Stakeholders, Chandra Asri Organises 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, Anyer*. The clean-up action, which was 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 *Terminalia* trees (*ketapang laut*) on the coast to minimise 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.



Chandra Asri and Ecovance Study Biodegradable Plastic Ecosystem in Indonesia

Chandra Asri has signed a memorandum of understanding (MoU) with Ecovance Co. Ltd., a South Korean-based company specialising in biodegradable materials which partly owned by SKC group, to study the potential for strategic collaboration in the biodegradable plastic materials, polybutylene adipate terephthalate (PBAT) and polybutylene succinate (PBS). Through this MoU, both parties agree to focus on application development and customer evaluation, developing partnerships to create a biodegradable plastic ecosystem, and exploring investment opportunities in environmentally friendly materials and solutions.



Chandra Asri Receives the 2023 Corporate Emissions Transparency Award

On Tuesday, 27 June 2023, Chandra Asri received two awards at the "2023 Corporate Emissions Transparency Award" event organised by the *Bumi Global Karbon Foundation (BGK Foundation)*, in collaboration with Investor Magazine from B-Univers. This recognition was given to Chandra Asri for its achievements in being included in the list of recipient companies for the "2023 Corporate Emissions Reduction Transparency Award in the Green Category" and the "2023 Corporate Emissions Calculation Transparency Award in the Gold Category". These two awards were given to Chandra Asri for its accomplishment in reducing emissions and disclosing the calculation of two emission scopes, as reported in the Sustainability Report 2021.



Padmamitra Award 2022 for Environmental Conservation & Biodiversity Achievement

Chandra Asri received the Environmental Conservation & Biodiversity achievement at the Padmamitra Award 2022, organised by the Indonesian CSR Forum. This award was handed over directly by the Vice President of the Republic of Indonesia, Prof. Dr. (H.C.) K. H. Ma'ruf Amin. In this event, Chandra Asri proposed 2 (two) excellent programs related to the environment and protection of biodiversity, namely mangrove conservation in the Patikang Lestari Mangrove Edu-Ecotourism Area, *Pandeglang*, and community empowerment initiatives through plastic waste management, End-To-End Plastic Waste Management.