



Chandra Asri

PT Chandra Asri Petrochemical Tbk

# Q3 2023 Results

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06 November 2023 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 Petrochemical 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 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 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 Petrochemical 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



**Positive EBITDA of  
US\$108.9m  
(Up 881% YOY)**



**On track for CA-EDC FID  
Signed LOI with Inalum  
for Offtake and Equity  
Stake**

## YTD SEPTEMBER 2023 HIGHLIGHTS



**Solid Balance Sheet  
Maintained  
Liquidity Pool of  
US\$2.34b**



**First Prize Winner of  
the Plastic Waste  
Circularity Award at  
2023 ASEAN Business  
Awards**





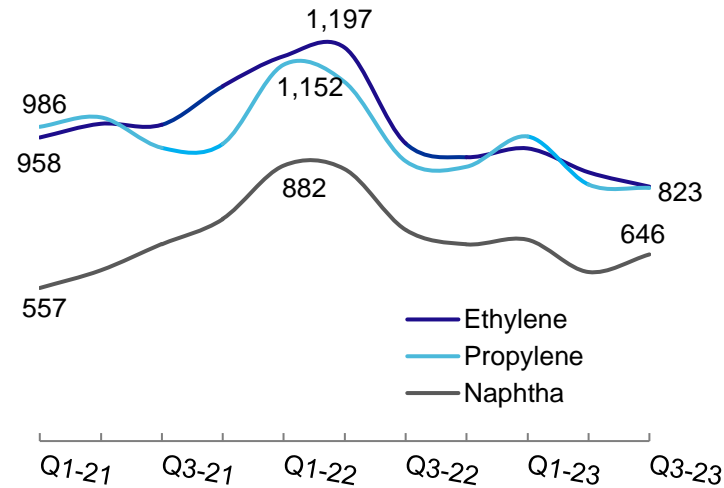
## 02 Performance Overview

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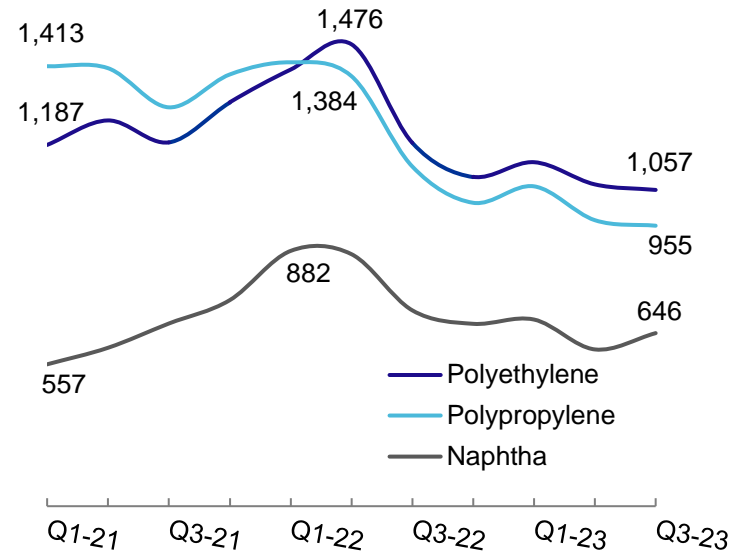
# Market Product Prices

China's Q3 Economic Slowdown Casts Shadow on Asia's Petrochemical Markets

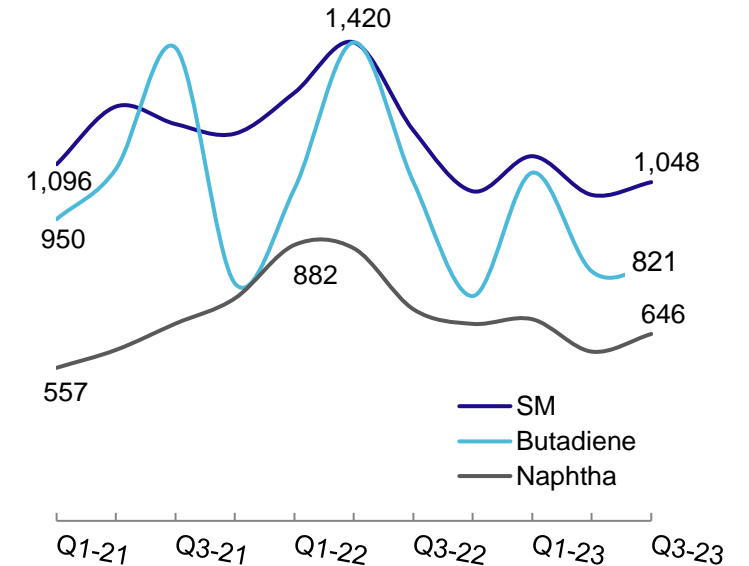
## Olefins



## Polyolefins



## Styrene Monomer (SM) & Butadiene



### Naphtha price ↑

Upsurge driven by ongoing production cuts in major oil-producing nations, particularly in Saudi Arabia and Russia.

### Ethylene price ↓

Regional supply increased due to plant restarts in South Korea and stable US exports.

### PE price ↓

Recovering tourism sector boosted demand slightly, but spending remained below that of the pre-COVID level.

### PP price ↓

Buying sentiment was affected by weak economic indicators, a stronger US dollar against local currencies and persistent poor end-product demand.

### SM price ↑

Improved import demand from Europe and active import enquiries from Korean importers to fill the domestic supply gap.

### BD price ↑

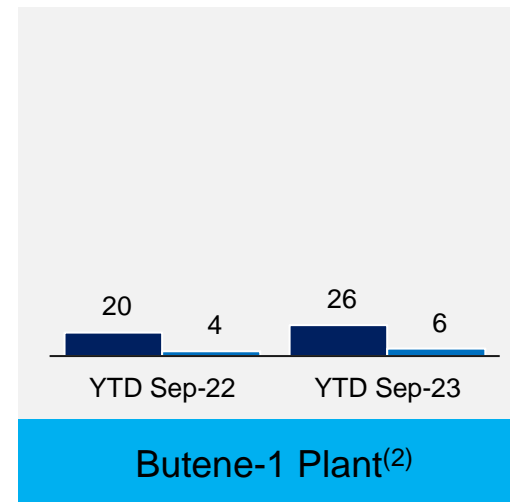
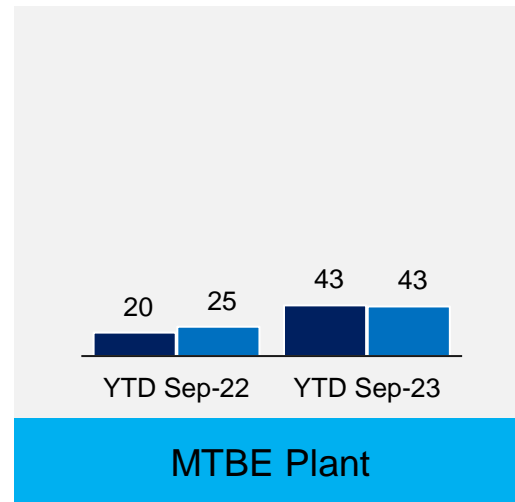
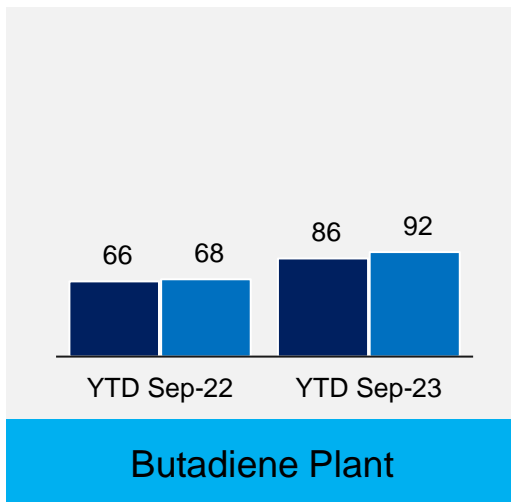
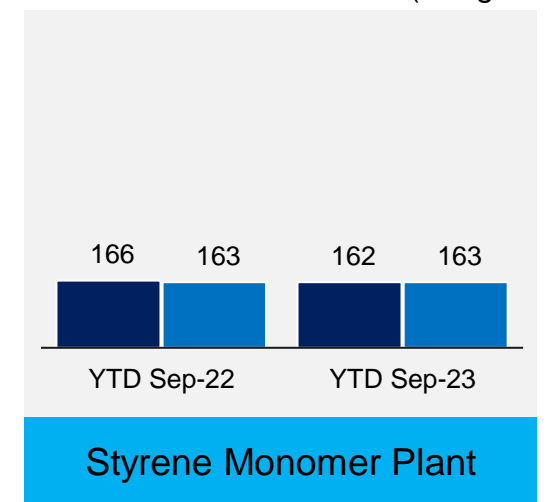
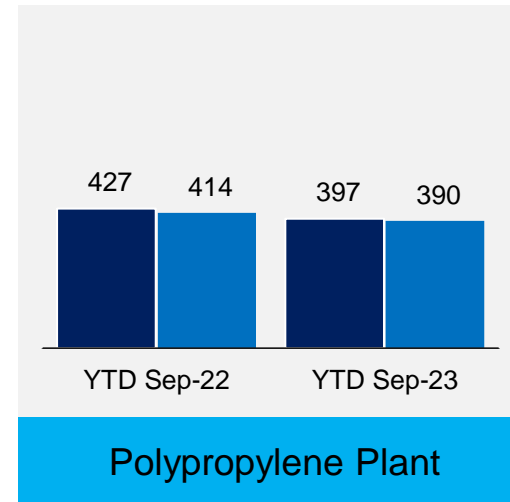
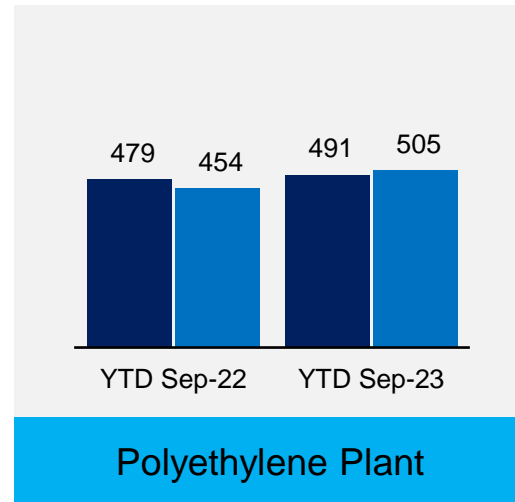
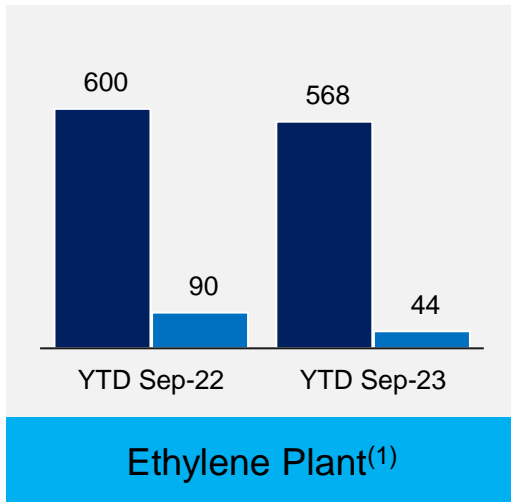
Limited supply amid reduced run rates while buyers were seeking spot materials due to delayed arbitrage cargoes.

Sources: Market data from ICIS & Chemanalyst

# Production and Sales

Unwavering Commitment: Sustaining Production Volume for Reliable Market Supply

■ Production ■ Sales (all figures in KT)



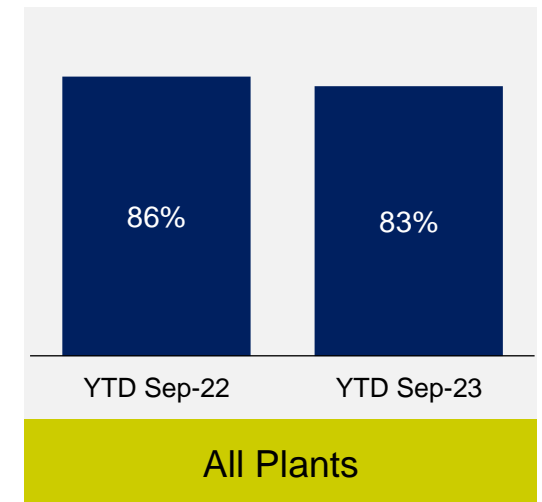
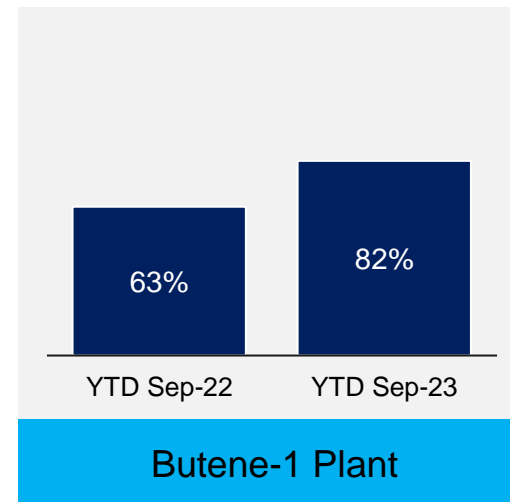
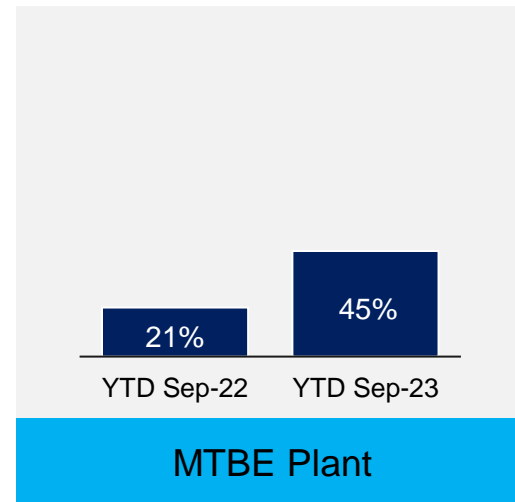
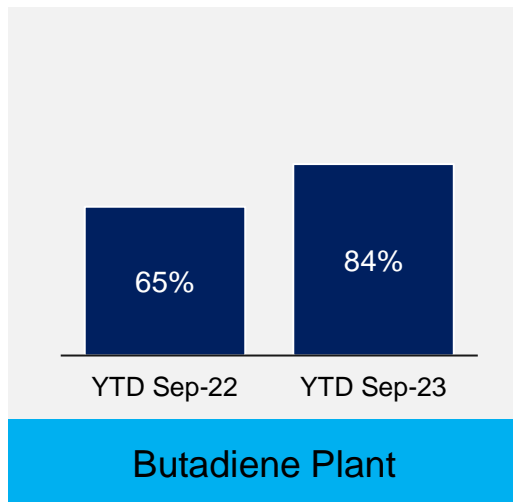
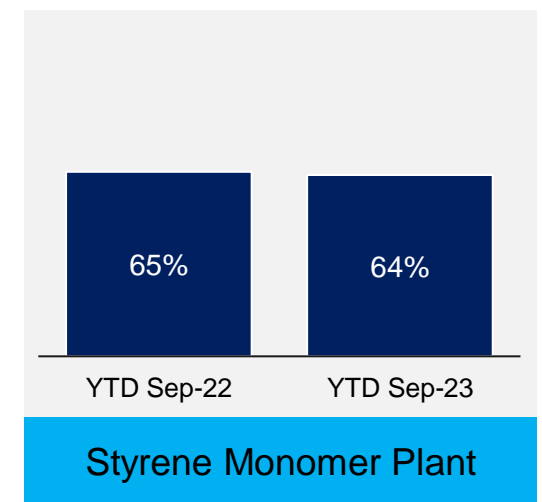
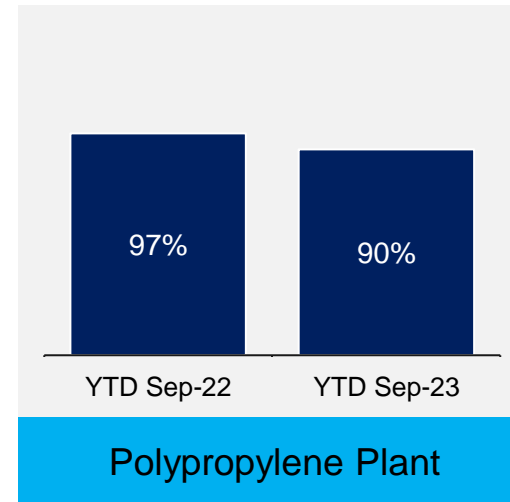
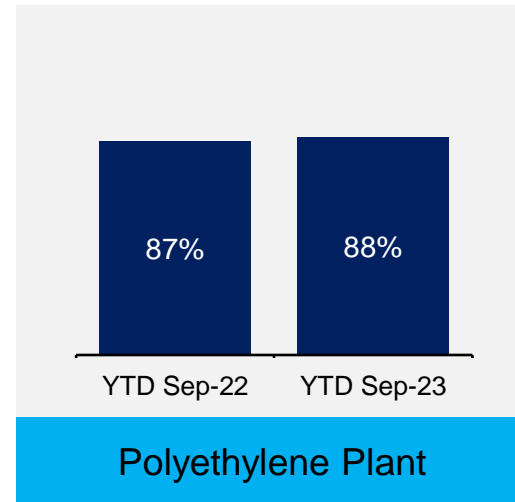
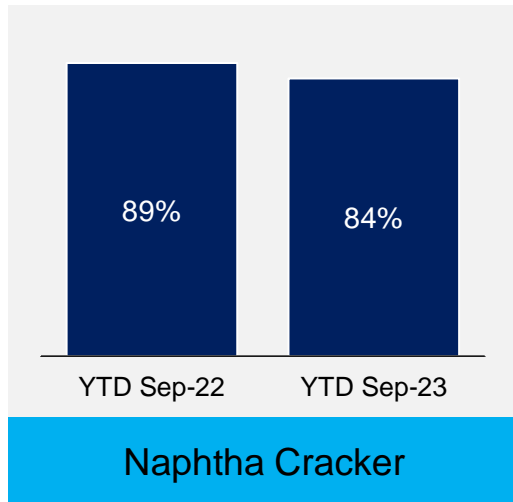
(1) Ethylene is used as a feedstock for our Polyethylene and Styrene Monomer plants, while the remaining of Ethylene is sold to merchant market. Since the New Polyethylene plant 400KTA's operation started in Q4 2019, Ethylene is mostly self-consumed as a feedstock for the Polyethylene plant.

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



# Operating Rates

Steadfast and Resilient: Maintaining Robust Operating Rates Despite Market Challenges



# ESG Framework

Integrating ESG: A Persistent Commitment in Strategic, Financial, and Operational Decision-Making



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)

# Award-Winning ESG Commitments

## Recognitions for Chandra Asri's Outstanding ESG Practices



**Padmamitra Award 2022  
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 and community empowerment initiatives through plastic waste management, End-To-End Plastic Waste Management.



**Four Awards at the Global  
CSR & ESG Awards 2023  
by The Pinnacle Group  
International**

- Best CEO Platinum Category Awarded to Mr. Erwin Ciputra, President Director of Chandra Asri
- Best Community Program Award Gold Category
- Best Environmental Excellence Award Gold Category
- CSR & ESG Leadership Award Gold Category



**Four Awards at Indonesia  
Corporate Social  
Responsibility Awards VI by  
Economic Review Magazine**

- Best Commitment Director of 2023, awarded to Mr. Edi Rivai, Director of Legal, External Affairs & Circular Economy at Chandra Asri.
- The Best of The Best Overall Implementation Program (ESG – SDG – CSR) – Platinum Award (Very Excellent)
- Best of The Best Category Environmental Social Governance - Platinum Award (Very Excellent)
- Best of The Best Category Overall Company – Platinum Award (Very Excellent)



**2023 Corporate  
Emissions Transparency  
Award by the Bumi Global  
Karbon Foundation**

Given 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.



**Katadata Corporate  
Sustainability Award by  
Katadata Insight Center**

Chandra Asri has received the Katadata Corporate Sustainability Award (KCSA) in the Chemicals sector for the Environment category from Katadata Insight Center (KIC), an economic and business research institution.

This award recognizes Chandra Asri's commitment, programs, sustainable principles in business activities, and its contribution to environmental protection.



# ESG Excellence: Acclaimed Recognition for Sustainable Impact

Chandra Asri Triumphs with ASEAN Award for Innovative Plastic Waste Solutions

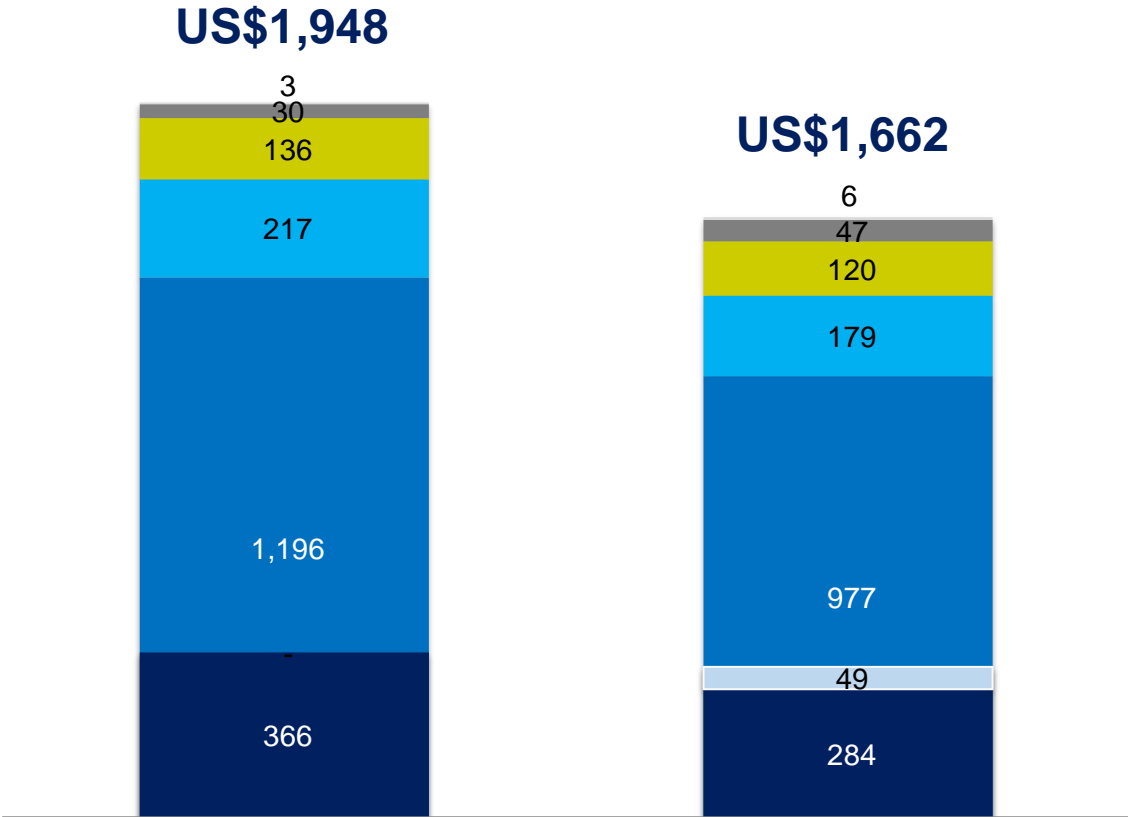
▶ **First Prize Winner across ASEAN from over 700 submissions**



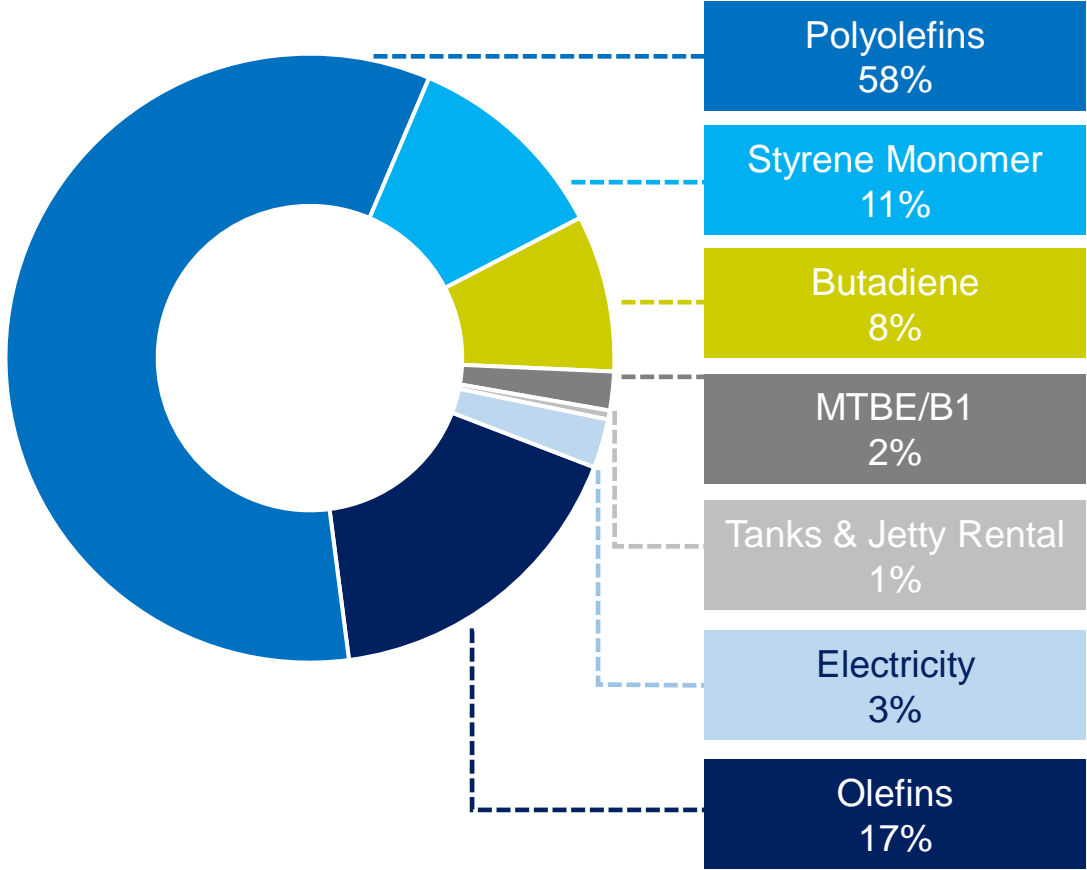
# Revenue

Polyolefins Leads the Way to Strong Revenue with Added Electricity Income

## Net Revenues (US\$ m)



## Net Revenues Split (%)

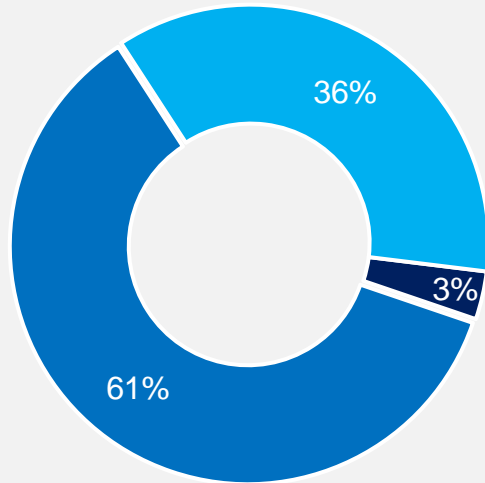


■ Polyolefins ■ SM ■ BD ■ MTBE ■ Tanks & Jetty Rental ■ Olefins ■ Electricity

# Balance Sheet Highlights

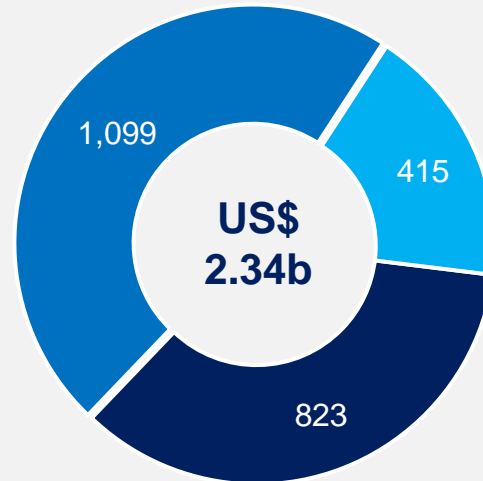
Solid Balance Sheet Bolsters Financial Flexibility and Agility

## Financing Sources (%)



- Offshore Bank Loans
- Onshore Bank Loans
- IDR Bonds

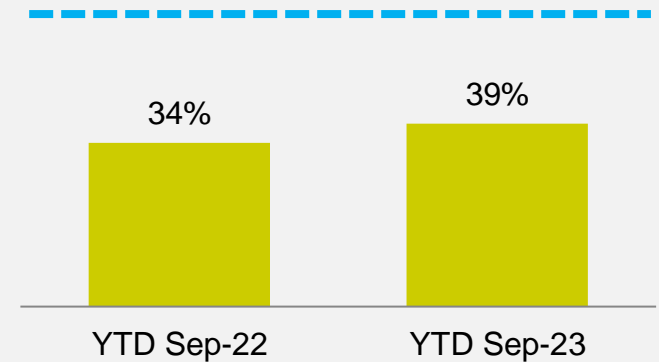
## Liquidity Pool



- Cash & Cash Equivalents
- Marketable Securities
- Available Committed RCF

## Debt-to-Capitalisation

Max 50%





# Financial Programme Highlights

## Broad-Based Support for Chandra Asri's and Stakeholders' Funding

### ▶ Chandra Asri and BRI Join Forces to Support Domestic Petrochemical Industry



- To enhance the competitiveness of the petrochemical industry value chain, Chandra Asri and BRI have officially joined forces to provide financing facility for Chandra Asri's domestic customers.
- This collaboration in offering financing facility marks the **first financing scheme designed specifically by BRI for the national petrochemical industry**.
- The financing facility is provided to:
  - ✓ boost wholesale transaction volume while simultaneously supporting Indonesia's focus on enhancing the downstream industry through the optimisation of domestic raw material processing;
  - ✓ acknowledge the Company's customers who have chosen domestically produced content to support their businesses.

### ▶ Successful Issuance of 4<sup>th</sup> IDR Bond Shelf Programme – Phase III

- The Company listed the Chandra Asri 4<sup>th</sup> IDR Bond Shelf Programme Phase III in September 2023 with a principal amount of IDR1t
- Investment grade bond with idAA- rating from PEFINDO
- Consistency in tapping Indonesia's bond market throughout the years



## 03 Strategy & Growth

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# Chandra Asri's Updated Vision & Mission

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## 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.



# Chandra Asri's Portfolio

Chandra Asri is **Indonesia's leading chemical and infrastructure solutions company**. We are the **largest integrated petrochemical producer** in Indonesia and operate the country's only Naphtha Cracker, Styrene Monomer, Butadiene, MTBE and Butene-1 plants, **supported by core infrastructure** assets encompassing energy, water and jetty & tank farm facilities, with a new world-scale Chlor-Alkali – Ethylene Dichloride plant development in the horizon.

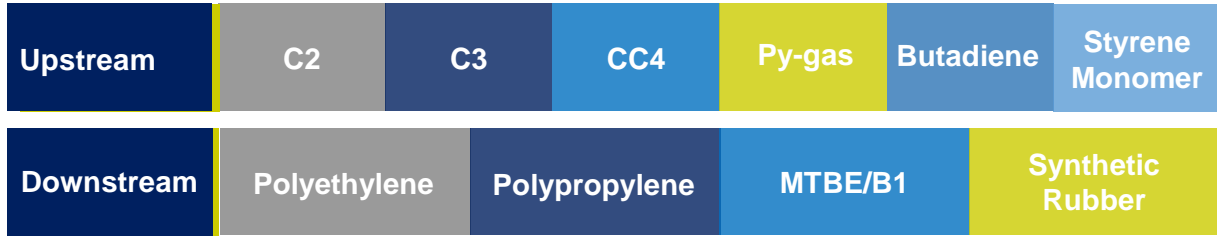


## Chemicals



- 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 chemicals streams:



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



## 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.



# Chandra Asri's Strategic Framework

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



## STRONG CORE

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Expand chemicals & infrastructure businesses organically

Cost leadership

Operational excellence

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## MAJOR SPRINTS

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Take Final Investment Decision on CA-EDC as part of reconfigured CAP 2

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

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## SUSTAINABLE PATHWAYS

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Maintain industry leadership in ESG

Explore partnerships in renewables (HVO and Bio Products)

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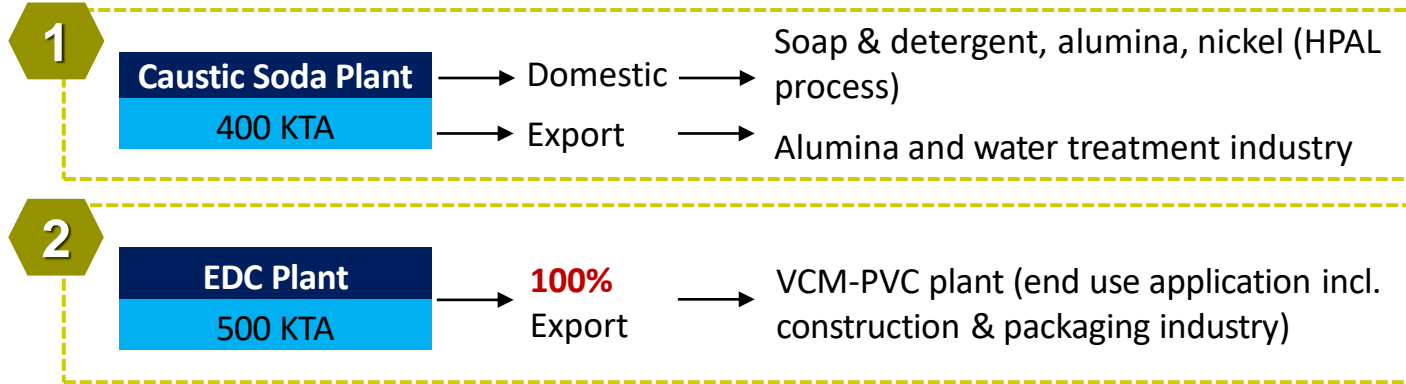
**OPTIMISE VALUE AND SHAREHOLDER RETURNS**  
**“UPLIFT AND SMOOTHEN THE VALUE CURVE”**

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# 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 strategic 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



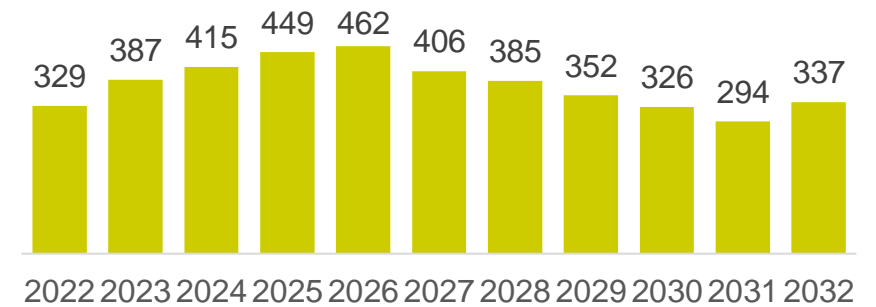
Signed a Letter of Intent (LoI) with INALUM for potential supply of caustic soda solution to INALUM and potential equity contribution by INALUM in CAA

## Caustic Soda & EDC Import Balance Overview

Source : IHS Markit, 2022

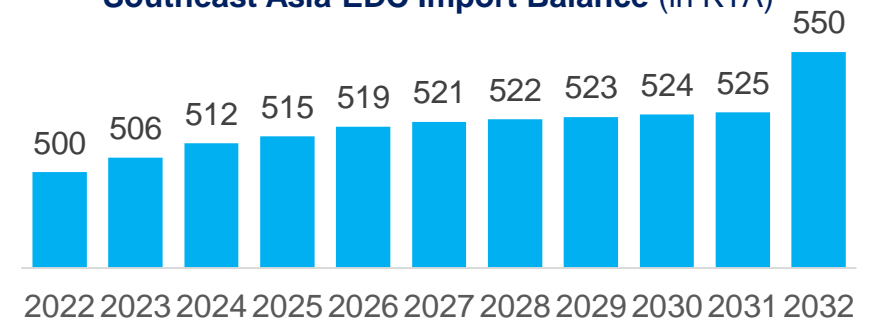
Caustic soda is **short throughout Southeast Asia**, with the Indonesian market short by 462KTA in 2026.

Indonesia Caustic Soda Import Balance (in KTA)



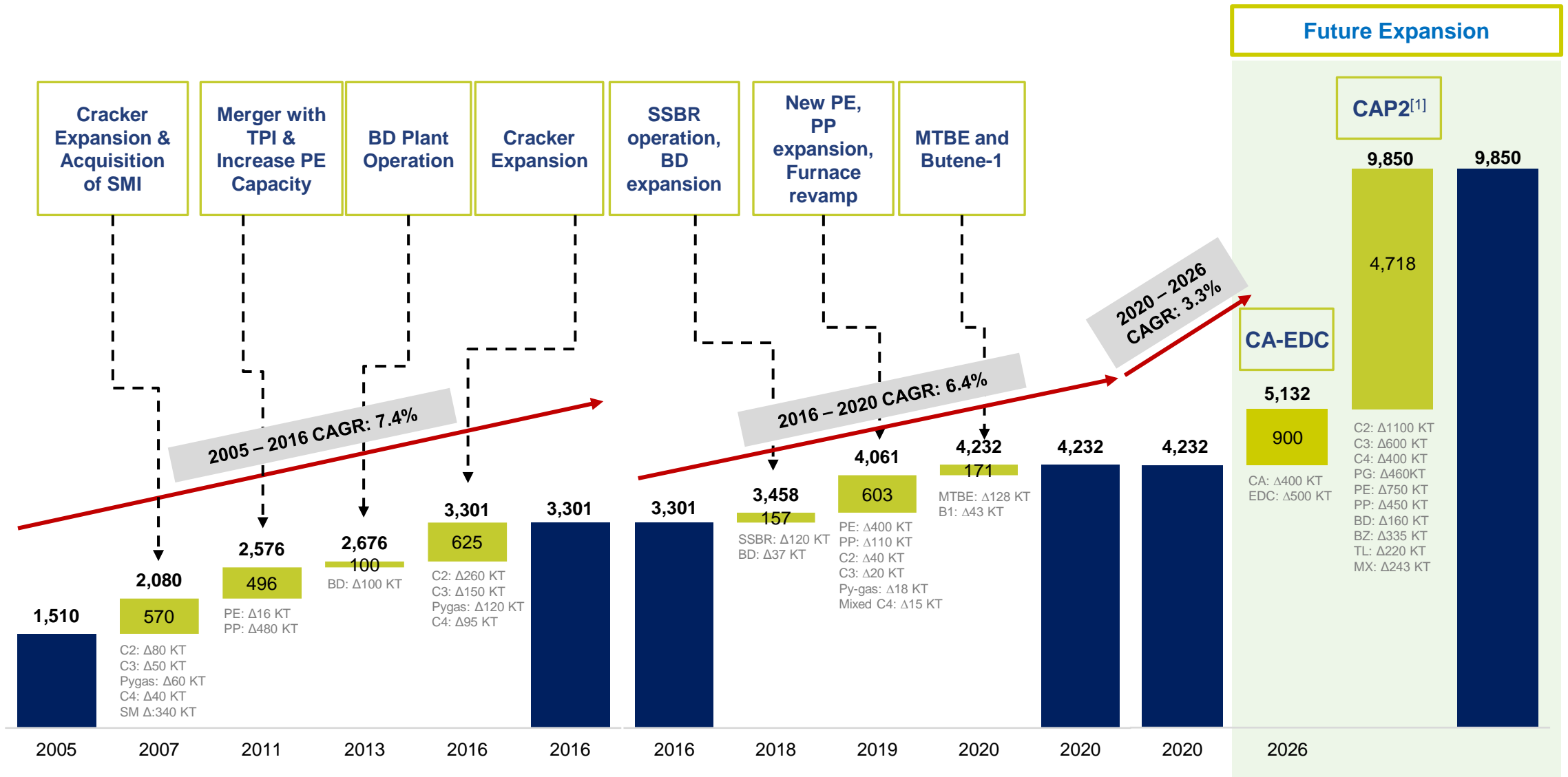
**Southeast Asia’s EDC production is well under the regional demand**, which was equal to ~80% of regional EDC demand and is predicted to become ~90% in the upcoming years.

Southeast Asia EDC Import Balance (in KTA)





# Major Projects – Delivering Sustainable & Profitable Growth



[1] Subject to FID

# Sustainable Pathways – Renewable Solutions

Ongoing Progress Towards Sustainability



## MoU with Nippon Shokubai Group to jointly explore green chemical business opportunities

Chandra Asri, Nippon Shokubai CO., LTD., and PT Nippon Shokubai Indonesia have signed an MoU to explore green chemical opportunities, with a focus on producing sustainable bio-materials and derivatives using renewable energy sources. This collaboration represents a significant step in Chandra Asri's commitment to meeting domestic demand for eco-friendly bio-chemical products, aligning with Indonesia's sustainability goals.



## Ecovance Co. Ltd., to explore the potential for strategic collaboration in the biodegradable plastic materials

Chandra Asri has entered into an MoU with Ecovance Co. Ltd., a South Korean biodegradable materials specialist partly owned by SKC group, to explore strategic collaboration in the development and application of biodegradable plastic materials, specifically PBAT and PBS.



## KDL Solar Panel Development for Renewable Energy Solutions

Chandra Asri's subsidiary, Krakatau Daya Listrik (KDL), has made significant strides in the solar panel generator business with various mechanisms, including the installation of solar panels across industrial and retail projects, totaling 958 kWp of new and renewable energy capacity. The company aims to expand its solar power projects to 3 MWp by 2023, offering Solar On Grid, Solar Off Grid, On Grid with Battery Back-Up, and Solar Hybrid Systems.





## 04 Questions & Answers

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Chandra Asri

# Thank you

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

Head Office Address:

**PT Chandra Asri Petrochemical Tbk**  
Wisma Barito Pacific Tower A, 7<sup>th</sup> Floor  
Jl. Let. Jend. S. Parman Kav. 62-63  
Jakarta 11410

Contact:

**Investor Relations**

Email: [investor-relations@capcx.com](mailto:investor-relations@capcx.com)

Tel: +62 21 530 7950

Fax: +62 21 530 8930



@chandraasri.id



chandraasripetrochemicalofficial



@chandraasriID



pt-chandra-asri

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