

About CAP:

CAP, a subsidiary of PT Barito Pacific Tbk as the majority shareholders, is Indonesia's largest integrated petrochemical company producing olefins and polyolefins. CAP incorporates state-of-the-art technologies and supporting facilities located in Cilegon and Serang of Banten province. CAP is the only producer who operates a naphtha cracker, and is the sole producer of ethylene, styrene monomer and butadiene. In addition, CAP is also the largest polypropylene producers in Indonesia. CAP produces plastic raw materials and chemicals used for packaging products, pipes, automotive, electronics, etc.

**CHANDRA ASRI PETROCHEMICAL RESULTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

PT Chandra Asri Petrochemical Tbk (IDX: TPIA) today released its consolidated financial statement for the first nine months 2017, demonstrating continued solid operating and financial performance with Net Profit after Tax of US\$250.6 million, 15.8% higher y-o-y, largely contributed by higher volumes and healthy product margins, partly offset by higher feedstock costs reflecting higher crude oil prices.

The Company's Director, Suryandi, explains:

**"The continuation of this good performance reflects better product margins supported by higher sales volume. The petrochemical industry is inherently cyclical, yet the Company is committed to continue growing and expanding. We are optimistic to post a positive performance throughout 2017 as a result of high plant utilization rates, safe operations and optimization of product portfolio."**

**9M 2017 FINANCIAL HIGHLIGHTS:**

- Net Revenues increased by 28.6% to US\$1,797.9 million from US\$1,398.4 million in 9M16 as a result of higher sales volumes from higher plant utilization rates.
- EBITDA increased by 16.2% to US\$430.5 million from US\$370.4 million 9M16 largely due to higher sales volumes and continuing healthy product margins.
- Net profit after tax registered at US\$250.6 million, 15.8% increase from 9M16 of US\$216.3 million.
- Total Assets increased by 28.5% to US\$2,614.7 million mainly from higher cash balance from net proceeds of rights issue by some US\$371.4 million.
- Reducing interest bearing debt position to US\$356.4 million from US\$415.9 million in 9M16 with scheduled loan principal repayments. Combined with cash balance position of US\$633.5 million resulting in net cash position as of September 30, 2017.

For more information, please contact:

**Suryandi, HR & Corp. Affairs  
Director – Corporate Secretary**  
suryandi@capcx.com

**Investor Relations**  
investor-relations@capcx.com

## Financial Performance

US\$ million, unless otherwise stated	9M16	9M17	% change
Net Revenues	1,398.4	1,798.0	28.6
Cost of Revenues	1,041.0	1,372.0	31.8
Gross Profit	357.5	426.0	19.2
Net Profit After Tax	216.3	250.6	15.8
EBITDA	370.4	430.5	16.2
Total Assets	2,035.1	2,614.7	28.5
Total Liabilities	987.6	970.4	(1.7)
Shareholders' Equity	1,141.7	1,644.2	44.0
Interest Bearing Debt	415.9	356.4	(14.3)
Cash Balance	198.1	633.5	219.8
Net Debt / (Cash)	217.8	(277.1)	N/A
Cash Flows from Operating Activities	347.9	295.3	(15.1)
Capital Investments	45.2	125.7	177.9
Dividends Paid	43.4	117.1	169.5
Earnings per share (US\$)	0.013	0.015	15.5

## Financial Ratios

	9M16	9M17	% change
Gross Profit Margin (%)	25.6	23.7	(7.3)
EBITDA Margin (%)	26.5	23.9	(9.6)
Debt to Capitalization (%)	28.1	17.8	(36.6)
Interest service coverage (x)	15.9	10.6	(33.0)
Debt to EBITDA (x) – LTM	0.7	0.7	(3.6)
Net Debt to EBITDA (x) – LTM	0.4	(0.5)	N/A

## **FINANCIAL PERFORMANCE ANALYSIS**

### **Net Revenues**

Net Revenues increased by 28.6% to US\$ 1,797.9 million in 9M17 from US\$1,398.4 million in 9M16 reflecting higher sales volumes, primarily for Olefins, Styrene Monomer and Butadiene, coupled with higher product prices.

### **Cost of Revenues**

Cost of Revenues increased by 31.8% to US\$1,372.0 million in 9M17 from US\$1,041.0 million in 9M16 mainly due to higher consumption of feedstock as a result of higher production with the Cracker running at some 99% Operating rate compared with 85% y-o-y. Feedstock prices, mainly for naphtha, also increased from US\$397/ton to US\$479/ton in 9M17 largely linked to the increase in crude oil prices.

### **EBITDA**

EBITDA increased by 16.2% to US\$430.5 million in 9M17 from US\$370.4 million in 9M16 as a result of higher sales volume (1,719KT vs 1,472KT) and healthy product margins.

### **Net Profit After Tax**

The Company recorded US\$250.6 million Net Profit After Tax in 9M17, 15.8% increase from US\$216.3 million in 9M16.

### **Total Assets**

Total Assets increased by 28.5% to US\$2,614.7 million in 9M17 from US\$ 2,035.1 million in 9M16 largely driven by increase in cash balance from the proceeds of rights issue.

### **Total Liabilities**

Total Liabilities declined by 1.7% to US\$970.4 million in 9M17 from US\$987.6 million in 9M16 mainly due to lower long-term borrowing as the Company continued to pay down debt from scheduled loan principal repayments. Interest bearing debt declined by 15.1% from US\$415.9 million in 9M16 to US\$356.4m in 9M17. Gearing level stood at 18% as of September 30, 2017.

With the proceeds from rights issue coupled with cash generated from operations, the Company is in net cash position of US\$277.1 million as of September 30, 2017.

### **Cash Flows from Operating Activities**

Cash Flows from Operating Activities declined by 15.1% to US\$295.3 million in 9M17 from US\$347.9 million in 9M16 mainly from increase in payment of income taxes of US\$76.9 million reflecting improved profitability despite higher cash generated from operations.

### **Cash Flows from Investing Activities**

Net cash used in investing activities increased by 199% to US\$121.2 million in 9M17 from US\$40.5 million in 9M16, largely for capital expenditures related to downstream projects expansions, in particular the new Polyethylene plant and Butadiene plant expansion.

### **Cash Flows from Financing Activities**

Net cash provided by financing activities was US\$160.6 million in 9M17. The Company received US\$377.2 million proceeds from rights issue, off-set partly by payment of remaining final dividends for 2017 financial year of US\$117.1 million and repayment of term loans totaling US\$73.3 million.

### **MARKET UPDATES**

In 3Q17, Brent crude price climbed up US\$1/bbl at US\$52/bbl amid expectation of extended oil production cut by both OPEC and non-OPEC producers as well as disruption at oil fields in Libya.

Naphtha price in 3Q17 increased from average US\$445/MT in 2Q17 to US\$468/MT driven by crude oil market gains, tight supply from refineries disruption from hurricane Harvey and healthy demand as cracker resuming operations.

Ethylene price continued to increase in 3Q17 from average US\$981/MT in 2Q17 to US\$1,101/MT due to healthy derivative demand and tighter availability from cracker maintenance as well as supply and logistical disruption from hurricane Harvey.

Polymers price also gained momentum in 3Q17, increase from US\$1,179/MT to US\$1,238/MT and US\$1,115/MT to US\$1,169/MT for Polyethylene and Polypropylene respectively, due to increase in demand, firmer feedstock ethylene cost and reduced supply from producers cutting operations.

Butadiene price increase from US\$1,080/MT in 2Q17 to US\$1,186/MT in 3Q17 supported by strong demand from downstream ABS and limited supply availability.

Styrene monomer price increase averaging US\$1,248/MT in 3Q17, increase from US\$1,130/MT in 2Q17, supported by healthy seasonal demand and limited availability.

## CORPORATE NEWS



### **CAP Received "Best Contact Liaison" Award from Bank Indonesia**

On 18 July 2017, the Company was awarded the Best Corporations of Bank Indonesia's Statistics Respondents in the category of Best Contact Liaison from Bank Indonesia in the ceremony of Bank Indonesia Award 2017 in Jakarta. The Company has been proactively provides statistical data in an accurate and timely manner.



### **CAP Awarded TOYO for Construction of a new 400KTA Polyethylene Plant**

On 31 August 2017, the Company has signed an EPC contract (engineering, procurement, and construction) with Toyo Engineering Group (TOYO) for the construction of a new Polyethylene (PE) plant facility which will be located in the Company's integrated Naphtha Cracker complex in Cilegon, Banten.

### **CAP Successfully Completed Rights Issue of Rp5.03 trillion (approximately US\$377.2 million)**

On 8 September 2017, the Company has successfully completed its rights issue amounting to proceed of US\$377.2 million. Therefore, the Company has fulfilled the requirement of minimum 7.5% free float according to provision of V.1 of the Indonesia Stock Exchange regulation No. 1-A. The proceeds will be used to finance capital expenditure to increase production capacity and/or product diversification aimed to increase its business scale.



### **CAP Merrily Celebrated Silver Anniversary**

On 16 September 2017, the Company celebrated 25th Anniversary at Hotel Mambruk Anyer by having a festive celebration of employee gathering. Under the anniversary tagline, "Terus Berkembang", the Company achieved 25 years of excellence through hard work and dedication to serve the Nation.



### **CAP Wins Silver Award at OPEXCON17**

On 11 October 2017, the Company received the Silver Award for Manufacturing category in OPEXCON17 at Ritz Carlton Pacific Place Jakarta. In this annual event by SSCX International, the Company competed with 150 project improvement from big companies in Indonesia. Previously, we managed to bring home the Gold Award (2016 dan 2013), Silver Award (2015), and Bronze Award (2014) for the same category.



#### **CAP Received Four Gold Awards in ICQCC 2017 in Manila**

The Company won four Gold Awards at the International Convention on Quality Control Circle (ICQCC) held in Manila, Philippines, on 24-28 October 2017. In this competition of innovation and quality improvement, the Company sent four Focus Improvement projects and all four were awarded the highest award of Gold Award. Previously, the Company received two Gold Awards at ICQCC 2016 in Bangkok, Thailand.



#### **CAP Held EGMS and Public Expose 2017**

On 6 November 2017, the Company held EGMS in Wisma Barito Pacific, Jakarta. In the Meeting, Shareholders of the Company have approved the stock split with the splitting unit ratio of 1:5 (one in five). After the EGMS, the Company held Annual Public Expose 2017 with agenda on recent updates of the Company's business operations and financial performance.

#### **CAP Issues US\$300 Million 7NC4-yr 4.95% Notes, lowest Ba3/BB- rated coupon out of Indonesia**

On 8 November 2017, the Company successfully returned to the international debt capital markets by issuing a US\$300 million 7NC4-year 144A/ Reg S Fixed Rate Senior Unsecured Notes (Notes) at attractive long-term interest. This marks the Company's return to the US\$ bond markets since 2010, and is testament to the transformational progress of the Company and investors' support of management.



#### **CAP to Issue a Shelf Offering Program of "Obligasi Berkelanjutan I Chandra Asri Petrochemical Tahap I Tahun 2017" Rp500 billion**

CAP is planning to issue a bond through a Shelf Offering Program I with a total program amount up to Rp1 trillion. For the first phase, the Company will issue bond with offering size Rp500 billion. The offered bond series are Series A with 3-yr tenor, Series B with 5-yr tenor and Series C with 7-yr tenor with bond coupons payments to be made quarterly. The offered Bond has received idAA- rating from PEFINDO.



#### **CAP Wins Two Gold Awards in the Indonesian CSR Award 2017**

On 30 November 2017, the Company was awarded two Gold Awards in the Indonesian CSR Award 2017 for Industry and Manufacturing Sector category. This award is an appreciation for the Company's commitment in developing quality of life of the surrounding communities through sustainable CSR programs.