PT Chandra Asri Petrochemical Tbk

Q4 & FY 2022 Results

05 April 2023 Earnings Call | Presentation to Analysts and Investors
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 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) cyclicality 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.
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Key Highlights
Key Highlights

Notwithstanding challenging global market conditions, Chandra Asri continued to maintain robust operational, financial and strategic resilience to strengthen our position in our core market.

Revenue of US$2,385m

- Launch of holistic ESG Framework
- Top 1 Percentile ESG Global Rating by Sustainalytics

Positive EBITDA of US$5m

- Green PROPER Award 2022 from the Ministry of Environment & Forestry
- Successful launch of 8 Trillion Rupiah Bond Shelf Programme IV to meet retail investor needs

Liquidity Pool of US$2,674m

- Acquisitions of KDL and KTI as part of CAP’s programmatic M&A strategy to strengthen our business franchise in our core market
Performance Overview
Market Product Prices

Exceptionally challenging global macro conditions

Olefins

<table>
<thead>
<tr>
<th></th>
<th>Ethylene</th>
<th>Propylene</th>
<th>Naphtha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-20</td>
<td>883</td>
<td>854</td>
<td>905</td>
</tr>
<tr>
<td>Q2-21</td>
<td>941</td>
<td>741</td>
<td>671</td>
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<tr>
<td>Q4-21</td>
<td>1,094</td>
<td>1,095</td>
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</table>

Polyolefins

<table>
<thead>
<tr>
<th></th>
<th>Polyethylene</th>
<th>Polypropylene</th>
<th>Naphtha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-20</td>
<td>407</td>
<td>1,162</td>
<td>1,155</td>
</tr>
<tr>
<td>Q2-21</td>
<td>741</td>
<td>1,389</td>
<td>950</td>
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<tr>
<td>Q4-21</td>
<td>1,309</td>
<td>1,037</td>
<td>1,177</td>
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<tr>
<td>Q2-22</td>
<td>671</td>
<td>1,095</td>
<td>779</td>
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<tr>
<td>Q4-22</td>
<td>671</td>
<td>1,037</td>
<td>796</td>
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</table>

Styrene Monomer & Butadiene

<table>
<thead>
<tr>
<th></th>
<th>SM</th>
<th>Butadiene</th>
<th>Naphtha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-20</td>
<td>407</td>
<td>1,155</td>
<td>990</td>
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<tr>
<td>Q2-21</td>
<td>741</td>
<td>950</td>
<td>671</td>
</tr>
<tr>
<td>Q4-21</td>
<td>741</td>
<td>950</td>
<td>671</td>
</tr>
<tr>
<td>Q2-22</td>
<td>671</td>
<td>1,177</td>
<td>671</td>
</tr>
</tbody>
</table>

Sources: Market data from ICIS & Chemanalyst

Naphtha price ↓
Weaker oil price & ample supplies pressured Asian market.

Ethylene price ↓
Reduced demand as consumers aimed to minimise inventories by year-end.

PE price ↓
Seasonal demand lull during festive season and persistent COVID-19 restrictions in China.

PP price ↓
Poor economic outlook and reduced consumer appetite resulted in slow finished-goods sales, eventually curbed PP demand.

SM price ↓
Deceleration of Chinese economy and slower downstream demand remained as constraints on consumption.

Butadiene price ↓
Tepid demand as most buyers curtailed Butadiene offtake and took a wait-and-see stance.
Production and Sales

Full volume sales achieved with sustained domestic leadership to meet Indonesian shortage

Ethylene

(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.

Butadiene Plant

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

Operating rates driven by economics of prevailing price spreads

<table>
<thead>
<tr>
<th>Plant Type</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naphtha Cracker</td>
<td>96%</td>
<td>80%</td>
</tr>
<tr>
<td>Polyethylene Plant</td>
<td>94%</td>
<td>80%</td>
</tr>
<tr>
<td>Polypropylene Plant</td>
<td>92%</td>
<td>90%</td>
</tr>
<tr>
<td>Styrene Monomer Plant</td>
<td>89%</td>
<td>64%</td>
</tr>
<tr>
<td>Butadiene Plant</td>
<td>84%</td>
<td>62%</td>
</tr>
<tr>
<td>MTBE Plant 1)</td>
<td>46%</td>
<td>24%</td>
</tr>
<tr>
<td>Butene-1 Plant</td>
<td>80%</td>
<td>60%</td>
</tr>
<tr>
<td>All Plants</td>
<td>91%</td>
<td>77%</td>
</tr>
</tbody>
</table>

(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 will run until 2023. This is considered as a part of the Final Investment Decision approval process.
Chandra Asri’s ESG RESPONSIBLE framework strives to maintain and always adapts to the ever-changing global business landscapes and atmospheres.

- 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 – Environmental

Track record of progress made in Environmental, Social and Governance (“ESG”) initiatives

- 1.17 ton water/ton product (1.6% reduction vs target of 1.5%)
- 0.57 kg waste/ton (52.2% reduction vs target of 5%)
- 69% utilised in 2022 vs target of 53%
- >68,000 ton CO₂ reduction in 2022
- >745,000GJ energy reduction in 2022
- Collaboration with IPST Asari & SAGARA with coastal community at Pangaradan Anyer, collected >19,000 kg of plastic waste
- 1.17 ton water/ton product (1.6% reduction vs target of 1.5%)
- 0.57 kg waste/ton (52.2% reduction vs target of 5%)
ESG Initiatives – Social

Track record of progress made in Environmental, Social and Governance (“ESG”) initiatives

- Life Cycle Assessment (LCA) study completed and submitted to government as PROPER compliance
- No Fatal Injuries in 2022
- Zero Case of Legal Actions
- Total Training Hours: More than 58 thousand hours to train our personnel
ESG Initiatives – Governance
Track record of progress made in Environmental, Social and Governance (“ESG”) initiatives

- > 61% of Local Suppliers
- HR Digitalization
- Embed Emerging ESG Risks and Prepare Mitigation
- Zero Case of Code of Conduct / Business Ethics Violation
ESG Recognition
Numerous prestigious awards throughout 2022

Green PROPER Award from the Ministry of Environment and Forestry (KLHK)

Green Industry Award 2022 from Ministry of Industry

Indonesia CSR Award 2022 from Economic Review

The Best Company in Raw Material Sector & Best CEO of the Year – by Bisnis Indonesia

Top CSR Awards 2022 by TOP Business Magazine

Corporate Emissions Transparency Award 2022 from the Investor Magazine & PT Bumi Global Karbon

OPEXCON Award 2022 by SHIFT Indonesia

Subroto Energy Efficiency Award 2022 by the Ministry of Energy and Mineral Resources

Platinum Award in the SNI Award 2022 by Badan Standarisasi Nasional (BSN)
PT Chandra Asri Petrochemical Tbk

Commodity Chemicals  Indonesia  JKT:TPIA

ESG Risk Rating

17.7

Updated Oct 8, 2022

Not available

Momentum

Low Risk

ESG Risk Rating Distribution

ESG Risk Rating Ranking

UNIVERSE

RANK

PERCENTILE

(1st = lowest risk)

(1st = lowest risk)

Global Universe

2654/14794

18th

Chemicals

INDUSTRY

10/487

3rd

Commodity Chemicals

SUBINDUSTRY

2/236

1st

Strictly Confidential
Revenue

Only marginal declines notwithstanding global challenges, due to domestic leading position

**Revenue (US$ m)**

<table>
<thead>
<tr>
<th>Product</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanks &amp; Jetty Rental</td>
<td>356</td>
<td>412</td>
</tr>
<tr>
<td>MTBE/B1</td>
<td>47</td>
<td>7</td>
</tr>
<tr>
<td>Butadiene (BD)</td>
<td>175</td>
<td>40</td>
</tr>
<tr>
<td>Styrene Monomer (SM)</td>
<td>406</td>
<td>163</td>
</tr>
<tr>
<td>Polyolefins</td>
<td>361</td>
<td>280</td>
</tr>
<tr>
<td>Olefins</td>
<td>1,635</td>
<td>1,483</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>US$ 2,580m</strong></td>
<td><strong>US$ 2,385m</strong></td>
</tr>
</tbody>
</table>

**Net Revenues Split (%)**

- Olefins: 62%
- Polyolefins: 17%
- Styrene Monomer: 12%
- Butadiene (BD): 7%
- MTBE/B1: 2%
- Tanks & Jetty Rental: 0%

US$ 2,580m

US$ 2,385m

FY 2021

FY 2022
Balance Sheet Highlights

Continuous strong balance sheet position to navigate through the volatile conditions

Financing Sources (%)

- Offshore Bank Loans: 4%
- IDRs Bonds: 60%
- Onshore Bank Loans: 36%

Facilities as of 31 December 2022

Liquidity Pool

- Available Committed RCF: US$ 394 m
- Marketable Securities: US$ 876 m
- Cash & Cash Equivalents: US$ 1,404 m

As of 31 December 2022

Debt-to-Capitalisation

Max 50%

- FY 2021: 27%
- FY 2022: 35%
Access to Liquidity
Continuous strong support from onshore banks, offshore banks, and bond investors

US$ 325m BRI Facility Signing to Facilitate Domestic Petrochemical Industry Growth

The first recipient of Sustainability-Linked Trade Finance in Indonesia in partnership with UOB

Signed a US$ 100m Loan Facility with OCBC NISP to Facilitate Domestic Petrochemical Industry Growth

Successful completion of 3rd IDR Bond Shelf Programme of IDR 5t (US$ 350m) over 2019-2022
## IDR Bond Highlights

Milestones in IDR Bond issuance with 580% growth from 2016 to 2022 and longer tenors up to 10 years

<table>
<thead>
<tr>
<th>Year</th>
<th>IDR</th>
<th>3 &amp; 5 yrs</th>
<th>3, 5, 7 yrs</th>
<th>3, 5, 7, 10 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>IDR 500b</td>
<td>Seri A – IDR 361b</td>
<td>PUB I Phase I</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IDR 1,000b</td>
<td>Seri B – IDR 139b</td>
<td>PUB I Phase II</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>PUB I Phase I</td>
<td>PUB II Phase I</td>
<td>PUB II Phase II</td>
<td></td>
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<tr>
<td></td>
<td>IDR 500b</td>
<td>Seri A – IDR 150b</td>
<td>Seri A – IDR 100b</td>
<td>Seri C – IDR 300b</td>
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<tr>
<td></td>
<td>PUB I Phase I</td>
<td>Seri B – IDR 120b</td>
<td>Seri B – IDR 100b</td>
<td>Seri C – IDR 300b</td>
</tr>
<tr>
<td></td>
<td>PUB II Phase I</td>
<td>Seri C – IDR 230b</td>
<td>Seri A – IDR 500b</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2017</td>
<td>IDR 1,000b</td>
<td>Seri A – IDR 750b</td>
<td>Seri C – IDR 529b</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>PUB I Phase II</td>
<td>PUB II Phase I</td>
<td>PUB III Phase I</td>
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<tr>
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<td>2017</td>
<td>PUB II Phase I</td>
<td>Seri A – IDR 500b</td>
<td>Seri B – IDR 529b</td>
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<tr>
<td>2019</td>
<td>2018</td>
<td>IDR 750b</td>
<td>Seri A – IDR 750b</td>
<td>Seri B – IDR 529b</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>3 yrs</td>
<td>PUB III Phase III</td>
<td>PUB III Phase IV</td>
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<tr>
<td></td>
<td>2018</td>
<td>3, 5, 7 yrs</td>
<td>Seri A – IDR 529b</td>
<td>Seri A – IDR 267b</td>
</tr>
<tr>
<td>2020</td>
<td>2019</td>
<td>PUB II Phase II</td>
<td>PUB III Phase II</td>
<td>PUB IV Phase I</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>IDR 2,350b</td>
<td>Seri A – IDR 529b</td>
<td>Seri A – IDR 529b</td>
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<td></td>
<td>2019</td>
<td>3 yrs</td>
<td>Seri B – IDR 750b</td>
<td>Seri B – IDR 529b</td>
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<td></td>
<td>2019</td>
<td>3, 5, 7 yrs</td>
<td>Seri B – IDR 750b</td>
<td>Seri B – IDR 529b</td>
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<tr>
<td>2021</td>
<td>2020</td>
<td>PUB III Phase III</td>
<td>PUB III Phase IV</td>
<td>PUB IV Phase I</td>
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<tr>
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<td>Seri A – IDR 50b</td>
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<td>5, 7, 10 yrs</td>
<td>Seri C – IDR 240b</td>
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<td>2021</td>
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<td>Seri B – IDR 347b</td>
<td>Seri B – IDR 347b</td>
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<tr>
<td></td>
<td>2021</td>
<td>Seri C – IDR 227b</td>
<td>Seri C – IDR 227b</td>
<td></td>
</tr>
</tbody>
</table>

**Matured & Paid**

- IDR 500b 100%
- IDR 270b 54%
- IDR 700b 70%
- IDR 750b 100%
Three Key Strategic Focus Areas

Chandra Asri’s Programmatic M&A strategy is geared towards supporting CAP 2 expansion plans.

**Exponential Growth**

**Sustainability & ESG**

**Digital Transformation**

- **CAP 2**
  - Programmatic M&A
- **Crystalize Framework**
  - Broaden Partnerships
- **New ERP Implementation**
  - Digital Plant

- Exponential Growth
- Sustainability & ESG
- Digital Transformation
Acquisition of KDL & KTI

Synergies between Chandra Asri – KDL – KTI to support industrial needs in Cilegon & surrounding communities

Successfully acquired 70% of Krakatau Sarana Infrastruktur's ("KSI") shares in Krakatau Daya Listrik ("KDL") and 49% of KSI's shares in Krakatau Tirta Industri ("KTI"). The transaction was completed on 27 February 2023, and enables 2 key value streams:

**Accelerated water and energy supply** expansion to meet the needs of the growing industries and surrounding communities in Cilegon

**Underpin the requirements** of Chandra Asri's second global scale petrochemical complex (CAP2), by unleashing operational, technical and financial synergies.
Asset Highlights

Key performance metrics

Transaction Flow

Chandra Asri

Chandra Daya Investasi

70%

49%

KDL

KTI

Krakatau Daya Listrik (“KDL”) Energy Solution

One of 2 gas turbine combined cycle power plants (CCPP) in Indonesia
- 120 MW max power generation capacity
- Renewable energy capability with solar power technology

Krakatau Tirta Industri (“KTI”) Water Solution

The biggest and only integrated water company in Indonesia, with complete facilities from upstream to downstream
- ~3,000 lps water treatment capacity in Cilegon
- ~1,600 lps water treatment capacity beyond Cilegon
- <2% water loss (vs. 20% peers)
CAP’s Programmatic M&A Strategy Framework
Clear capital discipline under a dedicated SPV – Chandra Daya Investasi (“CDI”)

C
CHEMICALS
Aiming to support development of CAP as Indonesia’s leading and preferred petrochemical company with track record of growth.

D
DIVERSITY
Exploring different business lines that are tied with CAP’s core competencies, for more varied source of income, to steer clear of dependency on single market dynamics.

I
INDONESIA
Initiatives that will benefit CAP—considering its strong position as the market leader in highly attractive Indonesian and Southeast Asian market.

CILEGON
Strategically located in Cilegon, CAP’s home base for the past 30 years with proximity to key customers, distribution and logistics networks.

DEPTH
Exploration of new opportunities for continuous improvement on efficiency, to strengthen margins and enhance CAP’s overall business franchise with broad-based infrastructure networks.

INTEGRATION
New prospects to support CAP’s existing largest integrated petrochemical complex in Indonesia, and future CAP2 petrochemical complex.
Chandra Asri’s 2023 Priorities

CORE BUSINESS
- Expand petrochemical business
- Cost leadership
- Operational excellence

MAJOR PROJECTS
- Prepare for the upcoming FID of CAP2
- Integrate the newly-acquired companies

SUSTAINABLE FUTURE
- Sustain industry leadership in ESG

OPTIMISE VALUE AND SHAREHOLDER RETURNS
Questions & Answers
Thank you!
Welcome to reach out to us should you have any questions

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