

About CAP:

CAP, a subsidiary of PT Barito Pacific Tbk, is Indonesia's largest integrated petrochemical company producing olefins and polyolefins. CAP's state-of-the-art facility and infrastructure are located in Cilegon and Serang, in Banten province on Java. CAP operates the country's only naphtha cracker, and is the sole producer of ethylene, styrene monomer, butadiene and MTBE/B1 in Indonesia. In addition, CAP 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.

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# NEWS RELEASE

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## CHANDRA ASRI PETROCHEMICAL ANNOUNCES RESULTS FOR THE PERIOD ENDING MARCH 31, 2021

On 29 April 2021, PT Chandra Asri Petrochemical Tbk (IDX: TPIA) released its unaudited consolidated financial statements for the first 3 months of 2021.

The Company's Director, Suryandi, commented: **"We are pleased to announce a strong start to 2021. Our first quarter results reflect healthy product spreads, solid execution of our strategy, and sustained financial resilience. Product spreads remain firm as demand improves, driven by strong regional and Indonesian growth and the ongoing vaccine programs.**

**In the 3 months of Q1 2021, Chandra Asri recorded Net Revenues of US\$598 million, up by 25% vs US\$477 million in Q1 2020. EBITDA was US\$147 million and Net Income After Tax US\$85 million in Q1 2021, turning around from -US\$14 million and -US\$17 million respectively in the corresponding period in 2020.**

**We continue to focus on Business Continuity and Operational Excellence, to maintain operating rates, generate and sustain cost savings, fully complete the merger of our subsidiaries PBI and SMI, as well as achieve new milestones for our CAP 2 project.**

**These results were achieved in the context of sustained resilience of our Balance Sheet, comprising a total Liquidity Pool of US\$1.1 billion including US\$767 million cash and cash equivalents at the end of Q1 2021 (vs US\$624 million in Q1 2020). We also have a lower leverage with Net Debt-to-EBITDA at 0.2x (vs 2.6x in Q1 2020) and reduced Total Debt to US\$825 million (vs US\$885 million in Q1 2020).**

**Chandra Asri was recently awarded 3 TOP CSR Awards 2021, as awarded by the leading publication, TOP Business Indonesia for overall achievement, leadership and innovation. We also closed a market-leading sustainability-linked Green Loan with Hana Bank. These milestones underpin the Company's continuous commitment and progress towards advancing our Environmental, Social and Governance (ESG) standards and principles."**

### 3M 2021 FINANCIAL HIGHLIGHTS:

- Net Revenues increased by 25.5% to US\$598.4 million from US\$476.8 million in Q1 2020 as a result of higher average selling prices across all products particularly for Ethylene, Polyethylene and Polypropylene while sales volume was relatively stable.
- EBITDA significantly improved to US\$146.7 million, versus -US\$13.5 million in Q1 2020 mainly due improving spreads and the realization of the Company's Financial Resilience Strategy. EBITDA growth was also supported by the lower cost of revenue due to lower feedstock consumption. Overall, EBITDA margin was 24.5%, against -2.8% reported in Q1 2020 at the trough of the petrochemical market.
- The company recorded US\$84.5 million of Net Profit after tax in the quarter from Net Loss in the previous quarter mainly supported by a combination of strengthening margins and lower costs.
- Net Debt to EBITDA stands 0.2x with robust liquidity pool of US\$1,087.1 million consisting of US\$767.3 million in cash and cash equivalents, US\$261.9 million of available Committed Revolving Credit Facility, and US\$57.9 million in marketable securities.
- Domestic Indonesian and Regional Asian petrochemical demand expected to remain resilient, against a backdrop of container shortages across Asia and the growing importance of security of supply and just-in-case inventory management.

US\$ million, unless otherwise stated	3M2021	3M2020	% change
Net Revenues	598.4	476.8	25.5
Cost of Revenues	450.8	493.4	(8.6)
Gross Profit	147.6	(16.6)	NR
Net Profit After Tax	84.5	(17.5)	NR
EBITDA	146.7	(13.5)	NR
Cash Flows from (used in) Operating Activities	(119.1)	(101.7)	17.1
Capital Investments	4.5	46.2	(90.4)
Earnings per share (US\$)	0.0047	(0.0010)	NR
US\$ million, unless otherwise stated	3M2021	FY2020	% change
Total Assets	3,464.0	3,593.7	(3.6)
Total Liabilities	1,568.7	1,782.3	(12.0)
Shareholders' Equity	1,895.3	1,811.4	4.6
Interest Bearing Debt	825.1	844.3	(2.3)
Cash & Cash Equivalents	767.3	918.9	(16.5)
Net Debt / (Cash)	57.9	(74.7)	NR

#### Financial Ratios

	3M2021	3M2020
Gross Profit Margin	24.7%	-3.5%
EBITDA Margin	24.5%	-2.8%
Interest service coverage (x)	5.6	5.6
Debt to Capitalization	30%	34%
Debt to EBITDA (x) - LTM	2.4	8.8
Net Debt/ (Cash) to EBITDA (x) – LTM	0.2	2.6

#### Business Segments

In US\$ million	Revenues		
	3M2021	3M2020	% change
Olefins	71.9	74.8	(3.8)
Polyolefins	399.5	295.7	35.1
Styrene Monomer	72.3	64.0	13.0
Butadiene	42.0	41.1	2.3
MTBE and Butene-1	11.6	NA	NA
Tanks and Jetty Rental	1.2	1.3	(9.6)
<b>Consolidated</b>	<b>598.4</b>	<b>476.8</b>	<b>25.5</b>

In US\$ million	Gross Profit		
	3M2021	3M2020	% change
Olefins	12.7	5.9	115.3
Polyolefins	108.4	(21.5)	NR
Styrene Monomer	9.7	(5.0)	NR
Butadiene	13.2	3.1	325.0
MTBE and Butene-1	2.9	NA	NA
Tanks and Jetty Rental	0.7	0.9	(27.0)
<b>Consolidated</b>	<b>147.6</b>	<b>(16.6)</b>	<b>NR</b>

## FINANCIAL PERFORMANCE ANALYSIS

### Net Revenues

Net Revenues increased by US\$121.6 million to US\$598.4 million from US\$476.8 million in Q1 2020 mainly due to higher average sales prices of US\$1,110/T compared to US\$865/T in Q1 2020. Polyethylene and Polypropylene prices went up to US\$1,192/T and US\$1,504/T from US\$874/T and US\$1,036/T respectively. Meanwhile sales volume remained relatively stable at level of 539KT in Q1 2021.

### Cost of Revenues

Cost of Revenues declined to US\$450.8 million in Q1 2021 compared to US\$ US\$493.4 million in Q1 2020 due to lower feedstock consumption offsetting average Naphtha price that went up to US\$534/T from US\$521/T in Q1 2020 on the back of higher Brent crude oil price (21% increase year on year to an average of US\$61/bbl against US\$50/bbl in Q1 2020).

As a result, Gross Profit was recorded during the three months of 2021 at US\$147.6 million compared to Gross Loss of US\$16.6 million in Q1 2020.

### EBITDA

EBITDA has turned around to US\$146.7 million from –US\$13.50 million in Q1 2020 largely driven by improved spreads, resilient demand for Asian petrochemicals, supply outage in US market, container shortages, and solid execution of the Company's Financial Resilience Strategy, for the quarter.

### Net Profit After Tax

Following solid revenue growth, higher gross profit and higher EBITDA in the first quarter, the Company is able to realize US\$84.5 million Net Profit After Tax in Q1 2021 compared to -US\$17.5 million of Net Loss After tax in the same period last year.

### Total Assets

Total Assets decreased by 3.6% to US\$3,464.0 million as of 31 March 2021, from US\$3,593.7 million on 31 December 2020. This is largely due to lower cash and cash equivalents reflecting higher net cash used in operations coupled with lower prepaid taxes, offset by higher account receivables as well as inventories.

**Total Liabilities**

Total Liabilities decreased to US\$1,568.7 million from US\$1,782.3 million on 31 December 2020 as a result of lower trade accounts payable, lower interest bearing debt due to maturing IDR Bond of PUB I Phase II-2018 series A, and principal repayment of Term Loans, offset with higher short-term bank loan and taxes payable.

As of March 31<sup>st</sup> 2021, the Company had a total debt position of US\$825.1 million, against cash and cash equivalents balance of US\$767.3 million, resulting in an overall net debt position of US\$57.9 million. Net debt to EBITDA (LTM) stood at 0.2x.

**Cash Flows from Operating Activities**

Net cash used in Operating activities was US\$119.1 million in Q1 2021 against US\$101.7 million in Q1 2020, due to increase in cash paid to suppliers, offset by higher cash receipts from customers coupled with higher tax restitution received.

**Cash Flows from Investing Activities**

Net cash used in Investing activities was US\$10.1 million in Q1 2021 against US\$30.5 million in Q1 2020, in line with Management strategy to re-phase capex to maintain a robust balance sheet, and with all material capex projects largely completed in 2020 in line with the full scope of vertical integration master plan.

**Cash Flows from Financing Activities**

Net cash used in Financing activities was US\$22.4 million in Q1 2021 compared to US\$95.9 million of Net cash provided from Financing activities in Q1 2020 due to repayment of maturing bonds, principal repayment of Term Loans, and the absence of IDR bond proceeds compared to the same period last year.

## CORPORATE NEWS



### **Chandra Asri Implements the Literacy Corner Program to Support the School Literacy Movement**

On 4 March 2021, the Company continued the Literacy Corner Program in 2020 by appointing 5 schools in its plant area in Cilegon and 5 schools in its plant area in Puloampel. Chandra Asri also donated 835 books and 8 bookshelves to support literacy infrastructure in schools, towards supporting the School Literacy Movement (GLS) and increasing literacy in schools around ring 1 of the Company.



### **Chandra Asri Inaugurated of Curug Bandung Bridge in Lebak District**

On 10 March 2021, the Company with Village Volunteer Foundation (Yayasan Relawan Kampung) and Lebak Regency Government inaugurated an iron grinder suspension bridge in Curug Bandung Village, Sukamulya, Cibeer, Lebak. This is the fourth bridge that has been built by Chandra Asri in the Banten Province area, and the second bridge in Lebak Regency. This was a manifestation of its continuous commitment to be a growth partner for the Banten Province community.



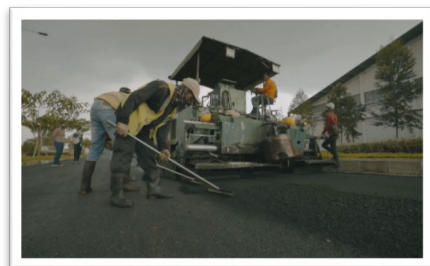
### **Chandra Asri Distributed Food Packages for Mangunreja Community**

On 12 March 2021, the Company contributed to COVID-19 relief for the community around its operational area in Mangunreja Village by distributing 500 food packages. This was handed over to the Head of Mangunreja Village.



### **Chandra Asri Inaugurated Cahaya Bintang Kindergarten in Serang Regency**

On 7 April 2021, the Company in collaboration with the Happy Hearts Indonesia Foundation (HHI), inaugurated the construction of Cahaya Bintang Kindergarten in Kamurang Pal Village, Grogol Indah Village, Anyar District, Serang Regency. Chandra Asri also donated books in line with the Literacy Corner Program which aims to open access to reading for school-age children.



### **Chandra Asri Collaborated with Djarum to roll out Plastic Asphalt Roads, as part of the Company's approach towards Sustainable Plastic Waste Management**

On 8 April 2021, the Company in collaboration with PT Djarum rolled out plastic asphalt road, derived from plastic waste, in the Djarum factory area in Kudus, Central Java. The total paved area is 39,000 m<sup>2</sup>, with a mixture consisting of 7.1 million pieces of plastic waste. This is part of a holistic approach of engaging with stakeholders on Sustainable Waste Management and building a Circular Economy.



#### **Chandra Asri Held its Annual General Meeting of Shareholders (AGMS) 2021**

On 15 April 2021, the Company held an Annual General Meeting of Shareholders for the Financial Year 2020. The shareholders approved all the agenda discussed, including the distribution of cash dividends for the financial year 2020 amounting to US\$38.5m. The dividend consists of 40% of net income by the Company's dividend policy and 35% of the net profit which is a special dividend as a token of appreciation for the support of shareholders during the challenging year 2020.



#### **Chandra Asri Partners with Hana Bank to Close Market-Leading Sustainability-Linked Green Loan**

On 19 April 2021, the Company has partnered with PT Bank KEB Hana Indonesia (Hana Bank) to extend a US\$13 million Sustainability-Linked Green Loan channeled to refinance completed Green Projects with positive and direct Environmental, Social and Governance (ESG) impacts. This effort is in accordance with Indonesia's National Long-Term Development Plan of "a greener and sustainable Indonesia".



#### **Chandra Asri won three awards at the Top CSR Awards 2021**

On 22 April 2021, the Company received an award in the category "Top CSR Awards 2021 '4-Stars'", "Top Leader on CSR Commitment 2021" attained by President Director Chandra Asri Erwin Ciputra and "Innovation of Plastic Waste Technology". The award, by the leading TOP Business Indonesia publication, was granted under the banner theme of "The Strategic Role of CSR in National Economic Recovery in the New Normal Era".