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PETRONAS CHEMICALS GROUP BERHAD 199801003704 (459830-K)

For immediate release

PCG POSTS PAT OF RM439 MILLION IN 3Q 2023

- **Revenue of RM6.8 billion**
- **EBITDA of RM1.0 billion**

Kuala Lumpur, 28 November – PETRONAS Chemicals Group Berhad (PCG) announced Profit After Tax (PAT) of RM439 million in 3Q 2023 on the back of RM6.8 billion revenue amidst market and operational challenges during the period.

The Group's revenue declined 5% quarter-on-quarter from RM7.1 billion in 2Q 2023 on lower sales volumes amidst continuing weak demand stemming from slowdown in global manufacturing sector. Specialties segment which contributed 22% to the Group revenue saw continued destocking activities in the face of fierce competition, particularly in Europe.

On a cumulative 9-month basis, PCG posted RM21.5 billion in revenue and profit after tax of RM1.6 billion.

Key highlights 3Q 2023 vs 2Q 2023

- **Revenue declined 5% to RM6.8 billion** (2Q 2023: RM7.1 billion) due to lower sales volume and lower average product prices.
- **Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) and EBITDA margin of RM1.0 billion** (2Q 2023: RM1.1 billion) and 15% (2Q 2023: 15%) respectively, are comparable against the previous quarter.
- **Profit after Tax (PAT) was lower by 31% at RM439 million** (2Q 2023: RM633 million) due to lower unrealised foreign exchange gain and higher tax expense.
- **Plant utilisation rate was at 77%** (2Q 2023: 82%) due to unscheduled plant shutdown as well as planned plant turnaround and maintenance works.

Commenting on the results, Managing Director/Chief Executive Officer, Ir Mohd Yusri Mohamed Yusof said, "In 3Q 2023, the Group undertook scheduled plant turnaround at our Ammonia plant in Kerteh and planned shutdown at the fertiliser plant in Bintulu. In addition, we faced unscheduled shutdown at the Methanol plant in Labuan as well as Methyl tert-butyl ether (MTBE) and Propane dehydrogenation (PDH) plants in Gebeng. These activities have since been completed and the Group is now operating normally at above 85% utilisation. On the market side, we observed slight demand recovery in several chemicals, but overall margins are still compressed."

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Compared against 2Q 2023, the Olefins & Derivatives segment saw average product prices declined by about 4% on weak demand and ample supply whereas the Fertiliser & Methanol segment saw improvement in prices particularly for urea due to limited spot supply and China's export ban.

"The brief rally in selected chemical product prices have levelled off as the year end approaches. A seasonal slowdown is anticipated for olefins and derivatives with most buyers managing their term commitments. Fertilisers might see some support from the expected Indian urea tender shipment in December, in conjunction with the winter crop season in South Asia. The Specialties segment continues to be affected by on-going macroeconomic uncertainties, with some recovery in the automotive and transportation sectors underpinned by travel and tourism industry rebound," Yusri added.

"In October, we reached a key milestone in our New Plastics Economy agenda with the final investment decision to construct an advanced chemical recycling plant in Pengerang, Johor. Targeted to be operational in 2026, the plant will convert end-of-life plastic waste into pyrolysis oil, which will be used as feedstock in the production of sustainable plastics. We are proud to be able to play our part in the nation's Plastic Sustainability Roadmap 2021-2030, and contribute towards creating an ecosystem that promotes plastics circularity," he concluded.

About PETRONAS Chemicals Group Berhad

PETRONAS Chemicals Group Berhad (PCG) is the leading integrated chemicals producer in Malaysia and one of the largest in Southeast Asia. It operates a number of world-class production sites in Malaysia, Asia-Pacific, Europe and North America. With a total combined production capacity of 15.4 million metric tons per annum (mtpa), it is involved primarily in manufacturing, marketing and selling a diversified range of chemical products, including olefins, polymers, fertilisers, methanol, other basic chemicals, derivative products and specialty chemicals.

Listed on Bursa Malaysia with more than three decades of experience in the chemicals industry, PCG is established as part of the PETRONAS Group to maximise value from Malaysia's natural gas resources.

PCG is committed to ensuring that its business practices are in line with globally recognised standards for Economic, Environment, Social & Governance (EESG) practices. It is currently listed in the FTSE4Good Bursa Malaysia (F4GBM) Index and the Dow Jones Sustainability™ World Index.

Further details on PCG can be found at www.petronaschemicals.com.my

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