



PETRONAS CHEMICALS GROUP BERHAD 199801003704 (459830-K)

For immediate release

PCG records FY2023 PAT of RM1.8 billion

- **EBITDA of RM3.8 billion**
- **Dividend of RM 1.0 billion**

Kuala Lumpur, 26 February – PETRONAS Chemicals Group Berhad recorded revenue of RM28.7 billion for the full year ended 31 December 2023, a marginal decline against RM29.0 billion in FY2022, amidst a tough year for the global chemical industry. Moderating economic growth and slower-than-anticipated China recovery weighed in on the industry leading to lower product demand and softening prices. Concurrently, geopolitical tensions kept energy prices high, resulting in higher feedstock costs and margin compression.

The Group registered Profit After Tax (PAT) RM1.8 billion, declining against RM6.3 billion in FY2022. Plant utilisation was recorded at 85% compared to previous year's 89% in the face of operational challenges as well as several statutory turnarounds and maintenance activities undertaken during the year.

In the fourth quarter of 2023 (4Q2023), revenue improved by 6% quarter-to-quarter to RM7.2 billion on higher production and sales volumes. However, Profit After Tax (PAT) declined to RM142 million on lower product spreads and higher energy and utilities costs.

PCG announced a second interim dividend payout of 5 sen per share amounting to RM400 million. The total dividend declared in FY2023 amounts to RM1.0 billion, representing 61.3% of Profit After Tax and Non-Controlling Interests (PATANCI).

Key highlights 4Q 2023 vs 3Q 2023

- **Revenue** increased 6% to **RM7.2 billion** (3Q 2023: RM6.8 billion) with higher sales volume supported by stronger USD against MYR.
- **Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA)** declined 35% to **RM655 million** (3Q 2023: RM1.0 billion) due to lower products spreads and higher energy & utilities and maintenance costs due to several unplanned plant shutdowns particularly in the Olefins and Derivatives (O&D) segment. **EBITDA margin** during the quarter declined to 9% (3Q 2023: 15%).



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- **Profit after Tax (PAT)** declined 68% to **RM142 million** (3Q 2023: RM439 million) in line with lower EBITDA and unrealised foreign exchange loss on revaluation of shareholder loan.
- **A second interim dividend** of 5 sen per share was declared for the financial year ended 31 December 2023. The dividend amounting to RM400 million, is payable on 26 March 2024. The total dividend declared in FY2023 amounts to RM1.0 billion, representing 61.3% of Profit After Tax and Non-Controlling Interests (PATANCI).
- **Plant utilisation rate was recorded at 84%** (3Q 2023: 77%) during the quarter contributing to increase in production and sales volumes.

"FY2023 was a tough year for PCG, both on the market and operational fronts. As we navigated a very volatile chemicals market throughout the year, internally, we faced interruptions at a few of our plants, which led to a weaker performance in our Olefins and Derivatives (O&D) and Fertilisers and Methanol (F&M) segments. At the same time, the Specialties segment continued to be impacted by prolonged destocking and intensified competition from Chinese producers. Despite the persistent low spreads and operational challenges, we remain resilient with a healthy financial position enabling us to exceed our commitment to our shareholders," commented Mazuin Ismail, Managing Director/Chief Executive Officer of PCG.

On the chemicals market outlook he said, "The challenges seen in 2023 is expected to continue into 2024 as economic recovery is expected to remain sluggish but with pockets of opportunities in various sectors. Ethylene prices should see some support later in the year, as consumption improves and drive the demand for polyethylene in packaging applications. On the F&M side, urea prices are expected to be stable, supported by planting season in India and the continued ban of urea exports from China. Methanol prices may ease as downstream demand is expected to remain soft, likewise for specialty chemicals."

Mazuin added "The chemicals industry is cyclical in nature, we therefore expect the current downcycle will turn as the demand catches up with supply. We have successfully resolved most of our operational challenges and are strategically positioning ourselves to seize opportunities as the market rebounds."

On growth projects, Mazuin stated that performance test runs are currently ongoing at the petrochemical facilities in Pengerang. "We are also looking forward to achieving commercial operations at other new plants this year, namely the melamine plant in Gurun, Kedah, the specialty chemicals plant in Sayakha, India, for the production of pentaerythritol and calcium formate as well as the expansion of the 2-Ethylhexanoic Acid (2-EHA) plant in Gebeng, Pahang through our JV company, BASF PETRONAS Chemicals. These three facilities, with a combined annual capacity of about 130,000 metric tonnes per annum, mark several milestones in our 2-pronged strategy towards achieving sustainable growth," he concluded.

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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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