

About Chandra Asri:

Chandra Asri is a leading chemical and infrastructure solutions company in Indonesia with a track record of over 31 years in the petrochemical industry. The company employs over 2,000 dedicated staff, incorporates state-of-the-art technologies and supporting facilities located strategically in the country's industrial hub, Cilegon and Serang. As a Growth Partner, Chandra Asri is committed on creating high-value jobs, expanding the domestic petrochemical value chain, and serving the needs of the vibrant and growing Indonesian market. Chandra Asri is currently expanding its portfolio in the energy sector and incorporating its asset as well as operational infrastructure to support the expansion plan of the second world-scale integrated petrochemical complex in Indonesia, CAP2.

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# NEWS RELEASE

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## CHANDRA ASRI MAINTAINS STRONG BALANCE SHEET AND RECORDED YTD SEPTEMBER 2023 REVENUE OF US\$1,662.6 MILLION

- **POSITIVE EBITDA FOR YTD SEPTEMBER 2023 OF US\$108.9 MILLION, 881% HIGHER THAN YTD SEPTEMBER 2022**
- **STRONG LIQUIDITY POOL OF US\$2.34 BILLION MAINTAINED IN Q3 2023**

On 31 October 2023, PT Chandra Asri Petrochemical Tbk (IDX: TPIA) released its unaudited consolidated financial statements for the nine months of 2023.

The Company's Director, Suryandi, commented:

"For the 9 months of 2023, we recorded Net Revenues of US\$1,662.6 million and a positive EBITDA of US\$108.9 million, compared to an EBITDA of US\$11.1 million for 9 months of 2022, marking an 881% increment. We have also continued to maintain a strong Liquidity Pool as of Q3 2023 of US\$ 2.34 billion, consisting of US\$823.3 million Cash and Cash Equivalents, US\$1,099.2 million Marketable Securities and US\$415.0 million of Available Committed Revolving Credit Facilities.

Despite the ongoing geopolitical and energy price uncertainty, Chandra Asri remains optimistic about its long-term prospects and is diligently pursuing its expansion plans with focus and discipline while also bolstering Indonesia's industry value chain. Our programmatic M&A strategy and integration of the acquired core infrastructure assets is well on track and in line with expectations, to underpin the Company's efforts to strengthen its financial core.

Chandra Asri continues to stay on track with its announced caustic soda and ethylene dichloride plant expansion plans, to support the development of aluminum downstream industries and simultaneously realize the acceleration of a sustainable domestic electric vehicle (EV) ecosystem: We signed a Letter of Intent with PT Indonesia Asahan Aluminium (INALUM) that encompasses potential product offtake and equity investment. Other key highlights in Q3 2023 underlining the commitment to growth include Chandra Asri joining forces with Bank Rakyat Indonesia, Indonesia's leading SME bank, to provide financing facilities to support domestic downstream customer expansion and growth.

Chandra Asri's commitment to the circular economy and energy transition was recognized with the ASEAN Plastic Waste Circularity Award, and the Company being selected as the First Prize Winner out of 700 submissions across the region, in these critical sustainability areas. Chandra Asri has also successfully maintained its status as a company with "Low Risk" according to Sustainalytics, with ESG risk level improvement from 17.7 to 16.6 to maintain our pole position among industrial companies in the IDX ESG Leaders Index maintained by the Indonesia Stock Exchange.

The achievements highlighted, with our continuous focus on growth and execution, are aligned with the Company's updated vision to become "The Leading Chemical and Infrastructure Solutions Company in Indonesia" with our mission being built on the pillars of innovative solutions and strong partnerships, underpinned by a solid commitment to sustainability, safety, and best practices.

**9M 2023 FINANCIAL HIGHLIGHTS:**

- Net Revenues declined by 14.6% in 9M 2023 to US\$1,662.6 million from US\$1,947.8 million in 9M 2022 affected by external supply – demand disruption that leads to lower overall sales price for the 9M 2023.
- Cost of Revenues decreased to US\$1,597.5 million in 9M 2023 from US\$1,956.5 million in 9M 2022 mainly due to lower average feedstock price with Naphtha averages at US\$645/T for the 9M 2023 compared to an average of US\$851/T for the 9M 2022 on the back of an 18.6% decrease in Brent Crude prices during 9M 2023 to an average of US\$83/bbl compared to an average of US\$102/bbl in 9M 2022.

US\$ million, unless otherwise stated	9M 2023	9M 2022	% change
Net Revenues	1,662.6	1,947.8	(14.6)
Cost of Revenues	1,597.5	1,956.5	(18.3)
Gross Profit	50.5	(8.7)	NR
Net (Loss) Profit after Tax	(19.9)	(111.1)	(82.1)
EBITDA	108.9	11.1	881.4
Cash Flows from (used in) Operating Activities	(337.10)	(590.8)	(42.9)
Capital Investments	51.0	89.7	NR
Earnings (loss) per share (US\$)	(0.0003)	(0.0016)	NR
US\$ million, unless otherwise stated	9M 2023	FY 2022	% change
Total Assets	4,999.2	4,929.9	1.4
Total Liabilities	2,172.7	2,120.8	2.4
Shareholders' Equity	2,826.5	2,809.1	0.6
Interest Bearing Debt	1,781.5	1,471.1	21.1
Cash & Cash Equivalents plus Marketable Securities	1,922.5	1,874.9	2.5

Note:

NR.: Not Relevant

**Financial Ratios**

	9M 2023	9M 2022
Gross Profit Margin	3.9%	(0.4%)
EBITDA Margin	6.6%	0.6%
Debt to Capitalization	38.5%	34.4%
Debt to Equity	62.6%	52.4%

## Business Segments

In US\$ million	Revenues		
	9M 2023	9M 2022	% change
Olefins	284.1	365.7	(22.3)
Polyolefins	977.5	1,195.6	(18.2)
Styrene Monomer	179.0	217.3	(17.6)
Butadiene	120.1	135.9	(11.6)
MTBE and Butene-1	47.1	30.0	57.0
Tanks and Jetty Rental	5.9	3.4	73.5
Electricity	48.9	-	NR
<b>Consolidated</b>	<b>1,662.6</b>	<b>1,947.9</b>	<b>(14.6)</b>

In US\$ million	Gross Profit		
	9M 2023	9M 2022	% change
Olefins	43.9	23.1	90.0
Polyolefins	(0.0)	(32.4)	100.0
Styrene Monomer	(8.0)	(9.7)	(17.5)
Butadiene	13.1	7.5	74.7
MTBE and Butene-1	7.7	1.0	670.0
Tanks and Jetty Rental	4.5	1.9	136.8
Electricity	3.9	-	NR
<b>Consolidated</b>	<b>65.1</b>	<b>(8.7)</b>	<b>(857.0)</b>

Note:

NR.: Not Relevant

## FINANCIAL PERFORMANCE ANALYSIS

### Net Revenues

Net Revenues for the 9M 2023 were booked at US\$1,662.6 million, down from US\$1,947.8 million in 9M 2022 affected by external supply – demand disruption that leads to lower overall sales volume for the nine months. 9M 2023 sales volume was at 1,608 KT, increase from 1,568 KT in 9M 2022; however, the overall sales price decline for the 9M 2023 compared to 9M 2022.

### Cost of Revenues

Cost of Revenues decreased to US\$1,597.5 million in 9M 2023 from US\$1,956.5 million in 9M 2022 mainly due to lower average feedstock price with Naphtha averages at US\$645/T for the 9M 2023 compared to an average of US\$851/T in 9M 2022 on the back of an 18.6% decrease in Brent Crude prices during 9M 2023 to an average of US\$83/bbl compared to an average of US\$102/bbl in 9M 2022.

### EBITDA

EBITDA in 9M 2023 increases compared to 9M 2022 as the gross profit increases due to loosened COVID-lockdowns in China and fewer global uncertainties. Company's EBITDA is US\$108.9 million over 9M 2023 compared to US\$11.1 million in 9M 2022, which is higher by 881%.

**Net Income (Loss) after Tax**

Following the conditions mentioned above, the Company recorded US\$19.9 million of Net Loss after Tax in 9M 2023 compared to US\$111.1 million Net Loss after Tax in 9M 2022.

**Total Assets**

The Company booked Total Assets of US\$4,999.2 million as of 30 September 2023, increased by 1.4% from US\$4,929.9 million as of December 31, 2022.

**Total Liabilities**

The Company recorded slightly higher Total Liabilities of US\$2,172.7 million on September 30, 2023 from US\$2,120.8 million on December 31, 2022.

**Cash Flows (Used in)/Provided by Operating Activities**

Net cash used in operating activities during 9M 2023 was US\$337.2 million against US\$590.8 million net cash used in operating activities in 9M 2022, largely due to lower payments made to suppliers for feedstock purchases and inventories during the period, as part of various efforts to optimize our overall working capital, combined with higher EBITDA.

**Cash Flows (Used in)/Provided by Investing Activities**

Net cash used in investing activities in 9M 2023 was US\$414.2 million compared to net cash used in investing activities at US\$280.1 million in 9M 2022. While there is investment in subsidiary and associate in 9M 2023, the Company had lower investments in financial assets in 9M 2023 compared to 9M 2022.

**Cash Flows (Used in)/Provided by Financing Activities**

Net cash provided by financing activities was booked lower at US\$170.7 million in 9M 2023, compared to US\$351.2 million of net cash provided by financing activities in 9M 2022 due to lower proceeds from new term loan facilities and IDR bond issuances, alongside principal repayment and bonds payable, as part of proactive efforts to optimize the Company's overall weighted average cost of financing and capital structure.

## CORPORATE NEWS



### Chandra Asri Wins Popular Companies & Institutions Award 2023

At the 4th Indonesia Public Relations Awards 2023 event, PT Chandra Asri Petrochemical Tbk (Chandra Asri) succeeded in being listed in the 2023 Popular Companies & Institutions Awards. The award was presented by Bram S. Putro, Founder & CEO of The Iconomics, and was directly received by Chrysanthi Tarigan, Corporate Communications General Manager of Chandra Asri.



### Chandra Asri and BRI Collaborate to Support Petrochemical Industry

To enhance the competitiveness of the petrochemical industry value chain, Chandra Asri and BRI have officially joined forces to provide financing facility for Chandra Asri's domestic customers. This collaboration in offering financing facility marks the first financing scheme designed specifically by BRI for the national petrochemical industry. Through a symbolic signing, this partnership was formally held in Jakarta on August 29, 2023, by Raymond Budhin, Chandra Asri's Polymer Sales Director; Fransiskus Ruly Aryawan, Chandra Asri's Supply Chain Director; and Agus Noorsanto, BRI's Institutional & Wholesale Business Director.



### Four Awards Belong to Chandra Asri at the Global CSR & ESG Awards 2023

At the Global CSR & ESG Awards 2023™ organized by The Pinnacle Group International, Chandra Asri successfully secured four awards in recognition of the Company's commitment to sustainability. Held in Da Nang, Vietnam, on Tuesday, August 29, 2023, the Global CSR & ESG Awards 2023™ is the most prestigious CSR and ESG awards program at the Asian level that has been organized for 15 years. These awards are bestowed upon companies with extraordinary, innovative, and world-class products, services, and programs that have been implemented or are in progress. Recipients must also demonstrate leadership, sincerity, and an ongoing commitment to upholding ethical values, complying with the law, and showing respect for individuals, communities, and the environment in their business practices.



### The Indonesia Corporate Social Responsibility Awards Honor Chandra Asri as the Winner

In recognition of the Company's continuous efforts to create benefits for the environment and society, Chandra Asri was received four awards at the "Indonesia Corporate Social Responsibility Awards VI," organized by Economic Review Magazine. The awards were received directly on Thursday, August 31, 2023, by Edi Rivai, serving as the Legal and External Affairs & Circular Economy Director, Suryandi, the Human Resources & Corporate Affairs Director, and Phuping Taweearp, the ESG & Sustainability Director.





### **Circular Economy-Based Plastic Waste Management Initiative Receives Regional Recognition at ABA 2023**

Chandra Asri has been honored with an ASEAN-level award for its strong commitment to providing solutions to the plastic waste issue in Indonesia. At the ASEAN Business Awards (ABA) 2023 event on Monday, September 4, 2023, Chandra Asri emerged as the winner of the Plastic Waste Circularity Award in the Large Enterprise category. This award was directly received by Chandra Asri's President Director, Erwin Ciputra, and was presented by the Vice President Director of PT Indika Energy Tbk and CEO of Indika Group, Azis Armand.



### **Chandra Asri Distributes 62 Seeds to the Banten Polytechnic of Petrochemical Industry**

During the campus life introduction for new students at Banten Polytechnic of Petrochemical Industry, Chandra Asri handed over fruit seeds to support a more beautiful campus environment. A total of sixty-two seeds were distributed in a symbolic event, represented by Wawan Mulyana, the Corporate Shared Value Department Manager at Chandra Asri, and Supardi, the Director of Banten Polytechnic of Petrochemical Industry.



### **Chandra Asri and Lions Club Clean Pluit Reservoir to Commemorate World Cleanup Day 2023**

Chandra Asri, in collaboration with Lions Club Districts 307 A1 and B1, organized the "Pluit Reservoir Cleanup Day 2023" on Sunday, September 10, 2023, at Pluit Reservoir Park in North Jakarta. This joint clean-up event is part of the World Cleanup Day (WCUD), which is the world's largest annual simultaneous clean-up activity observed every September.



### **KDL Develops Solar Panel Business for Renewable Energy Solutions**

A subsidiary of Chandra Asri Group, Krakatau Daya Listrik (KDL), has succeeded in developing business for solar panel generator development business with four different mechanisms as an effort to provide new and renewable energy solutions. The company has succeeded in installing solar panels in various projects, including industry and retail, with a total new and renewable energy electricity capacity reaching to 958 kWp and it is targeted that the solar power plant project will reach 3 MWp in 2023.



### **Chandra Asri Celebrates Four Wins at Indonesia PR Program of the Year 2023**

Proactively campaigning sustainability and amplifying the #IndonesiaAsri message, Chandra Asri secured four communication awards at the Indonesia PR Program of the Year 2023 event. Chandra Asri's communication programs honored during this event include #AKSIASRI Operasi Semut, which received a Very Good rating in the Creative Corporate Reputation category; The Plastic Waste Savings (Nabung Sampah Plastik) Campaign, recognized with a Very Good rating in the Internal PR category and included in the Top 3 Best Outtakes in the Internal PR category; as well as Ride Carbon Free Chandra Asri, which earned a Good rating in the ESG Campaign category.



#### **Chandra Asri Receives Katadata Corporate Sustainability Award**

Chandra Asri has received the Katadata Corporate Sustainability Award (KCSA) in the Chemicals sector for the Environment category from Katadata Insight Center (KIC), an economic and business research institution. This award recognizes Chandra Asri's commitment, programs, sustainable principles in business activities, and its contribution to environmental protection.



#### **Chandra Asri Holds Community Awareness Activity Phase 4 with Gunung Sugih Village Residents**

As part of routine activities, Chandra Asri has once again organized a Community Awareness event to provide socialization to the local community surrounding the company, aiming to enhance awareness and understanding. The phase 4 Community Awareness event was attended by 120 residents of Gunung Sugih Village and took place at the Village Office Yard on Saturday, October 2, 2023. There were three main topics covered during this event, including company gas pipeline safety, HIV/AIDS prevention, and fire prevention.



#### **Protection of Biodiversity at Kehati Asri Conservation in 2023**

Chandra Asri continues its efforts to protect biodiversity through environmental conservation initiatives, one of which is the establishment and management of the Kehati Park located in Gunung Sugih Village, Ciwandan District, Cilegon City. Through the preservation of Kehati Asri Park, the company strives to continuously assess the diversity of flora and fauna through research, development, and innovation with trained personnel.



#### **Chandra Asri's Waste Sorting Education Initiative at the Pre-Event of Jakarta Marathon**

Chandra Asri once again organized the "Aksi Asri Operasi Semut untuk #IndonesiaAsri" (Asri Ant Operation for #BeautifulIndonesia) activity as part of the Jakarta Marathon 2023 Pre-Event held at Car Free Day (CFD) Jakarta on Sunday, October 8th. This ant operation aimed to educate the public about the importance of waste sorting. The total amount of waste collected during this Aksi Asri event was 43 kilograms, consisting of 26 kilograms of plastic waste, 4 kilograms of organic waste, 10 kilograms of paper waste, and 3 kilograms of other waste.



#### **Chandra Asri Facilities Receive ISCC Certification and Achieves Improvement in ESG Score**

For its consistent implementation of sustainability principles, Chandra Asri has successfully obtained the International Sustainability and Carbon Certification (ISCC), a globally recognized sustainability certification system for environmentally-friendly product production. With the attainment of ISCC, Chandra Asri's facilities are certified to meet the standards for processing bio-feedstock into bio-based products, such as Bio-Propylene, Bio-Ethylene, Bio-Crude C4, and Bio-Pygas. This accomplishment also supports Chandra Asri's efforts in transitioning towards more sustainable alternative raw material utilization.



#### **Krakatau Daya Listrik Receives the 2023 National Energy Council Award for Its Renewable Energy Transition Initiative**

For its continuous business development in the Renewable Energy (EBT) sector, a subsidiary of the Chandra Asri Group, PT Krakatau Daya Listrik (KDL), has been honored with the "Private Company Providing Implementative Energy in the Energy Transition" Award at the 2023 National Energy Council Awards. This achievement recognizes KDL's commitment and success in implementing the Renewable Energy transition across various sectors and market segments.



#### **Chandra Asri and INALUM Collaborate to Support Aluminum Downstreaming and Domestic EV Ecosystem**

Chandra Asri Group, in collaboration with PT Indonesia Asahan Aluminium (INALUM), is exploring the potential for cooperation in liquid caustic soda supply by Chandra Asri Alkali (CAA), a subsidiary of the Company, to INALUM, with an annual volume of up to 120,000 metric tons and the potential for INALUM to acquire up to 10% equity in CAA. This partnership marked by the signing of a Letter of Intent (LoI) by both parties and is aimed at supporting the downstream aluminum industry and accelerating the domestic electric vehicle ecosystem.