



# Q1 2017 OPPORTUNITY DAY

STOCK EXCHANGE OF THAILAND, 23 MAY 2017



# Disclaimer

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*This presentation includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. This presentation contains a number of forward-looking statements including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand.*

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**Q1/2017 FINANCIAL RESULTS**

**STRATEGIC DIRECTION**

# Q1/2017 Performance Highlight



The bottom line enhancement driven by healthy margin from core products of Aromatics and Butadiene while operating rate maintained at high level of all major plants.



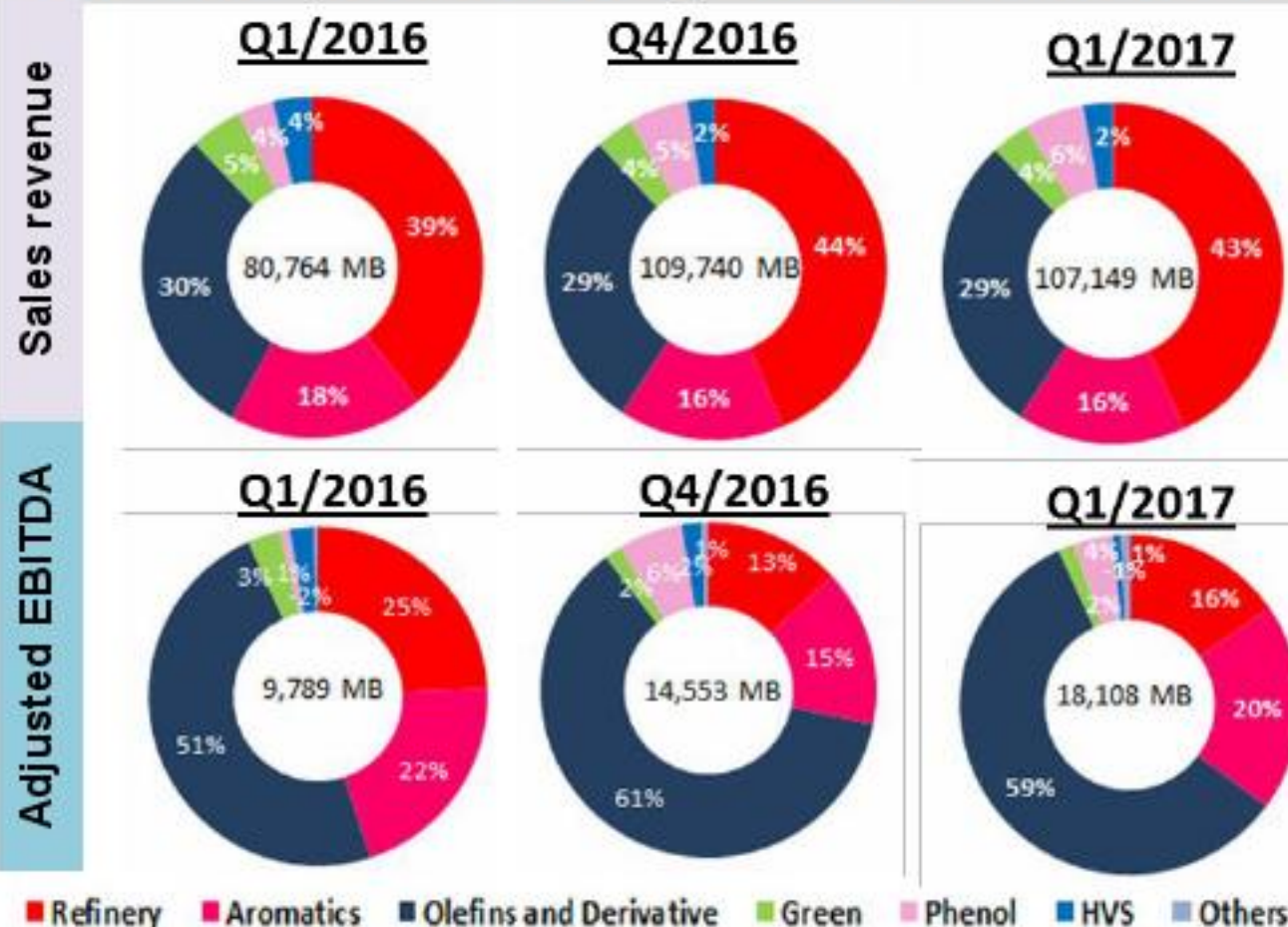
# Overview of Business Unit's Performance



Table 1 : Performance Summary

(Unit: Million Baht)	Q1/2016	Q4/2016	Q1/2017	YoY % +/-(-)	QoQ % +/-(-)
Sales Revenue	80,764	109,740	107,149	33%	-2%
EBITDA	9,515	16,304	18,616	96%	14%
EBITDA Margin (%)	12%	15%	17%	5%	2%
Net Profit	4,707	9,744	13,182	180%	35%
EPS (Baht/Share)	1.06	2.18	2.96	181%	36%
Adjusted EBITDA*	9,789	14,553	18,108	85%	24%
Adjusted EBITDA Margin (%)	12%	13%	17%	5%	4%

Note: \* Adjusted EBITDA refers EBITDA excluding impact of oil stock value



% Adj. EBITDA Margin	Q1/2016	Q4/2016	Q1/2017
Business Unit :			
Refinery	8	4	6
Aromatics	14	13	22
Olefins and Derivative	20	28	35
Green	8	6	7
HVS	(3)	13	6
Average	12	13	17

Adjusted EBITDA is increased by 85% yoy and 24% qoq, mainly from improvement of Aromatics and Butadiene margin.

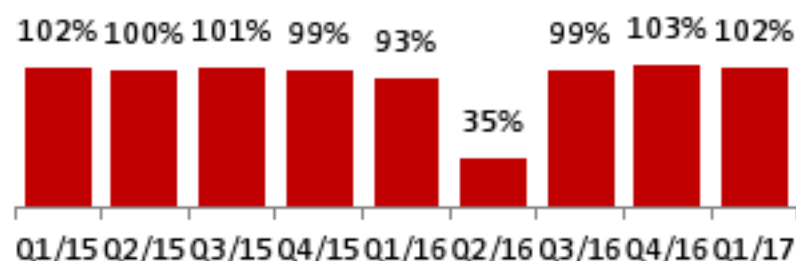


# Q1/2017 Performance Highlight



## Refinery

**U-rate** : Maintained at full rate of 102% in Q1/17

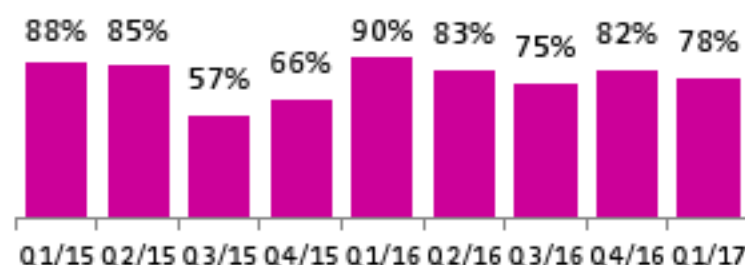


### Spread : Slightly Soften

- Soften in middle distillate spread from an increase in US inventory and export volume from China

## Aromatics

**U-rate** : Slight declined to 78% from turndown of minor unit for maintenance

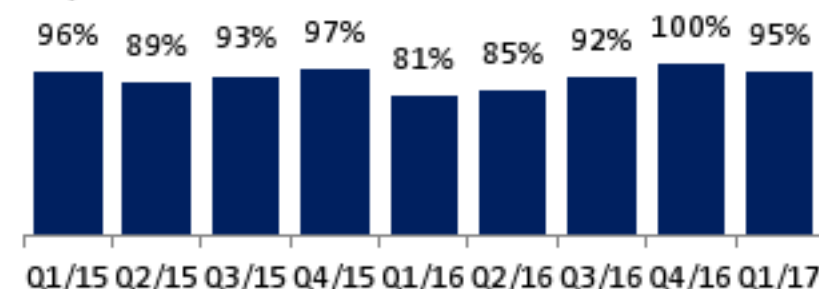


### Spread : Significantly Improved

- Better downstream demand for both benzene i.e. styrene monomer and paraxylene i.e. PTA and polyester

## Olefins & Derivatives

**U-rate** : Back to normal level at 95%, supported by high ethane flow of 273 T/H



### Spread : Improved

- Increased polymer price due to increased in crude oil price  
- MEG price up from better downstream polyester demand  
- Butadiene significantly increased from short of supply

\$/BBL	Q1/16	Q4/16	Q1/17	YoY % + /(-)	QoQ % + /(-)
Dubai price	30.4	48.3	53.1	75%	10%
Gasoline - Dubai	18.8	14.6	14.8	-21%	1%
Jet fuel - Dubai	11.7	12.3	11.3	-3%	-8%
Diesel - Dubai	9.6	12.0	11.8	23%	-2%
Fuel Oil - Dubai	(5.2)	(1.7)	(3.1)	39%	-87%
Market GRM	5.5	6.6	6.0	9%	-8%

### Market GRM

- GRM decreased QoQ to 6.02 \$/bbl due to softer middle distillate and FO spread.

\$/Ton	Q1/16	Q4/16	Q1/17	YoY % + /(-)	QoQ % + /(-)
PX - Condensate	415	358	420	1%	17%
BZ - Condensate	272	288	458	69%	59%
P2F Margin	201	211	321	60%	52%

### Market P2F

- P2F increased QoQ to 321 \$/ton resulted from better products spread, included Benzene and Paraxylene.

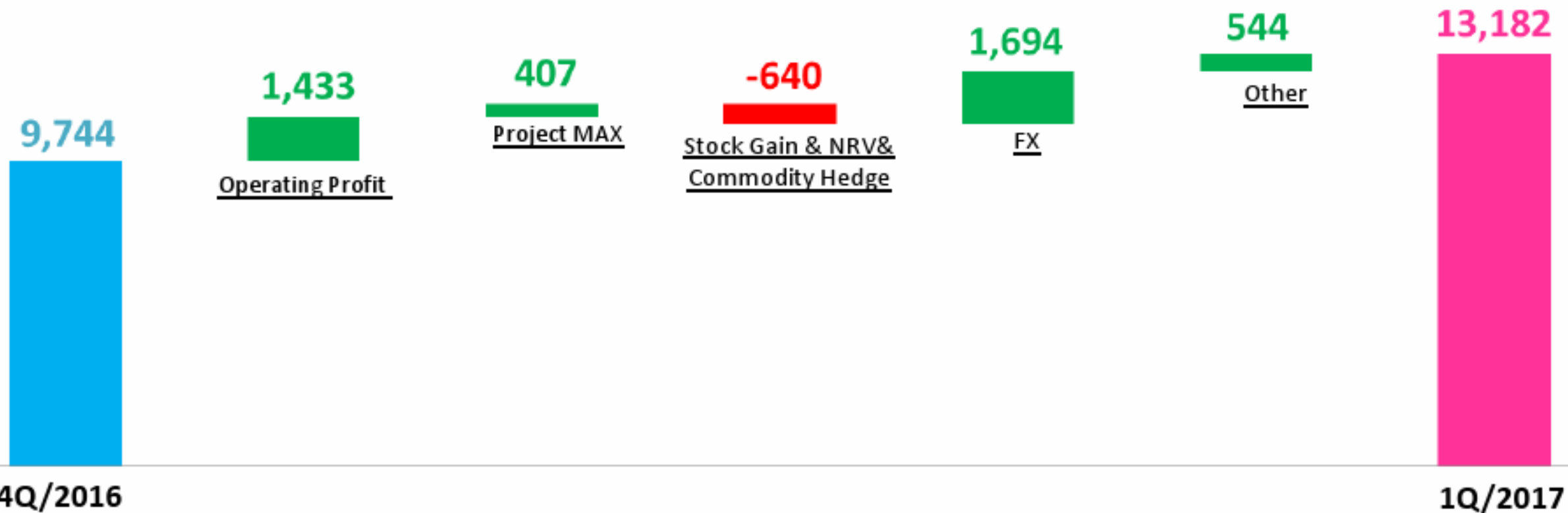
\$/Ton	Q1/16	Q4/16	Q1/17	YoY % + /(-)	QoQ % + /(-)
Ethylene	1,012	978	1,090	8%	11%
HDPE	1,103	1,134	1,176	7%	4%
MEG (ACP)	732	818	1,078	47%	32%
Butadiene	864	1,583	2,545	195%	61%
% EBITDA margin	20%	28%	35%	15%	7%

% EBITDA Margin increased QoQ to 35% from higher product price, especially derivative products such as MEG, Butadiene

# Performance Q4/2016 VS Q1/2017



Unit : MB

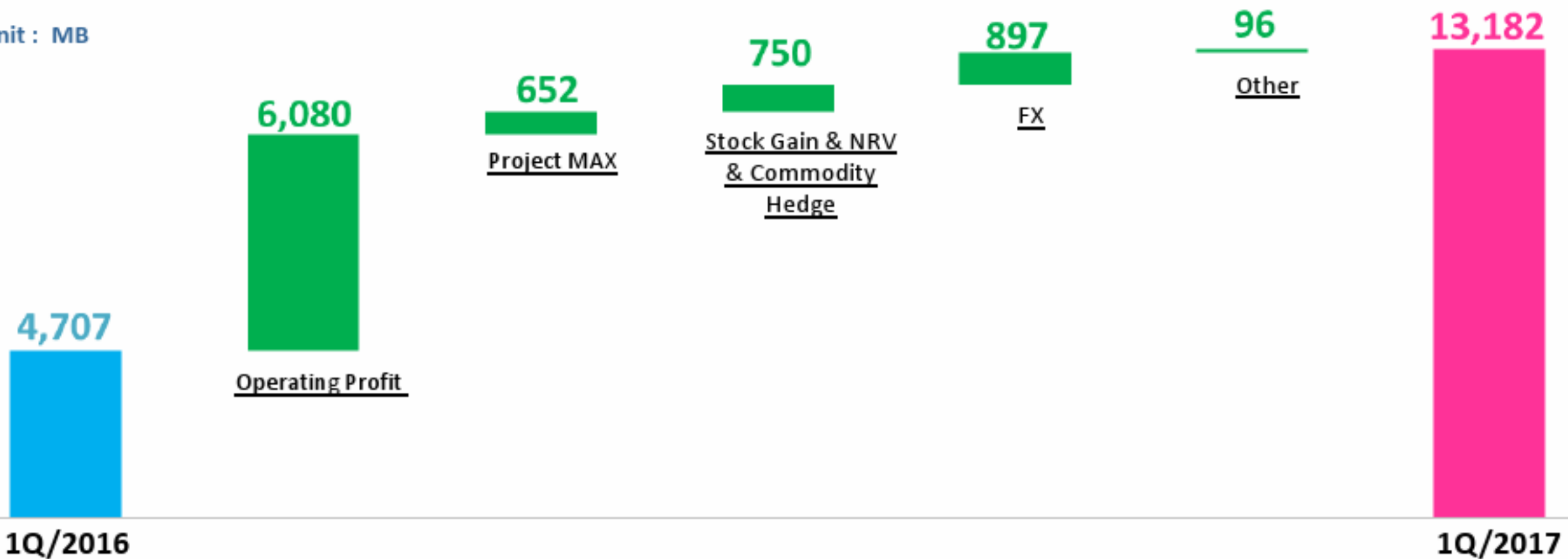


- Overall **operating profit** in Q1/17 was higher than Q4/16, mainly from increasing in product price and spread especially from MEG, Butadiene and Aromatics product.
- **Stock Gain(Loss)& NRV & Commodity Hedge** in Q1/17 was gain of 519 MB since Dubai increased where Q4/16 was gain of 1,159 MB since Dubai price in Q1/17 increased less than in Q4/16.
- **FX Gain(loss)** in Q1/17 was gain of 1,529 MB against FX loss in Q4/16 of 165 MB due to baht appreciation in Q1/17 while baht depreciation in Q4/16.

# Performance Q1/2016 VS Q1/2017



Unit : MB



- Overall **operating profit** in Q1/17 was higher than Q1/16, mainly from increasing in product price and spread, which align with up trend in oil price. The volume is also increase from no major S/D compare with OLE III planned S/D last year.
- **Stock Gain(Loss)&NRV&Commodity Hedge** in Q1/17 was gain of 519 MB since Dubai increased where Q1/16 was loss of 231 MB.
- **FX Gain(loss)** in Q1/17 was gain of 1,529 MB against FX gain in Q1/16 of 633 MB due to baht appreciation in Q1/17 more than Q1/16.



# AGENDA



Q1/2017 FINANCIAL RESULTS

STRATEGIC DIRECTION

# Strategic Direction



*To be a Leading chemical company for Better living*

## Sustain Core



## Accelerate Growth levers



## Balance Business & Social Value



### Business Competitiveness

- **Project MTP retrofit**  
*Olefins Reconfiguration*
- **Project MAX**  
*Improve productivity*
- **Project Asset Injection**  
*Enhance business clarity & Maximize integration*



- International hub
- Performance chemicals
- Green business

- Sustainable development



**ROBECOSAM**  
Sustainability Award  
Gold Class 2017

- Effective CSR programs
- Stakeholder management



# Asset injection : Shareholder Approved Transaction



PTTGC % Hold Post Deal

41.44%



HMC Polymers

50%



50%



100%



100%



100%



- ☐ PTTGC's AGM on 5<sup>th</sup> April 2017 has approved the transaction with 99.88% approval rate.
- ☐ Condition precedents closing are underway, not expecting any issue.
- ☐ Transaction completion targeted in Q3/17

# Asset Injection : Potential Growth & Value Creation

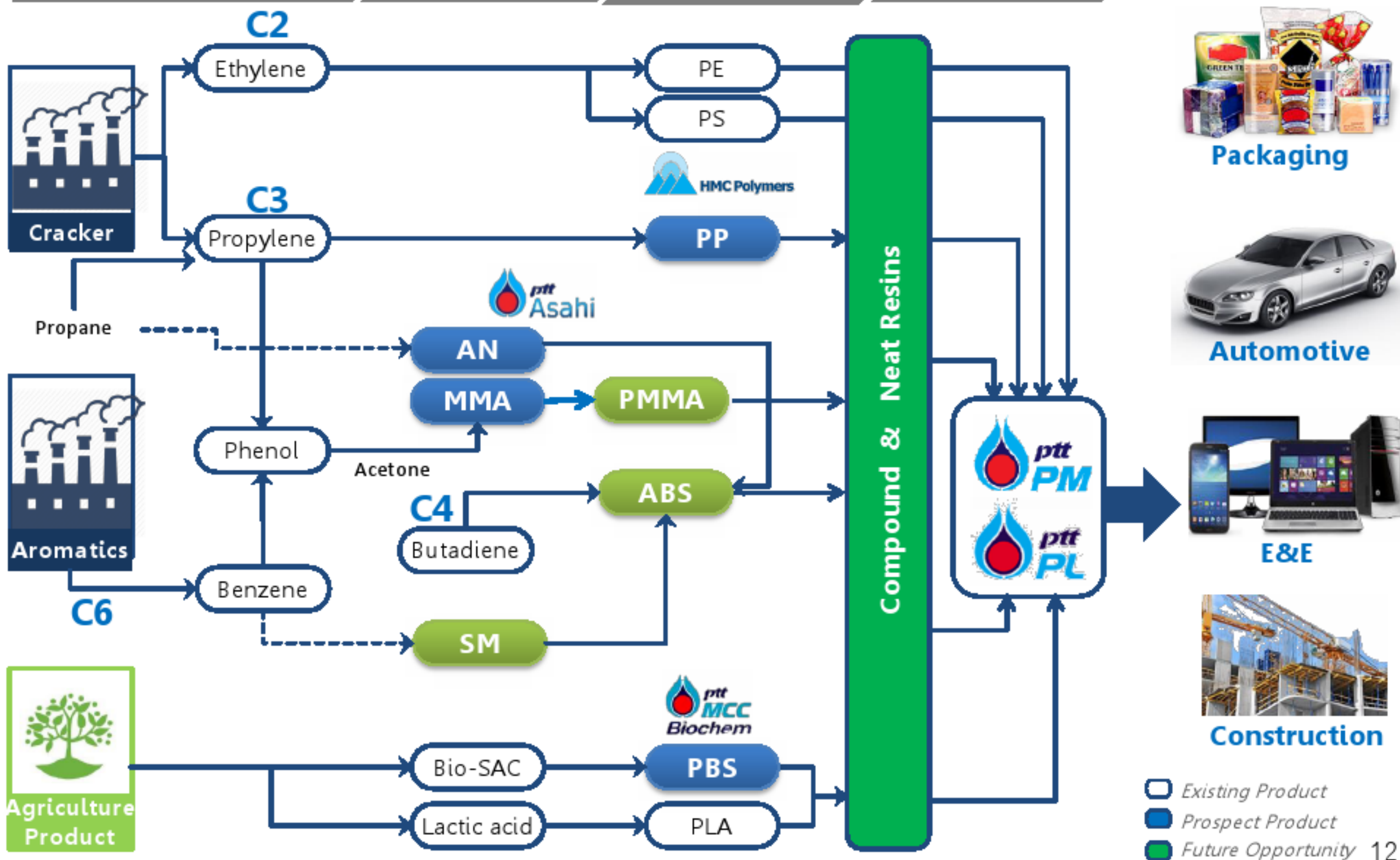


Upstream

Intermediate

Performance Material

Marketing & Sales





# MTP Retrofit Project : Olefins Reconfiguration



Olefins 1 (I-1)



## Rationale

- ☐ To utilize internal naphtha by building a new naphtha cracker
- ☐ To increase flexibility in PTTGC feedstock usage
- ☐ To further increase product value chain

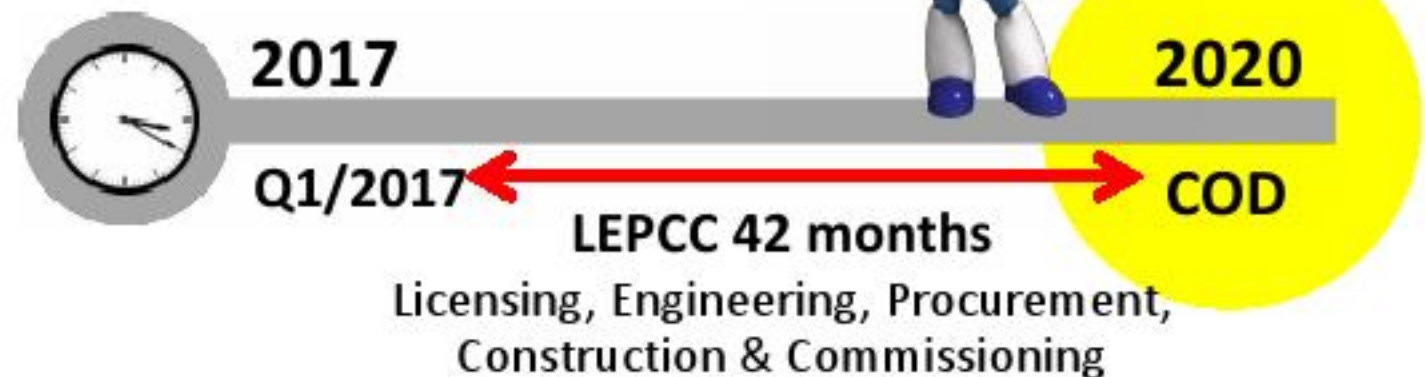
## Product Capacity

- Ethylene : 500 KTA
- Propylene: 250 KTA

## Feedstock Usage

- Naphtha : 1,500 KTA

## Timeline





# PO/Polyols: Enhancing Chemical Chain Value



## Rationale

- ❑ To complete the chemical chain toward polyurethane to enter into Japanese auto industry through partners network

### Propylene Oxide (PO)

#### Product Capacity

- PO: 200 KTA

### Polyols

#### Product Capacity

- Polyols: 130 KTA
- PU System : 36 KTA

## Timeline



**2017**

Q2/2017  
FID

Q3/2017  
JV Establish  
Sign EPC contract



**2020**

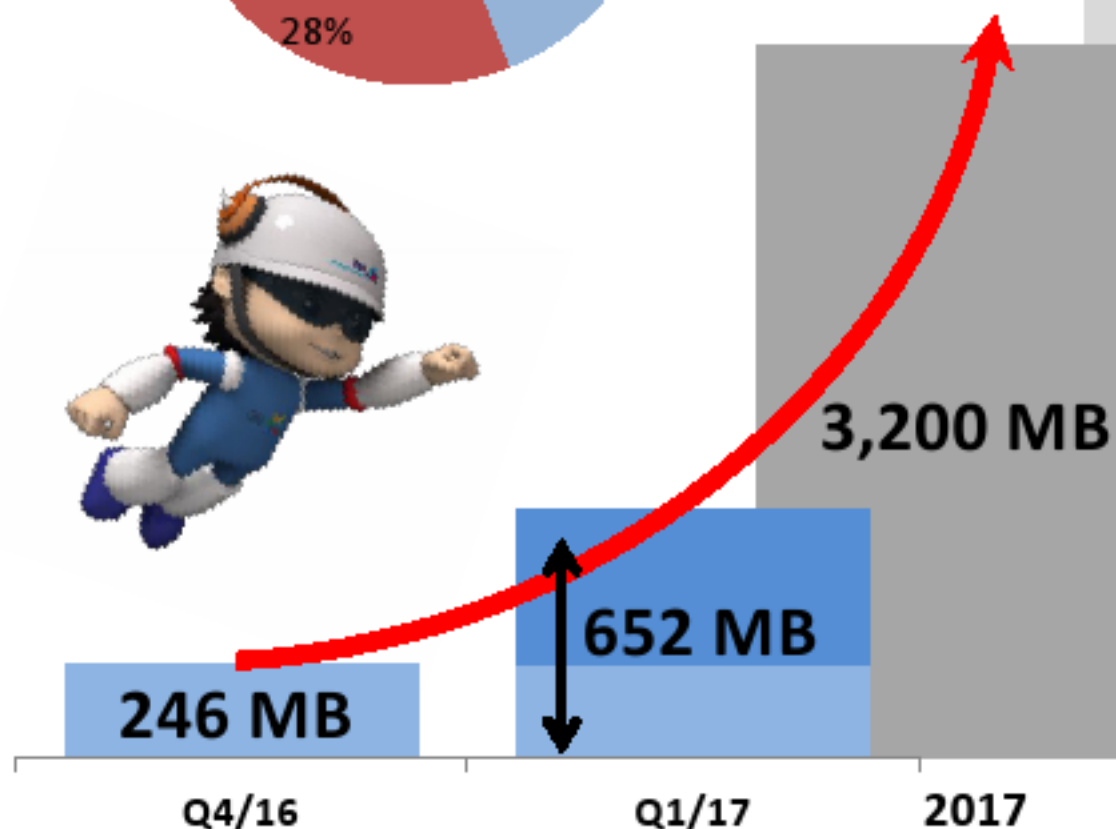
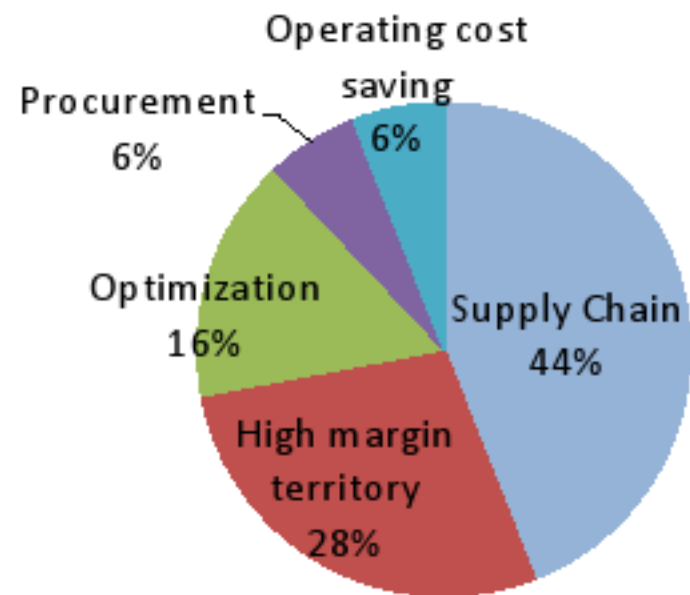
**COD**



# MAX Project : Long Term Commitment



Project MAX continues to deliver sustainable benefits



## To Sustain MAX Project Benefit



McKinsey&Company

### Capability

Capability building by working side-by-side with global experts

### GC HERO

- New mindset, outstanding performance, together with 4 core behaviors
- Get recognition from managements
- Role models to encourage others in the team



### New process to enhance efficiency

- Procurement Academy and e-Auction
- New tool for pricing and market analysis
- Faster CAPEX approval process

# Successfully IPO Green Flagship



- ❑ Successfully IPO first subsidiary, Green Flagship, GGC into the market
- ❑ First day trade on 2<sup>nd</sup> May 2017, IPO price @ 11.2 baht / share, +7% on first day trade

## GGC's Post-IPO Shareholding Structure

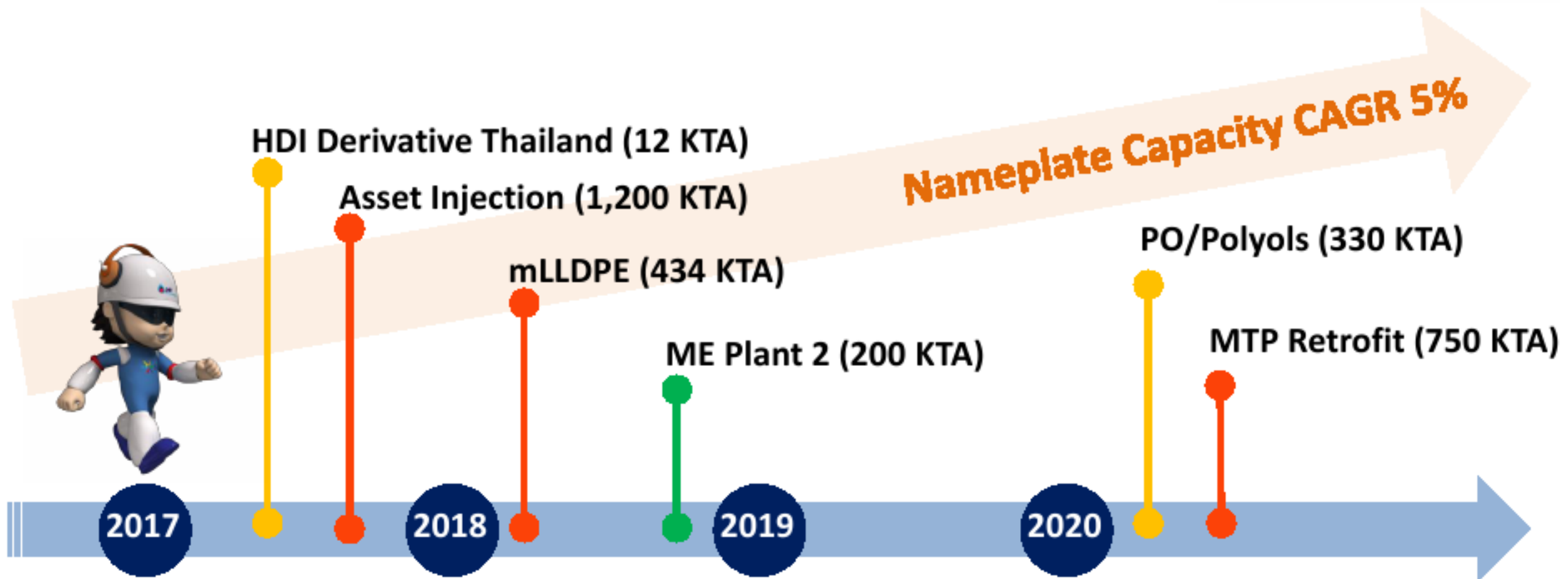


We aspire to become a leading Green Chemical Player





# Upcoming Projects



	HDI Thailand	Asset Injection	mLLDPE	ME Plant 2	PO /Polyol	MTP Retrofit (Olefins Reconfiguration)
<b>Capacity*</b>	HDI Derivatives 12 KTA	HMC : PP 750 KTA PTTAC : AN 200 KTA MMA 70 KTA AMS 160 KTA PTTMCC : PBS 20 KTA	mLLDP 400 KTA Hexane-1 : 34 KTA	Methyl Ester 200 KTA	PO 200 KTA Polyol 130 KTA	Ethylene 500 KTA Propylene 250 KTA
<b>CAPEX</b>	44 MUSD (PTTGC holds 85%)	766 MUSD	288 MUSD	47 MUSD (PTTGC holds 72-75%)	TBA	TBA
<b>Timeline</b>	Commissioning	Expected transaction completion by Q3/2017	Project Progress 78%	During construction	FID : Q2/2017	During EPC selection
<b>COD</b>	2017		2018	2018	2020	2020

\* Capacity at 100% share

# Thank You



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