



Partners in Success

EQUATE Group

H1 2020 Earnings Presentation

STARTING SOON....

8/26/2020

EQUATE Petrochemical Company



Partners in Success

EQUATE Group

H1 2020 Earnings Presentation

August 26th, 2020

8/26/2020

EQUATE Petrochemical Company

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OUR SPEAKERS



Dr. Ramesh Ramachandran
President and CEO



Mr. Naser Aldousari
CEO-elect and Sr. Vice President



Mr. Dawood Alabduljalil
Chief Financial Officer



Mr. Gonzalo Beltran
Vice President Operations

AGENDA

EQUATE is the world's second largest producer of Ethylene Glycol, the raw material used mainly to manufacture polyester fibers.

- 1 EQUATE Group Overview
- 2 Financial Review
- 3 Market Overview
- 4 Safety and Sustainability
- 5 Q&A

EQUATE has robust shareholders:

PETROCHEMICAL INDUSTRIES CO.



THE DOW CHEMICAL COMPANY



BOUBYAN PETROCHEMICAL



QURAIN PETROCHEMICAL





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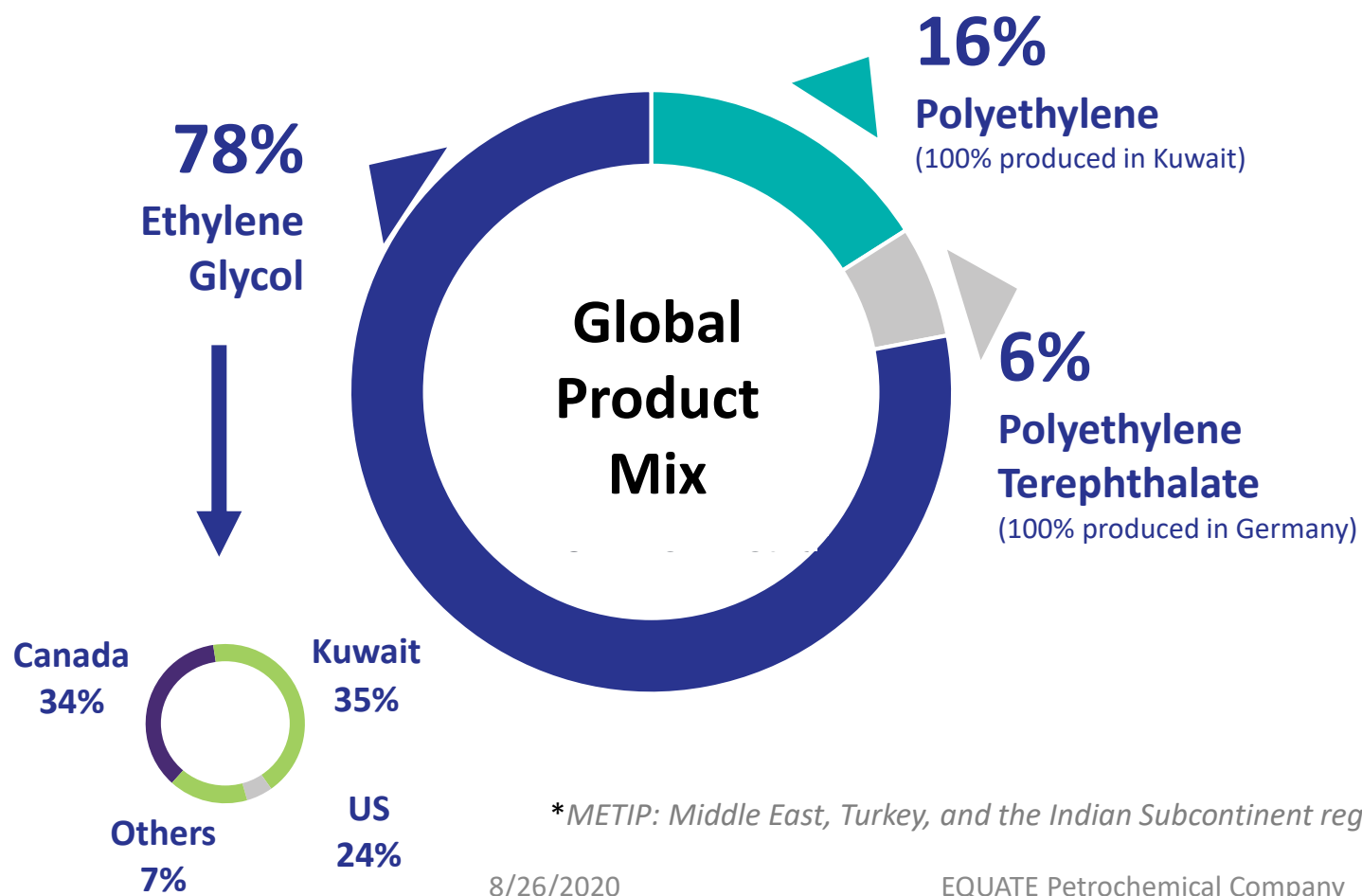
EQUATE Group shows resilience amid significant global headwinds

8/26/2020

EQUATE Petrochemical Company

EQUATE GROUP OVERVIEW

EQUATE Group is a global manufacturer and marketers of petrochemical products



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EQUATE Petrochemical Company

Distribution Markets

Kuwaiti facilities mainly distribute to Asia and METIP*



German facilities mainly distribute to Europe



North American facilities mainly distribute to North America, South America and Asia



Credit Ratings

MOODY'S
STANDARD & POOR'S

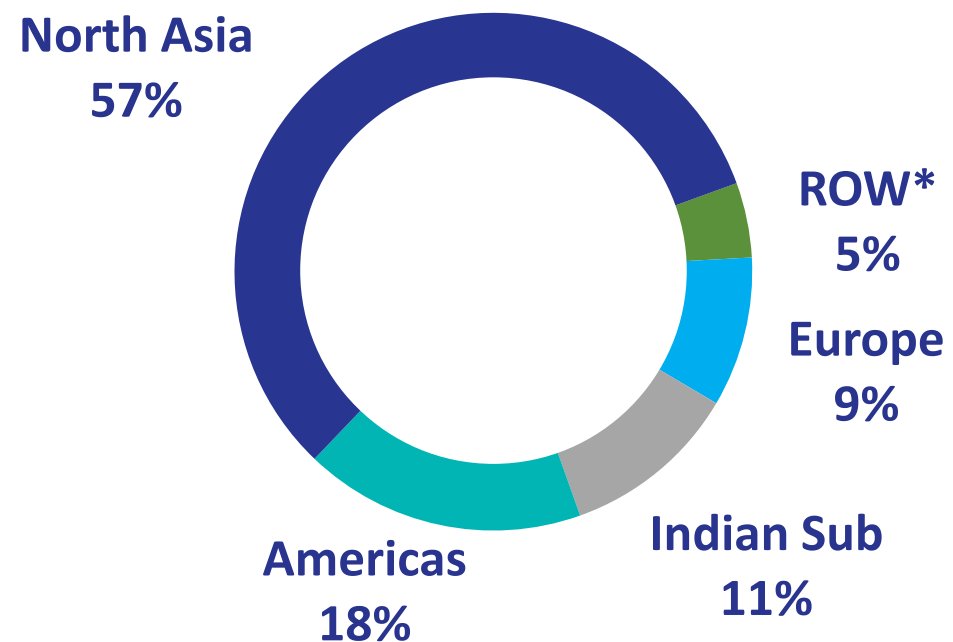
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BBB

EQUATE GROUP OVERVIEW – EG

EQUATE Group EG Sales by Region (1H2020)

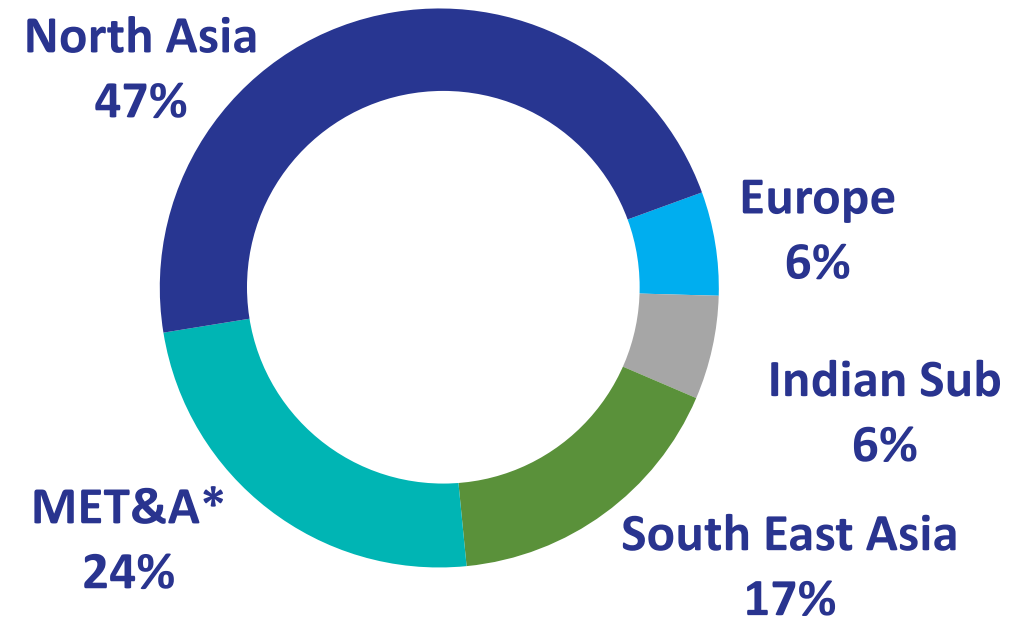
**EQUATE Group
Maintains a
Strong Foothold
in Key EG Markets**



EQUATE GROUP OVERVIEW – PE

**EQUATE Group is
a leading world
Producer of PE**

EQUATE Group PE Sales by Region (1H2020)



FINANCIAL RESULTS HIGHLIGHTS (\$MM)

Revenue

1,423

-17% vs 1H2019

EBITDA

409

-22% vs 1H2019

Sales Volume ('000 MT)

2,566

15% vs 1H2019

Net Income

124

-60% vs 1H2019

The Group's new US Gulf Coast plant started production in October 2019.



Financial Review

FINANCIAL POSITION (\$MM)

Gross Debt

4,650

Cash on Hand

460

Net Debt

4,190

EBITDA

409

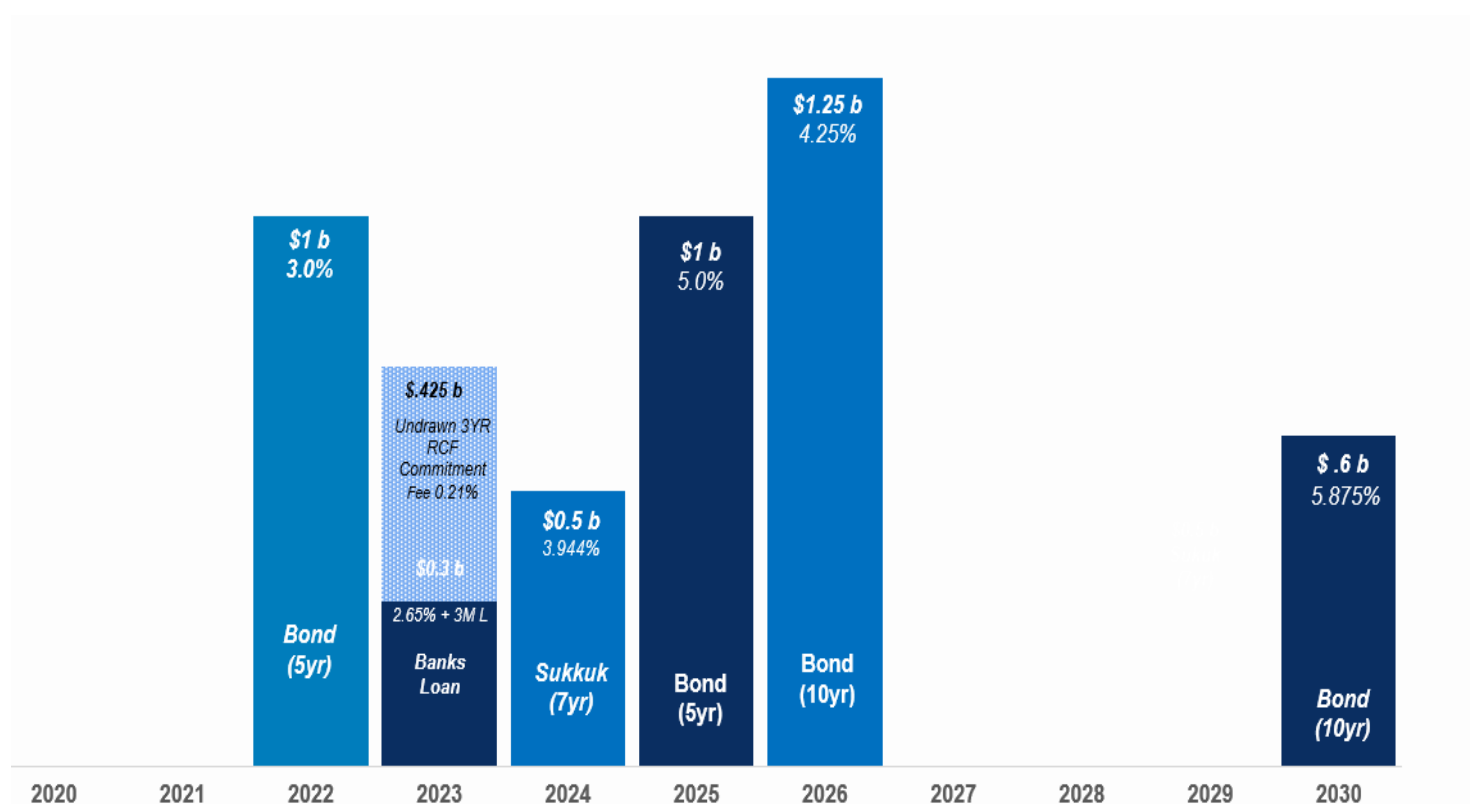
CASH FLOW & DEBT MATURITY

Cash Flow (\$MM)

Beginning Cash	802
Net Income	124
Cashflow from operating activities	73
Net cash from operating activities	197
Cashflow used in investing activities	(11)
Net cash available before financing	186
Cashflow used in financing activities	(146)
Net cash available before dividends	40
Dividends paid	(382)
Net Cash Flow movement	(342)
Ending Cash	460

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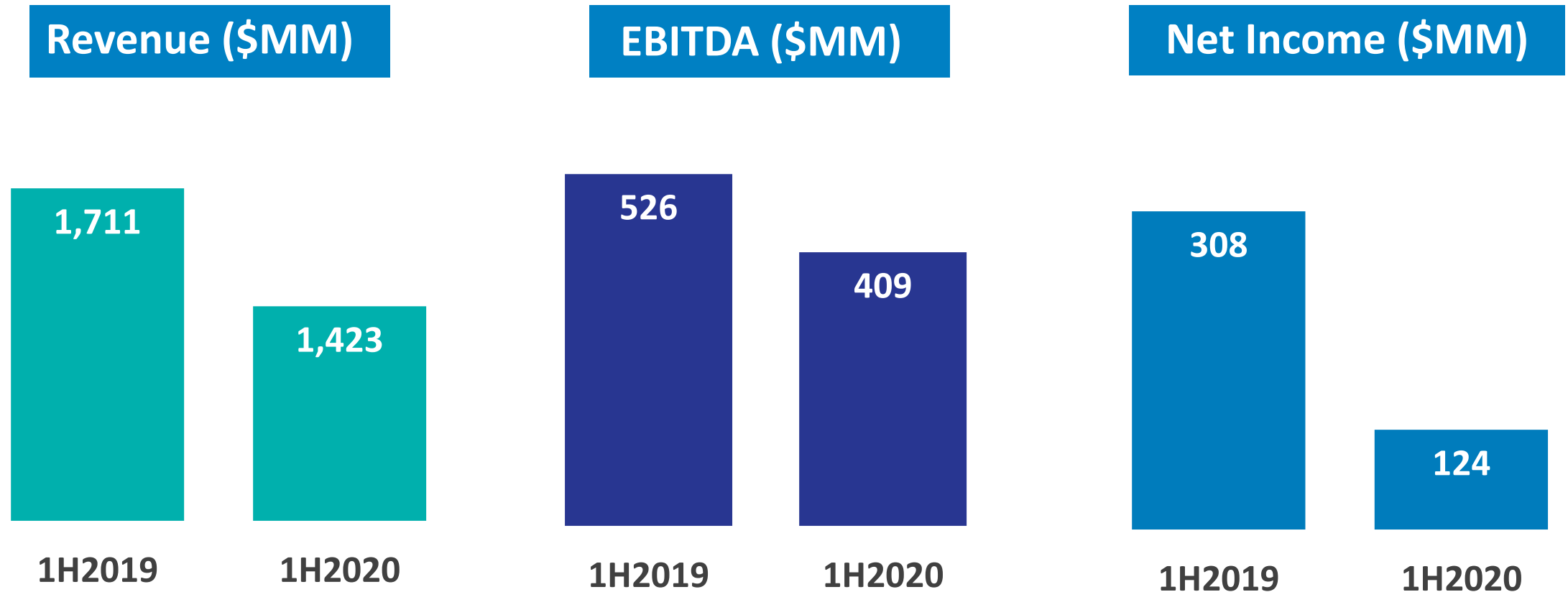
Debt Maturity Profile



EQUATE Petrochemical Company

PROFITABILITY

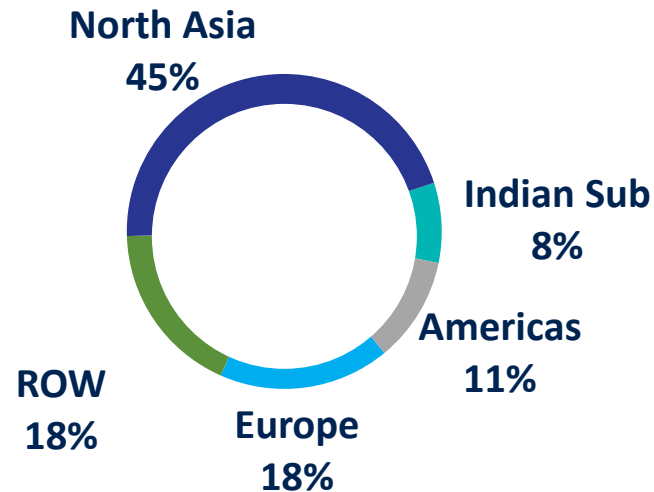
Profitability with EBITDA Margin exceeding 29%, driven by operational excellence and effective cost management.



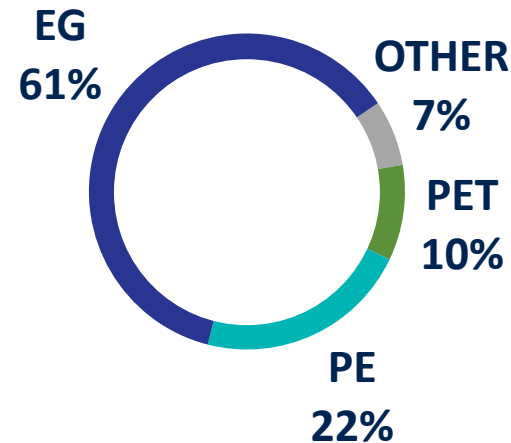
H1 2020 REVENUE

EQUATE Group reported total revenue of \$1,423 MM in 1H2020, a 17% decrease compared to the same period last year.

Revenue by Region



Revenue by Product



A Closer Look

EG

Volume*: 2,002 19%
Price: \$438 -26%

PE

Volume*: 402 4%
Price: \$777 -26%

PET

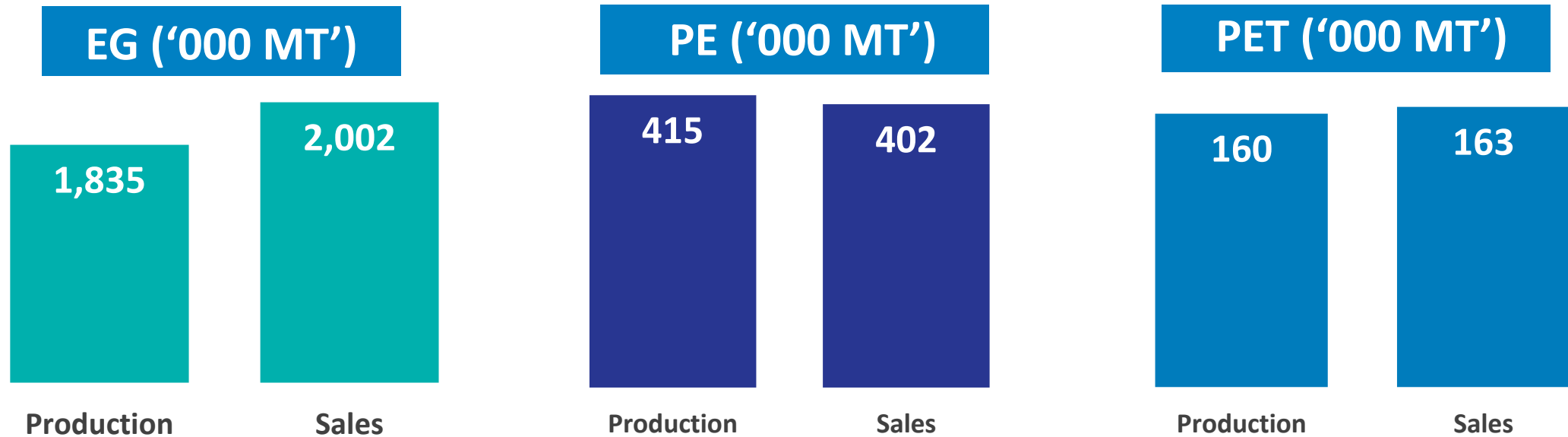
Volume*: 162 2%
Price: \$858 -30%



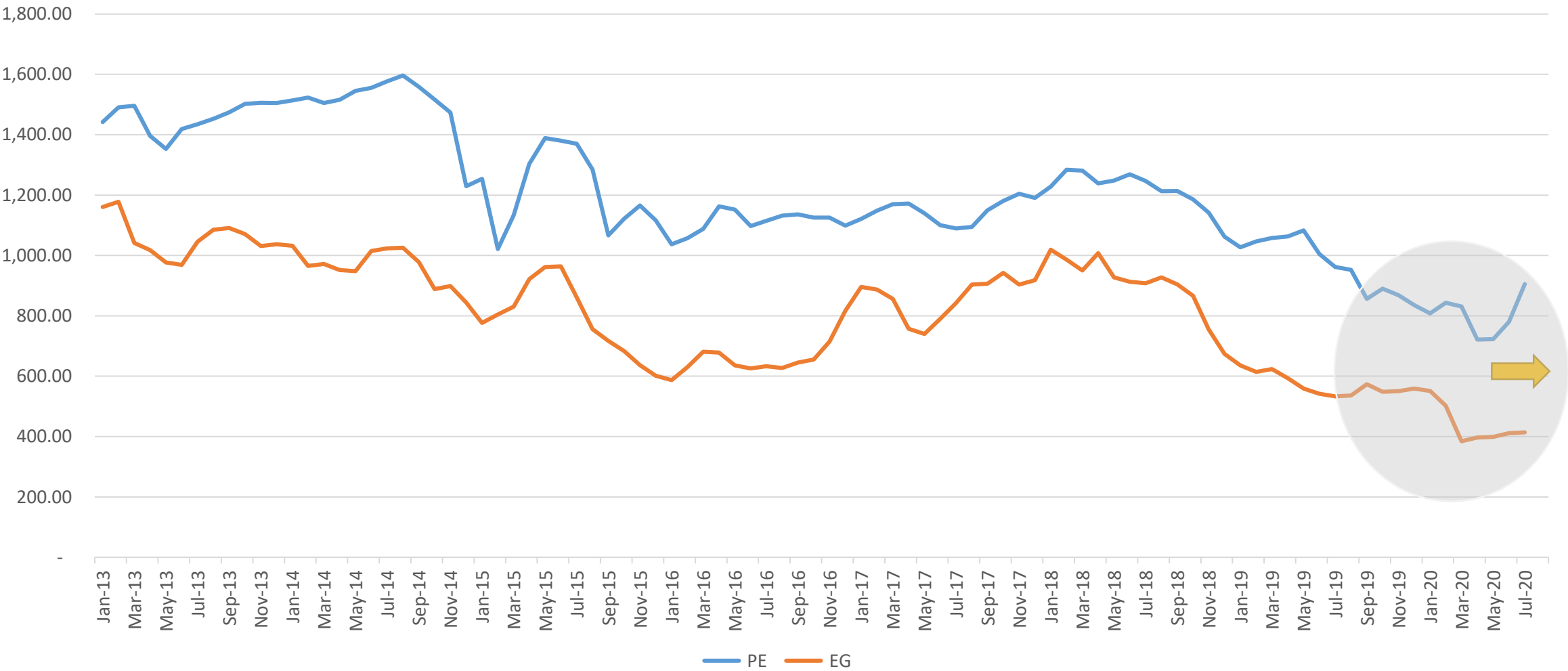
Market Overview

MARKET UPDATE

EQUATE Group maintained high operational rates with a sold out position, competitive cost position and continuous netback optimization.



PRICE TREND





Safety & Sustainability

OPERATIONAL EXCELLENCE

In EQUATE Group,
operational excellence
and continuous
improvement go
hand-in-hand.

1H2020 EH&S KPIs	
RIR Recordable Injury Rate, accidents per 200,000 work hours.	0
PSCE Process Safety & Containment Event. This applies to containment losses, reactive chemicals events and releases of hazardous process energy.	0
MVA Motor Vehicle Accident _s .	0
Safe Work Hours The total of safe work hours without a day away from work case. This includes all employees, contractors and visitors.	24 million
NOV Notice of Violation from EPA or any other regulatory authority due to non-compliance to the environmental regulation.	0
Production	101% of plan
AMR Asset Mechanical Reliability	99%

SUSTAINABILITY

Integration of United Nations Sustainability Goals by 2025



EQUATE Group is a responsible operator with a deep-rooted commitment to the sustainability of the environment and the economic development of communities.

Since 2016, EQUATE has strengthened its commitment to sustainability by adopting a strategy for the integration of the United Nations' 17 Sustainability Goals across EQUATE Group, targeting integration by 2025 through three primary strategic focus areas: Environment, Economy, and Society.

EQUATE Group has been maintaining the Responsible Care (RC 14001) certification since 2011 in Kuwait; and since 2004 for MEGlobal sites as per the RC code of practices in Canada.



Q&A



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