



HMC Polymers

Investor Update

18 June 2025



HMC Polymers Investor Roadshow Presenters



Mr. Pornchai Pichitwutikorn

SVP - Business Strategy, Innovation & Commercial



Ms. Angkanee Soonthornsawad

VP - Finance, Accounting & Corporate Support



Mr. Thien Krua-chottikul

DM - Strategy and Risk Management



1 Strategy and 2025 Focus Areas

2 Business Outlook

3 Financial Highlights

4 Conclusion



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Vision and Mission

Creating Endless Solutions for everyday Sustainable Living



Vision

Mission

Pillars of Success

Foundation

Sustainability *in action*

We can create substantial Enterprise Value through leadership in sustainability

Sustainability to be a fundamental pillar of our strategy to create value for our customers, our shareholders, our employees and the wider society

WHAT?

End of plastic waste & supporting a circular economy

OUR SUSTAINABILITY FRAMEWORK

Circularity in action



Carbon Reduction in action



Taking Climate Action

Supporting a thriving society

Connectivity in action



OUR ACTION

Sustainable Products



Sustainable Project



PP Upcycling Products



OUR TARGET

5% of Circular PP sales by 2030

20% reduction of Scope I & II by 2030

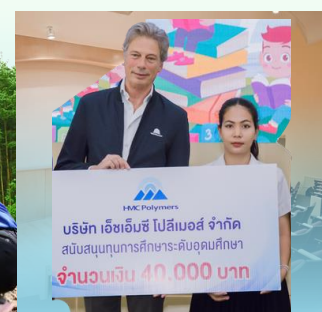
Culture



Environment



Education

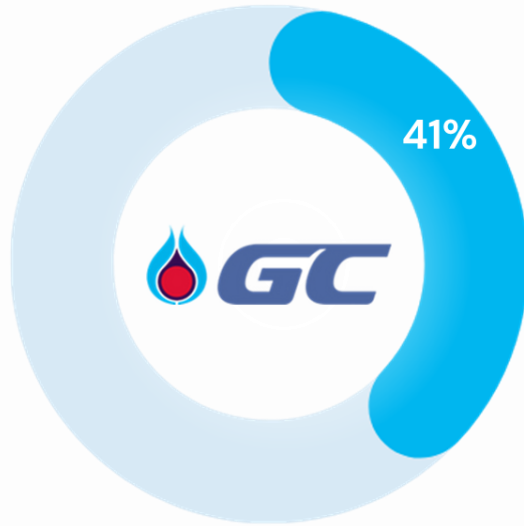


Well being

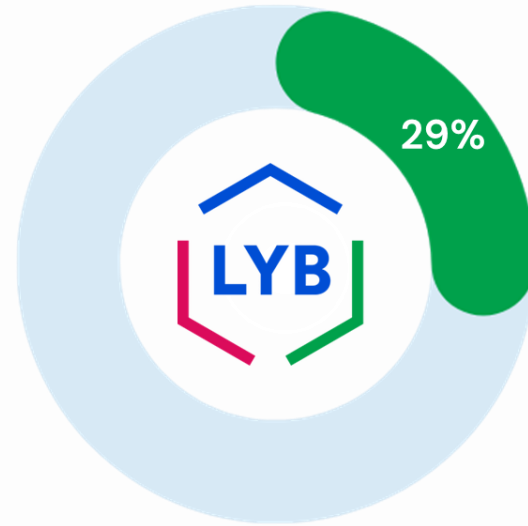


Create connectivity for business sustainability

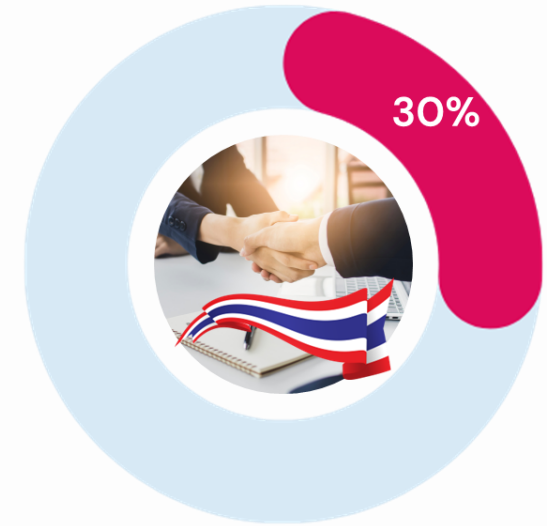
Strong and Aligned Shareholders



- GC leverages HMC Polymers as a flagship for **Polypropylene (PP)** to broaden its product range to encompass high-performance goods.
- Ensure security in competitive feedstock, utilities, logistics, and ancillary services.
- Disseminate sales and marketing expertise across the Asia Pacific region.



- LyondellBasell is recognized as a global leader in **Polypropylene (PP)** technology and catalyst development.
- The second-largest PP producer globally.
- Sales and marketing activities worldwide, offering a range of global grades and brands.



Original founders include



establishing robust connections with industry and financial institutions.

Linkages to Shareholders



Ultimate Shareholder

- New feedstock price formula for margin protection from Jan 2025 onwards
- Extended credit term of feedstock purchases from 2025 onwards



Shareholder

- Extended credit term to 90 days of feedstock purchases from Oct 2024 onwards



Shareholder

- Geographically expand sales and marketing channels to support SPDP export sales and higher price premium



Shareholder

- Continuously support initiatives for financing matters



Affiliate of the Group

- Renewed a reliable utility supply source

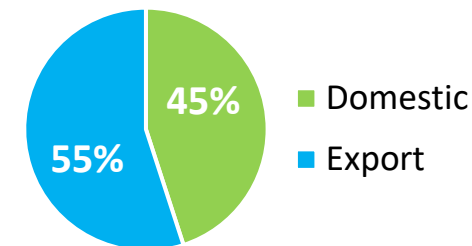
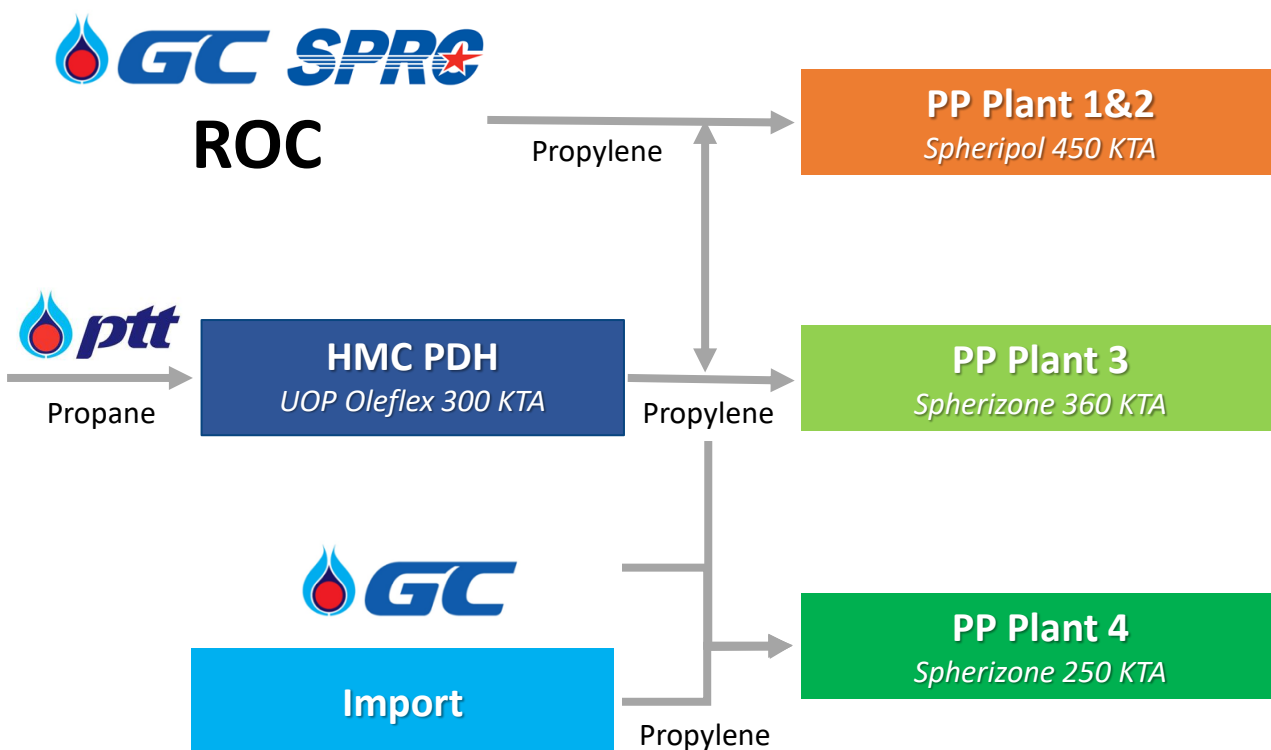
Upstream Integration and Diversified Feedstock

through PDH plant and secured & diversified long-term contracts with suppliers

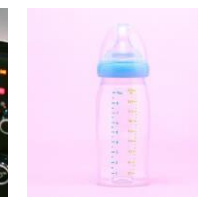
Feedstock

Polymerization

Distribution Channels



Direct Sales and Agents



Product Portfolio

2025 Key Focus Areas

MANUFACTURING

- Focus on asset management, operating principles and best practices
- Step up reliability improvement program
- Optimize product quality and execute production roadmap

FINANCE

- Deliver EBITDA / NIAT
- Manage liquidity and working capital to deleverage
- Rollover long-term bonds becoming due
- Drive cost efficiency and revenue enhancement program

COMMERCIAL & SUPPLY CHAIN

- Accelerate optimization (Monomer / Sale / Production / Logistics) and enhance S&OP
- Drive continuous growth in SP/DP segment
- Re-gain domestic market share and expand geographic reach in Europe and AFMEI
- Expand PP sales to support sustainability

HSE

- Goal Zero and IFi

PEOPLE

- Build performance driven organization and differentiation of high performer
- Continue reward and recognition program
- Leverage compensation & benefits to attract and retain talent
- Implement digital initiatives for process improvement

SUSTAINABILITY & ESG

- Enhance sustainability roadmap / structure
- Build leading position in circular business
- Drive energy reduction (net zero) targets
- Enhance CSR initiatives
- Advance sustainable procurement initiatives





1 Strategy and 2025 Focus Areas

2 Business Outlook

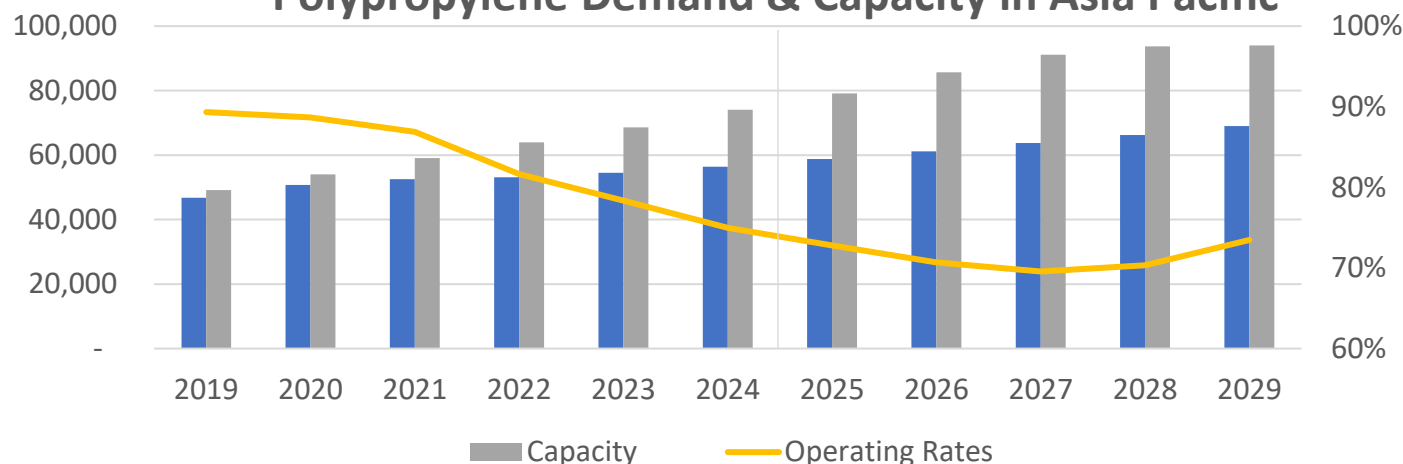
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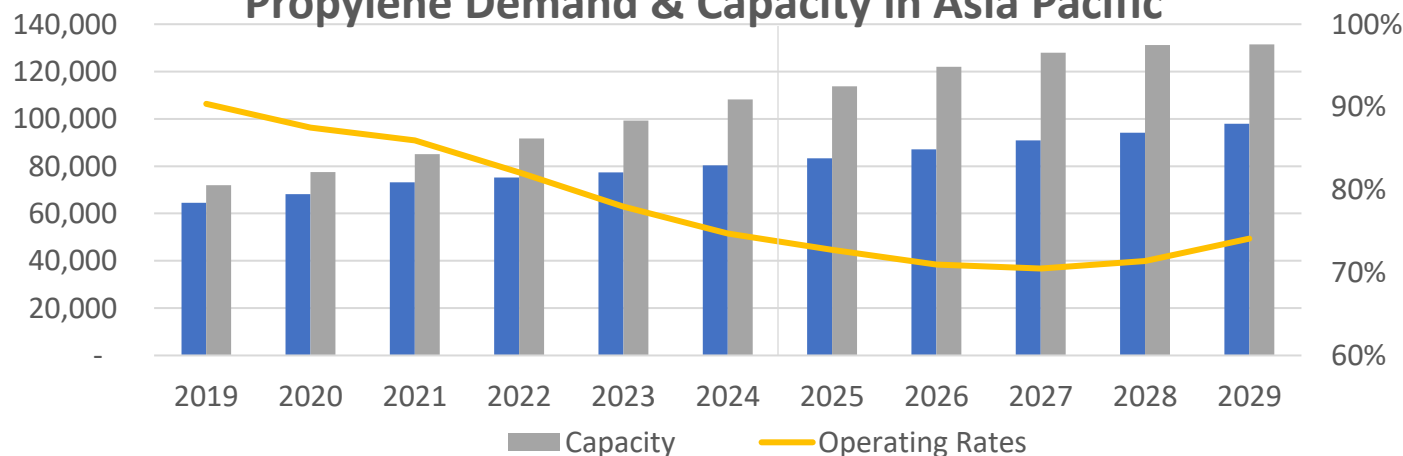
Polypropylene and Propylene Outlook

Asia Pacific Region

Polypropylene Demand & Capacity in Asia Pacific

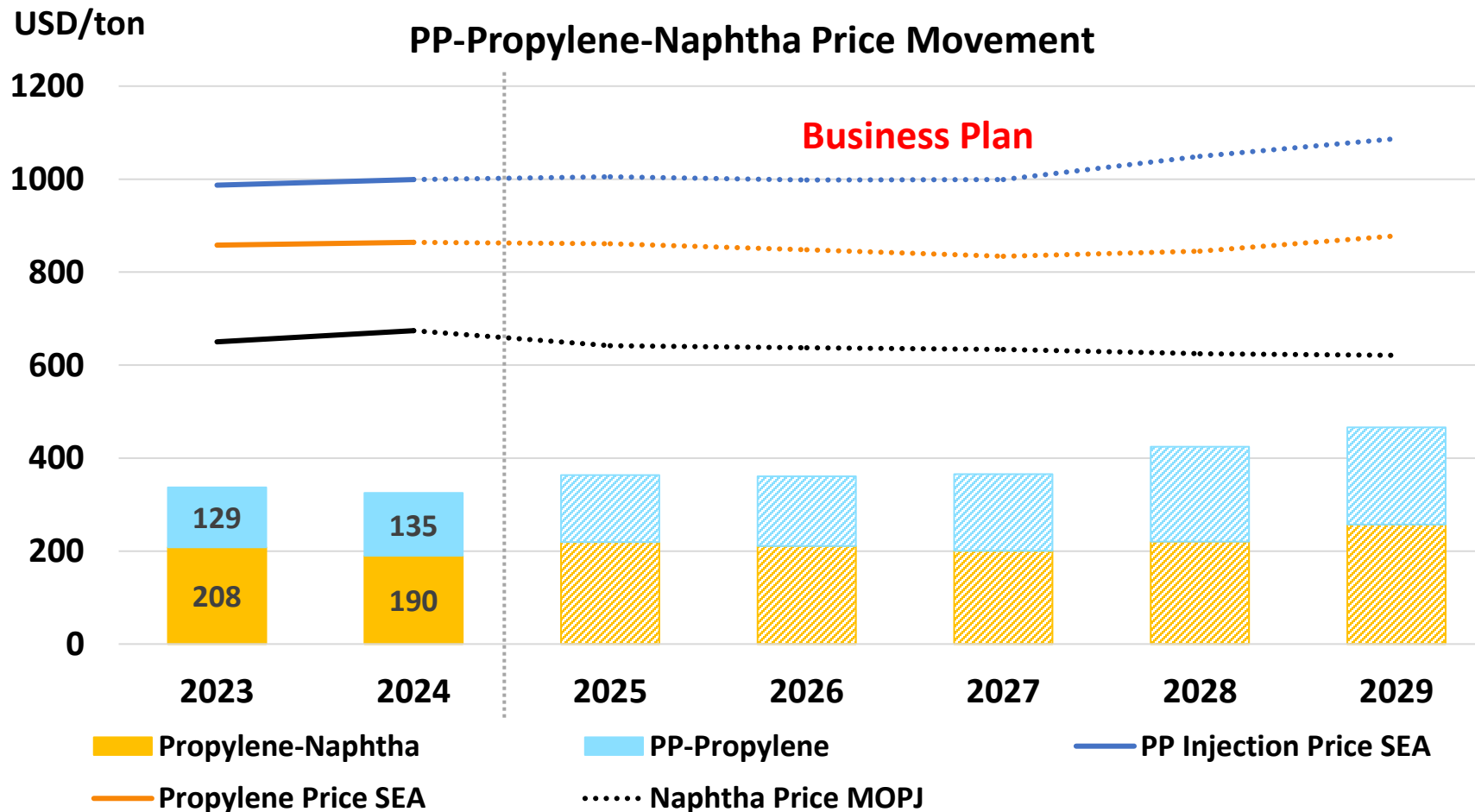


Propylene Demand & Capacity in Asia Pacific



- Due to a significant imbalance between supply and demand, regional PP operating rate will be under the pressure.
- PP plants which do not have cost competitiveness are expected to run at lower rates or rationalized.
- Less PP-Propylene Industry Spread could delay some commercial start-ups of new capacities that lack feedstock advantage. This will help release supply pressure in the region.
- New propylene capacity additions – both PDH and steam crackers especially China make propylene price more affordable.
- Uncertain geopolitical situation can potentially create a large volatility of energy market, having an impact on cracker and PDH profitability.

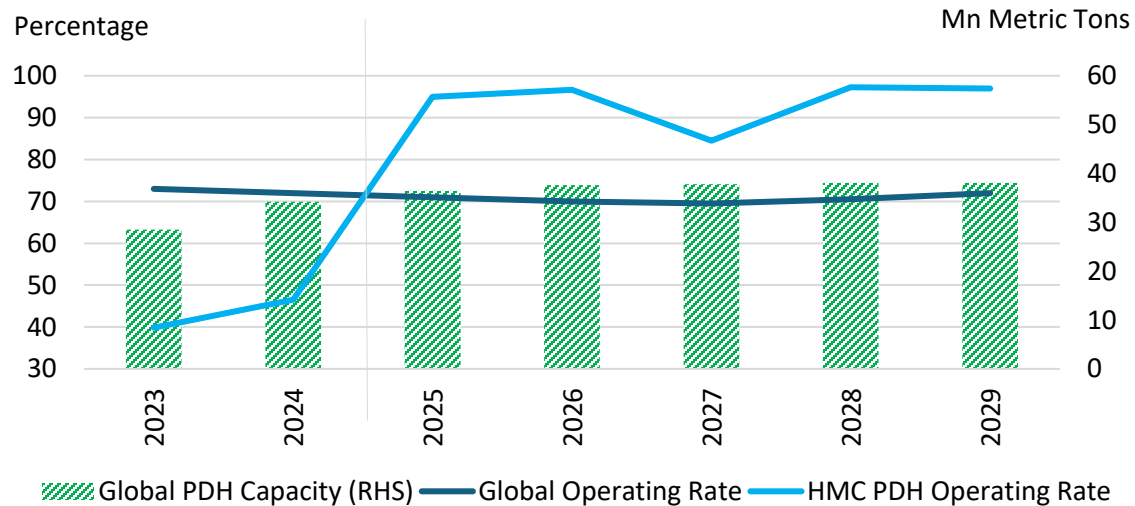
The industry is experiencing an extended trough



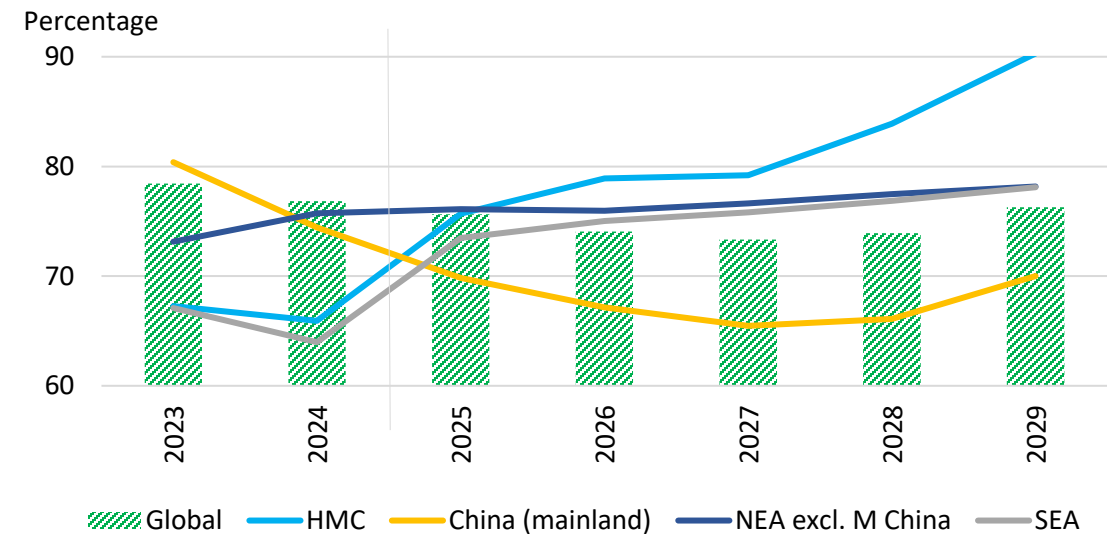
- Over-supplied PP market and subdued demand had an impact on spread and margin:
 - Integrated margin (PP-Naphtha) have declined since 2022 and hit an average of **331 \$/T** during 2023-2024 (just above half of previous average 600 \$/T)
 - Industry spread (PP-Propylene) **down to only 135 \$/T in 2024** (just above half of previous average 250 \$/T)
- A gradual improvement in PP demand-supply balance is anticipated, supported by ongoing PP plant rationalization and a recovering global economy, although geopolitical uncertainties may continue to pose headwinds.
- PP-Propylene spread is expected to gradually recover through the forecast

HMC PDH and PP performance stay above global rate

PDH Operating Rate



PP Operating Rate



Note: 2023-2024 PDH has 6 months commercial shutdown

- New feedstock formula price has been applied in Jan 2025, improving our PDH competitiveness.
- Impacted from supply-demand imbalance, global operating especially China have been subdued and prolonged.
- Due to SPDP focus, HMC PP operating rate is superior to that of global and Chinese players.

Our Focus Segments

Specialty &
Differentiated
(SP/DP) grade

Commodity
grade

Healthcare & Hygiene

Medical | Spunbond

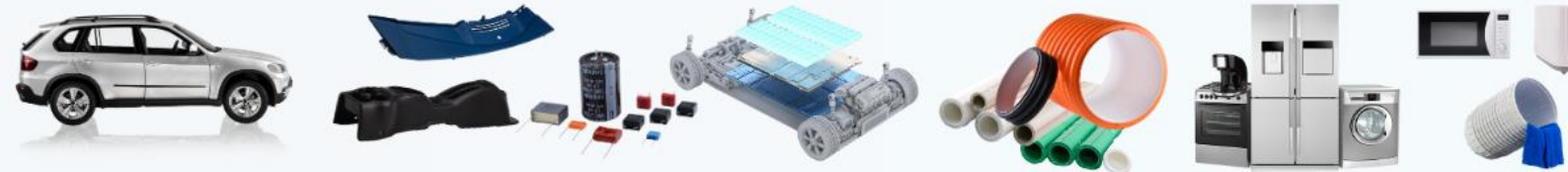
19%
growth



Industrial Products

Pipes | Automotive | Appliances | Compounds | Industrial Products

5%
growth



Rigid Packaging

Caps & Closures | Crates & Pails | EBM and ISBM | Thermoforming | TWIM | Houseware

8%
growth



Flexible Packaging

Blown Film | BOPP | CPP | IPP | POF Shrink film | Raffia | Coating

13%
growth





HMC Polymers

Our Sustainable PP Segments

exporting to Asia and Australia continental



1 Bio - Circular PP

made from second generation Bio-Based feedstock based on waste and residues.



2 Advance Recycling PP

made from PCR mixed plastic wastes through pyrolysis process.



3 Mechanical Recycling PP

PCR PP grade with US FDA LNO is also available.



Certified number CGI-700274.

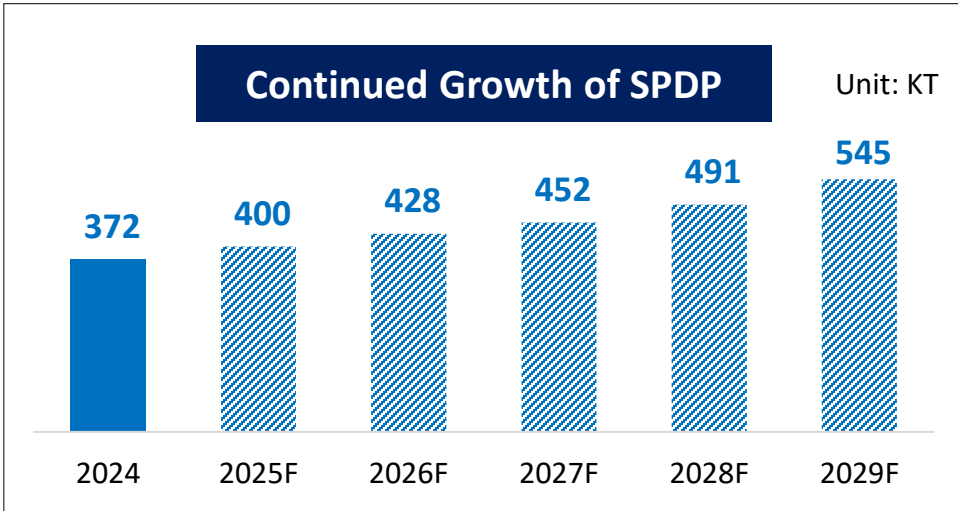


- Less carbon footprint
- Circular Economy
- Engage circular economy
- Less new plastic used



Product Strategy

Ongoing global expansion into SPDP markets



1. Gained higher SPDP sales resulting in higher price premium through the challenging market environment.
2. New Product Development sales volume despite lower production volume resulting in higher margins.
3. Capitalized PP4 and developed unique C6 *Spherizone* grades to capture new application segments with higher margins.
4. Successfully achieved 10 new product industrialization in 2024, contributing to upcoming SPDP products
5. Secured local sustainable feedstock and establish sustainable PP product pipeline

SPDP

Specialty Product (SP)

is disruptive product, low or no other competitors, high entry barrier, high profitability end application and low-price sensitivity

Differentiated Product (DP)

is selected product, high growth, limited producers and superior profitability of end application.

Others

Commodity

is general commodity product, low entry barrier, high competition, low value end application and high price sensitivity.

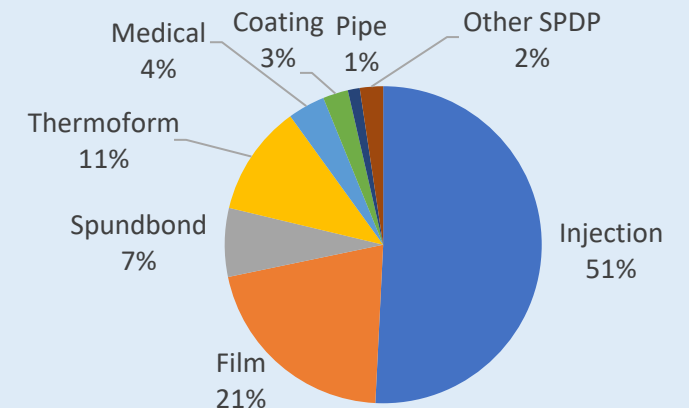
Non-Prime

is transition products and off-specification.

SPDP Sales in 2024

Contributing to our successful SPDP sales

Injection and film applications have been growing, offsetting spun bond and raffia in recent years.





1 Strategy and 2025 Focus Areas

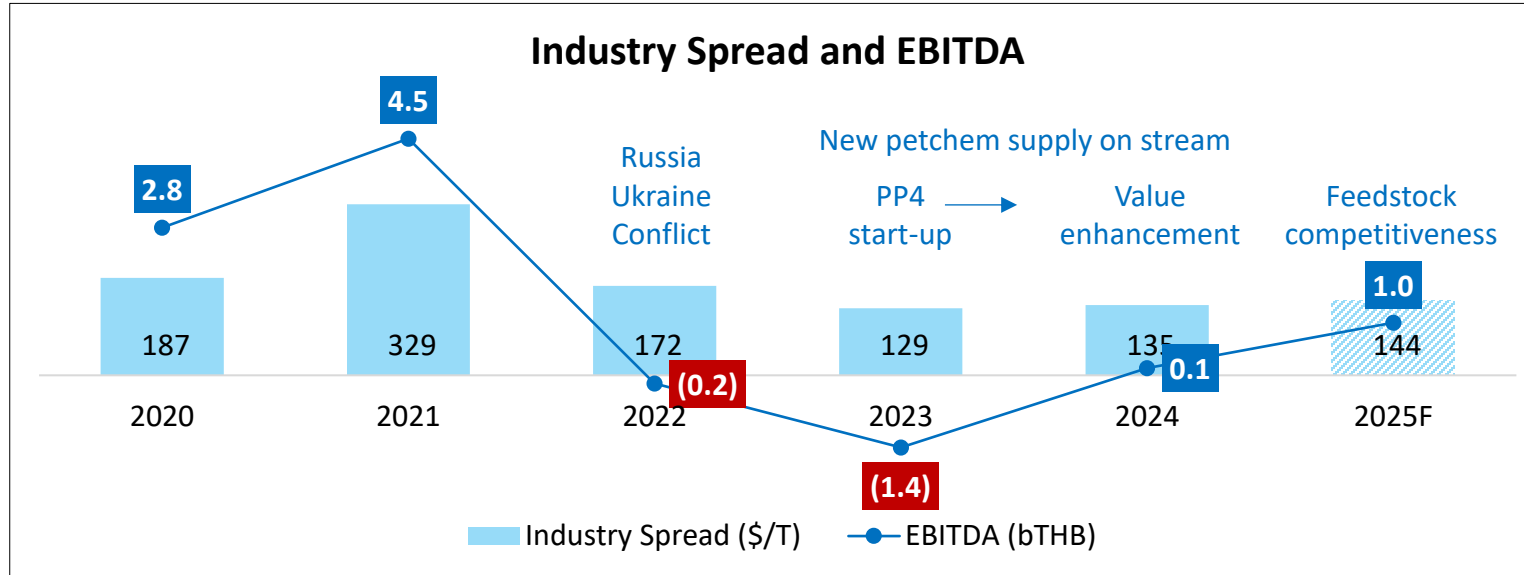
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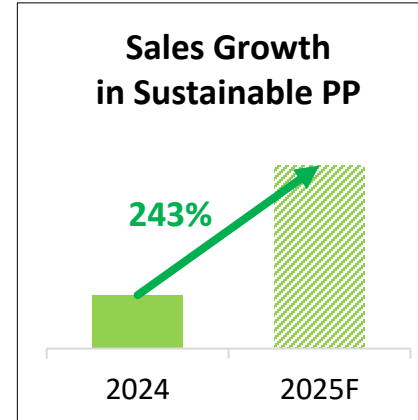
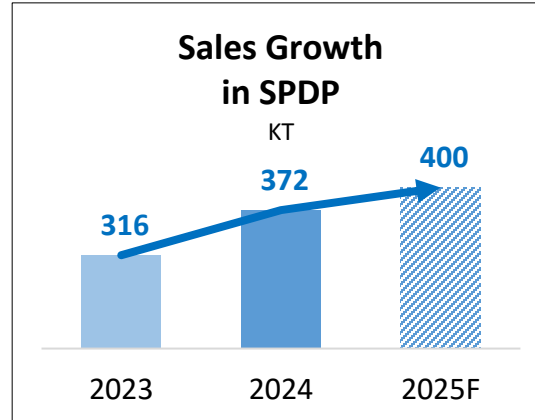
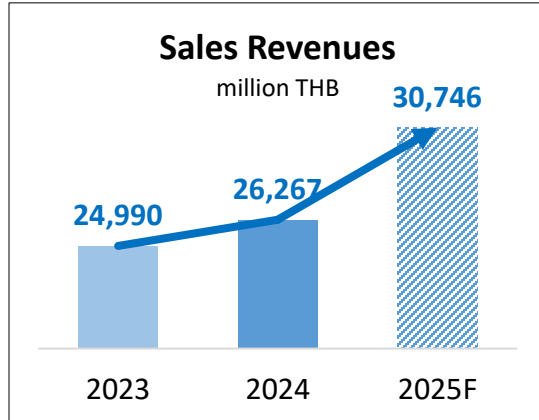
Inherent Cyclicalality of Petrochemical Industry

Substantially improved EBITDA despite weak industry spread



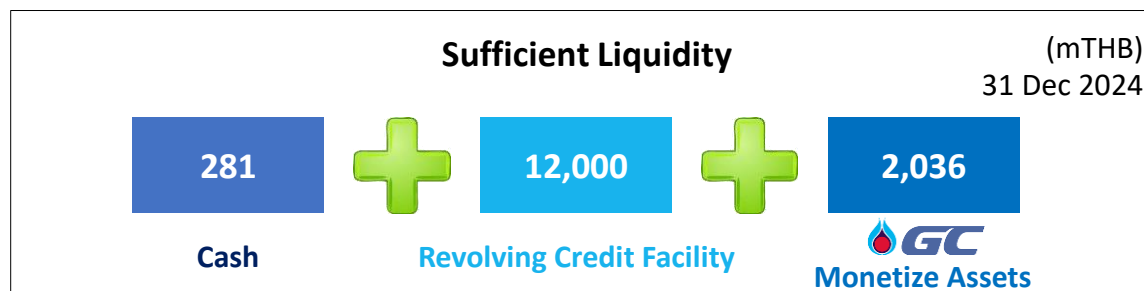
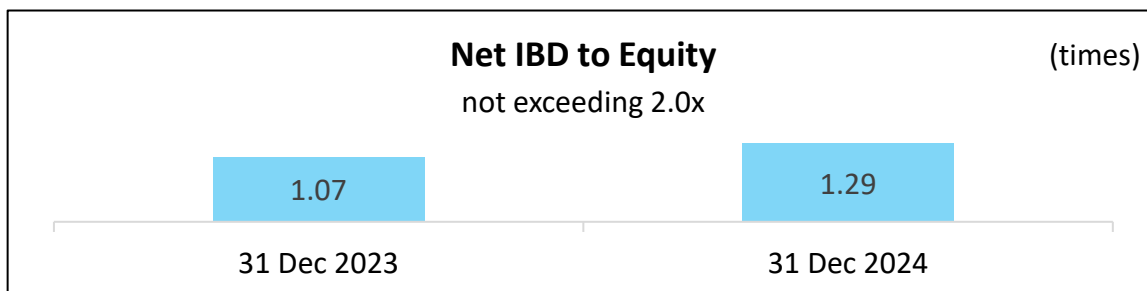
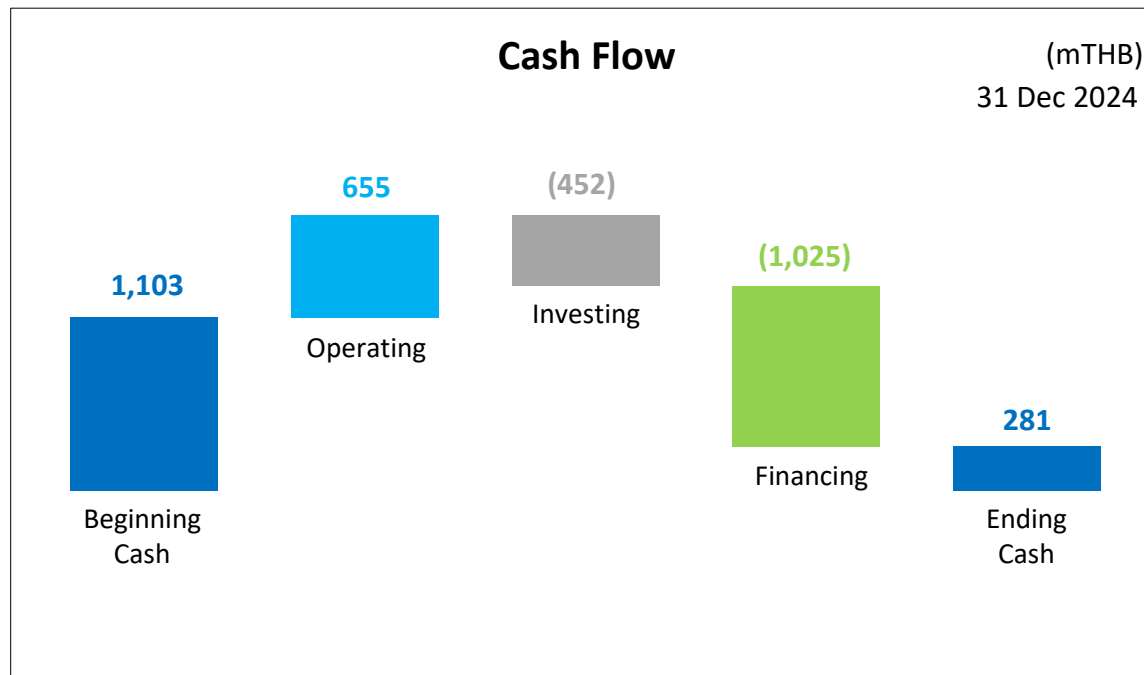
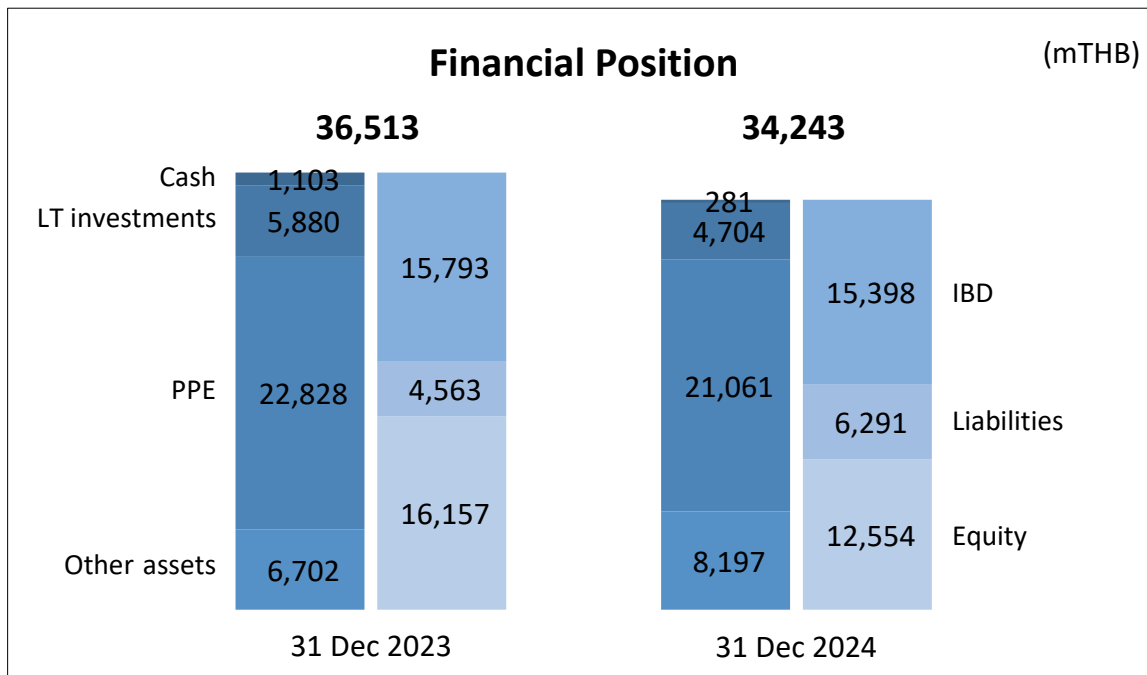
Highlights

- Substantially improved EBITDA despite a weak industry spread at THB 2.5b recovering from its lowest level in 2023
- Continued growth in SPDP products with higher margins
- Robust growth in sustainable PP with strong margins
- Sufficient liquidity THB 15.3 b (12 + 3.3) enhanced by revolving credit facility as of 31 May 2025



2024 Financials

Strong cash generation and funding from internal sources



2025 Value Enhancement and Cost Efficiency

Strive for performance enhancement and deleveraging

1

• EBITDA Enhancement

- Feedstock cost competitiveness
- Revenue enhancement
- Cost efficiency / Optimization



+900 MB

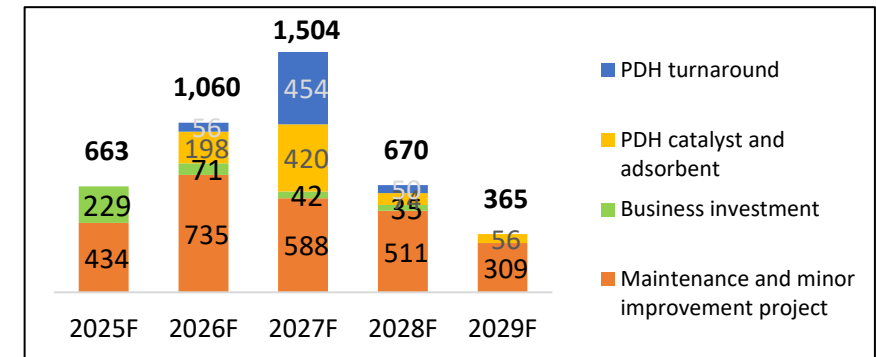
2

- **Capex Discipline** avg 852 MB (591 MB excl T/A)
- No major capital projects in near term
- PDH turnaround in 2027 and extend interval from 2 to 3 years

3

- **Working Capital Reduction** +2,200 MB
through credit term extension
- **Liquidity** enhanced by +3,300 MB
additional credit facility

2025 CAPEX reduction by 132 MB (vs plan)



+5,500 MB

Company Credit Rating by Fitch Ratings

Date	16 May 2024	28 May 2025
Rating	BBB+(tha)/Negative	BBB(thu)/Negative
Action	Downgraded	Downgraded

The downgrade reflects:

- Fitch's expectation that HMC's EBITDA net leverage will remain high over the medium term due to:
 - weak PP-Propylene spreads
 - expectation of a subdued market recovery
 - high leverage from the slower recovery in EBITDA due to challenging conditions in the petrochemical segment.
- The Negative Outlook continues to reflect risks to HMC improving its operating cash flow over the next 2 years.

Linkage with PTTGC still leads to one-notch uplift

- Fitch's assessment of medium strategic support incentives from  AA-(tha)/Stable).

Company Credit Rating	BBB(thu)
Standalone Credit Profile	bbb-(tha)

- Fitch's ratings action on HMC has **no effect** to HMC compliance with the terms of its ratio covenant.



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Strengthening Our Resilience Through Challenging Business Environment

Operation Optimization

- **Optimize sales** portfolio, monomer supply sources **and operations planning**
- Drive continuous **growth in SPDP** segment and sustainable products
- **Geographic market diversification** through global shareholder network
- Exploit **PP4 capabilities** and product commercialization

Financial Resilience

- **Secure adequate liquidity** by obtaining credit facilities up to 15.3bTHB

31 Dec 2024	12.0
2025H1	3.3
Total	15.3

- **Optimize working capital** management aiming to **deleverage** debt portfolio
- Continue **Cost Efficiency and Revenue Enhancement Program**
- **Reduce OPEX** spending and **prioritize CAPEX**

Sustainability Journey

- Reframe Sustainability Policy and **put its Framework into actions**
- **Carbon Reduction:** target 20% reduction by 2030 and aspired net zero by 2060
- **Circularity:** aim 5% circular PP products of total sales by 2030
- **Connectivity:** Uplift community's quality of life
- **Develop high performance PP** to reduce material consumption and enhance product recyclability



Our Business Conclusion

1. Focus on specialty, differentiated and sustainable products:

lower competition, higher margins and more resilient to market downturns including path forward on product developments to fit with sustainability requirements

2. Geographic market diversification:

domestic and overseas through shareholder capabilities and platforms

3. Leading PP producer:

new PP4, as the most advanced PP Plant ever built, increase capacity and product capabilities with diversified feedstock based on gas and naphtha

4. Strong ties with shareholders:

- competitive feedstock price and supply from GC and PTT as upstream integration
- support on operational excellence program from GC and LyondellBasell
- *Spheripol* and *Spherizone* technologies and product development from LyondellBasell
- sales and marketing presence through global shareholder network

5. Focus on deleveraging:

improved profitability, working capital management, credit term extension and monetization of non-core assets

Q & A





HMC Polymers

Thank you

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