



1Q20 EARNINGS CONFERENCE CALL

JUNE 03, 2020

Braskem 

DISCLAIMER ON FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements. These forward-looking statements are not solely historical data, but rather reflect the targets and expectations of Braskem's management. The terms "anticipate," "believe," "expect," "foresee," "intend," "plan," "estimate," "project," "aim" and similar terms are used to indicate forward-looking statements. Although we believe these forward-looking statements are based on reasonable assumptions, they are subject to various risks and uncertainties and are prepared using the information currently available to Braskem.

This presentation is up-to-date as of March 31, 2020, and Braskem does not assume any obligation to update it in light of new information or future developments.

Braskem assumes no liability for transactions or investment decisions taken based on the information in this presentation.

Chemistry and plastics play an important role in the fight against COVID-19
Braskem plays an essential role in this effort



HEALTHCARE AND HYGIENE ITEMS



PACKAGING

Commitment to Society

DONATIONS OF THERMOPLASTIC RESINS AND CHEMICALS



Partnership with clients to produce:

60 million surgical masks

750 thousand liters of packaging for liquid and gel alcohol

3D printing of rods for **protection masks**

COMMUNITY SUPPORT



1,200 families that work with recycling received food support

50,000 families around our plants in Brazil received hygiene kits

Support on the **implementation of a temporary hospital** in Alagoas

CLIENT SUPPORT



Credit line of R\$1 billion to support our clients, mainly focused on small- and medium-sized companies

HEALTH AND SAFETY



Minimal teams working in our factories, live-in at some plants and strengthening of HES practices

Remote working for office teams

Medical assistance for employees with positive or suspected COVID-19 cases

Business Impact



BRAZIL

Reduction in ethylene production to **65% of the total capacity**



total capacity:
3.6 million
tons/year



UNITED STATES

Reduction in polypropylene production to **85% of the total capacity**



total capacity:
1.6 million
tons/year

Production rates are constantly adjusted for changes in market demand



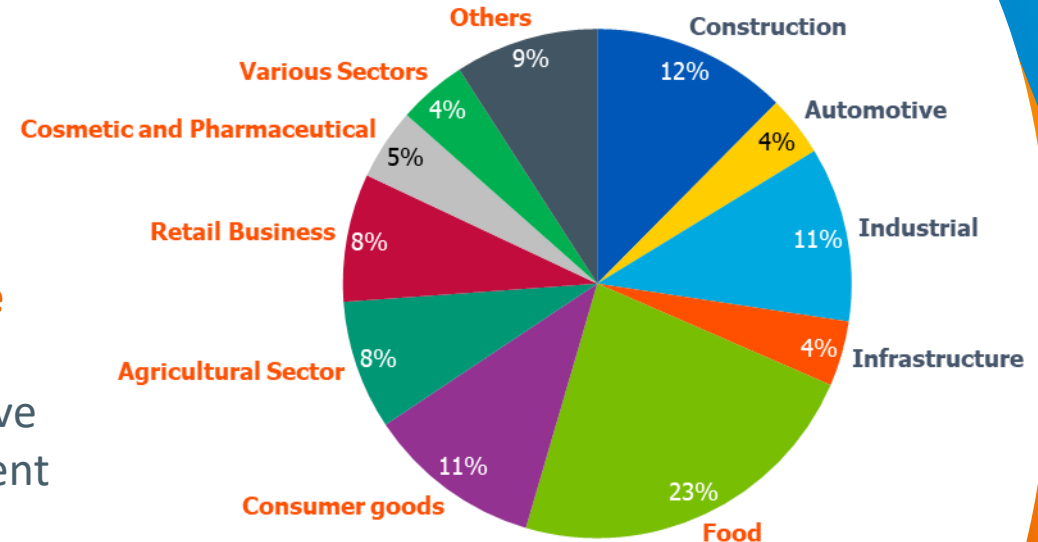
RELIABILITY

The reduction by **~50%** in the number of industrial team members and contractors allows us to keep teams safe while maintaining the reliability of our operations.

SALES PROFILE

~70% of sales have shown resilience to the COVID-19 scenario

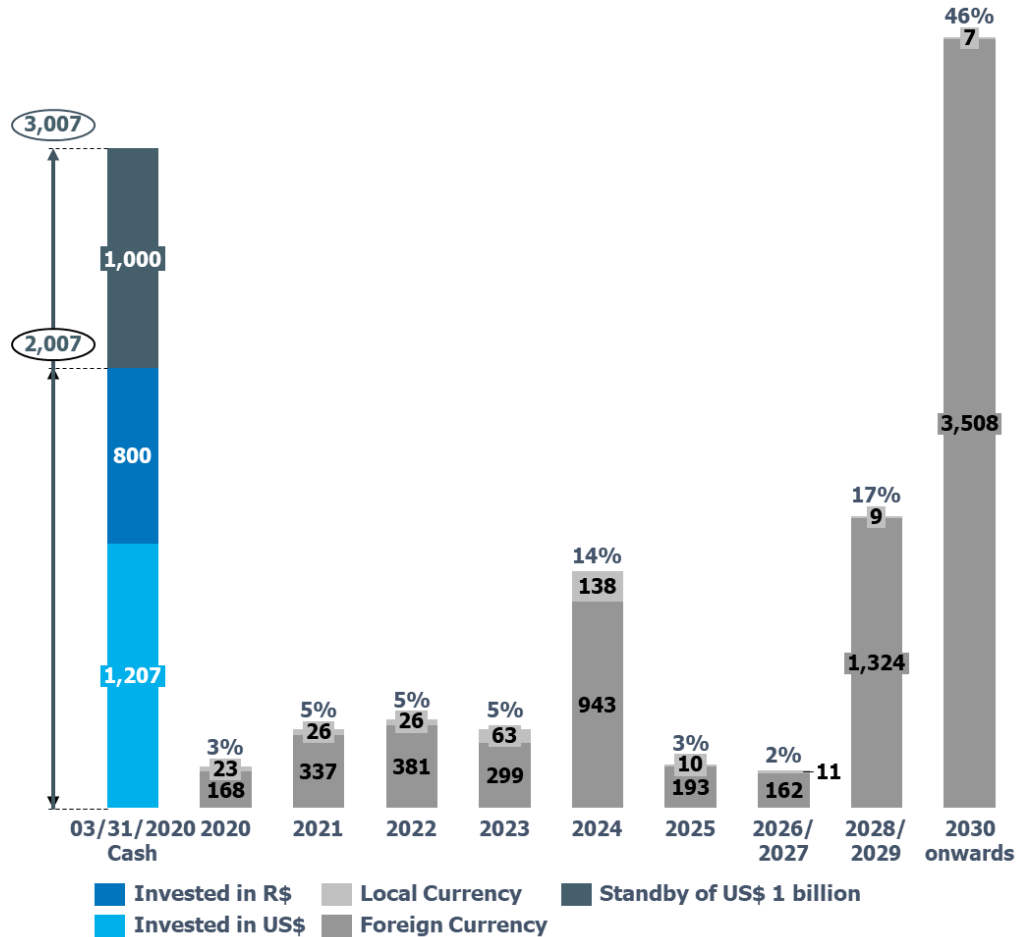
Health and Hygiene are cross-segment applications and have led some non-resilient segments to a good performance



Financial Robustness

LIQUIDITY & CAPITAL RESOURCES

Sufficient liquidity position to cover the payment of all liabilities coming due in the next 55 months ⁽¹⁾

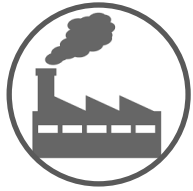


(1) Does not consider Leniency Agreement.

CASH DISCIPLINE

- ✓ Disbursement of **Revolving Credit Facility of US\$1 billion**
- ✓ **Reduction of administrative expenses** by approximately 10%
- ✓ **Reduction of planned investments for 2020** from US\$721 million to US\$600 million
- ✓ **Postponement of payment of social contributions** in Brazil
- ✓ **Working capital** optimizations

1Q20 Highlights



OPERATIONAL

GOOD OPERATING PERFORMANCE

Utilization rate in Brazil

81% 3 p.p. above 4Q19

Utilization rate in the US:

95% 11 p.p. above 4Q19

Utilization rate in Europe:

88% 1 p.p. above 4Q19

Utilization rate in Mexico:

86% 4 p.p. above 4Q19

SAFETY

The recordable and lost-time injury frequency rate stood at 0.81 (events/1MM HH)



RESULTS

FIXED COSTS REDUCTION

~54% below 4Q19

EBITDA OF US\$ 294 MILLION

22% above 4Q19

SALES VOLUME

4% above 4Q19



CASH FLOW

PIS/COFINS MONETIZATION

Positive cash impact of **R\$344 million** in 1Q20

Total credit yet to be monetized of **R\$2.0 billion**

Total credit to be monetized in the short term of **R\$1.1 billion**

CAPEX

US PP Plant (Delta):

Reached **98.4%** completion

Total investment to date of

US\$634 million

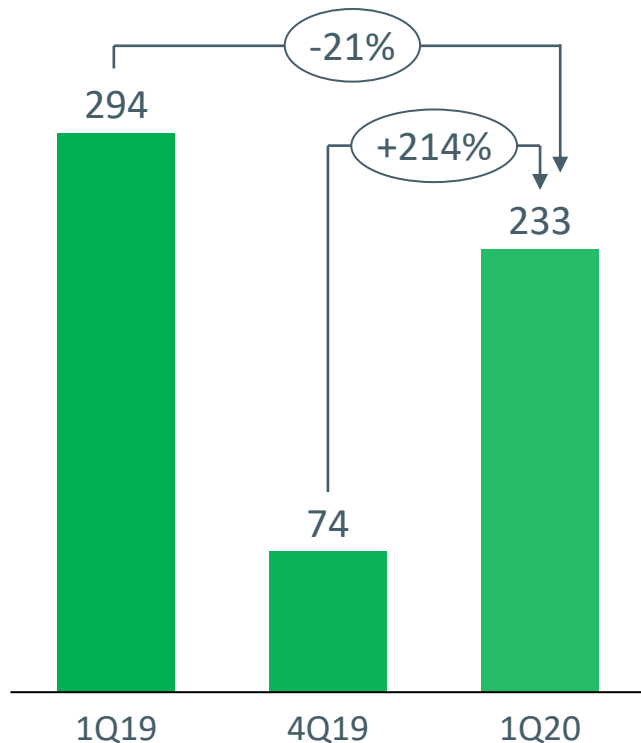
1Q20 investments were

US\$78.4 million



EBITDA

(US\$ million)



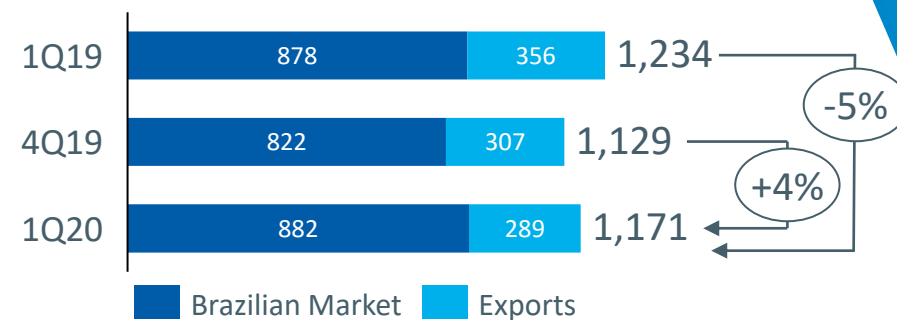
	1Q19	4Q19	1Q20
EBITDA Margin	11%	3%	8%

Increase in sales volume and lower expenses with third party services



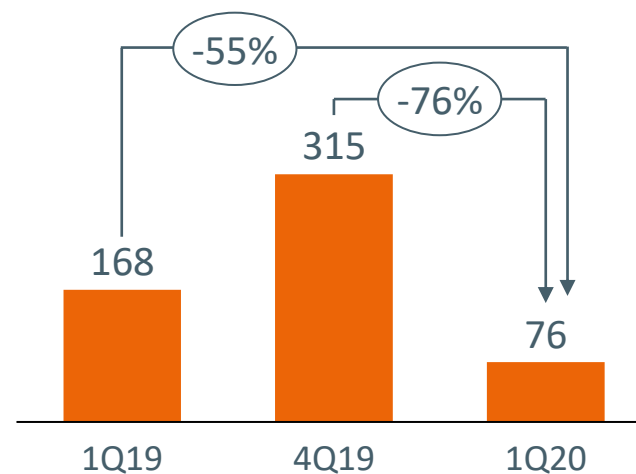
BRASKEM'S RESIN SALES

PE+PP+PVC by destination market (kt)



FIXED COSTS¹

SG&A + Other operating income/expenses (US\$ million)

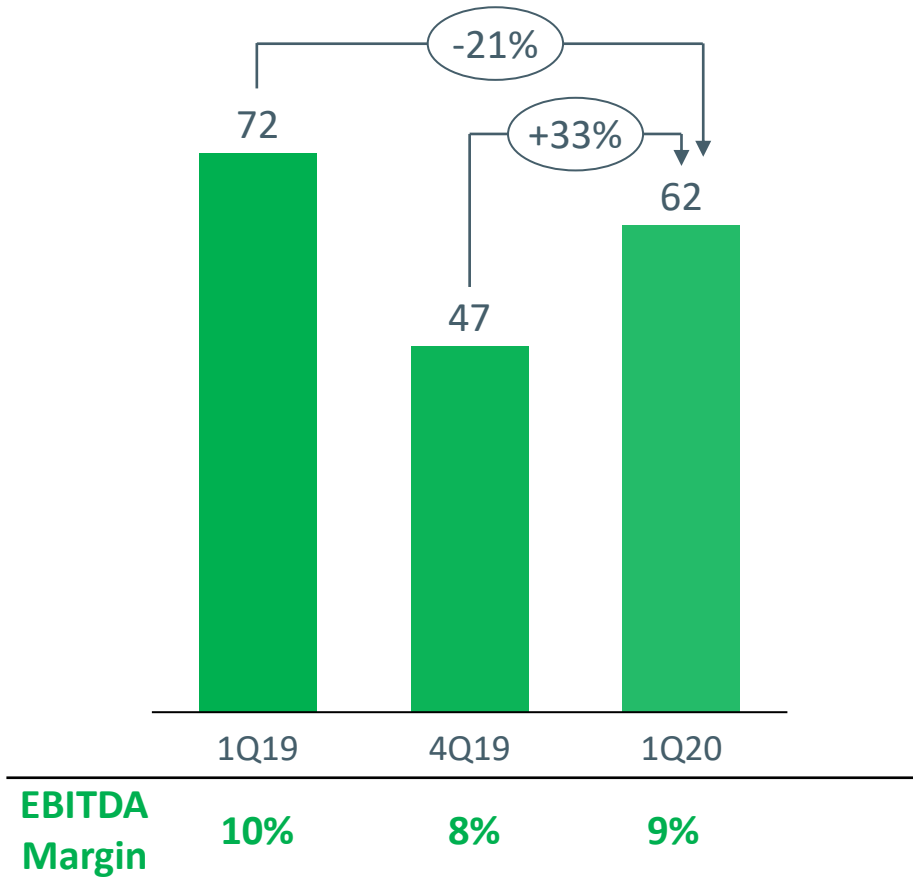


¹ Excluding the effects of the geological event in Alagoas

1Q20 Highlights | US and Europe



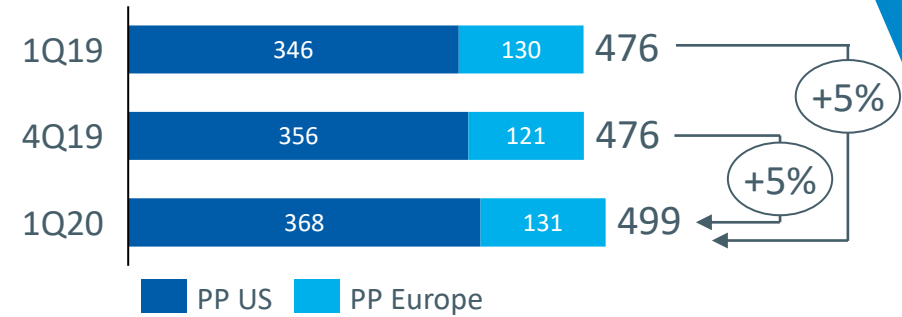
EBITDA (US\$ million)



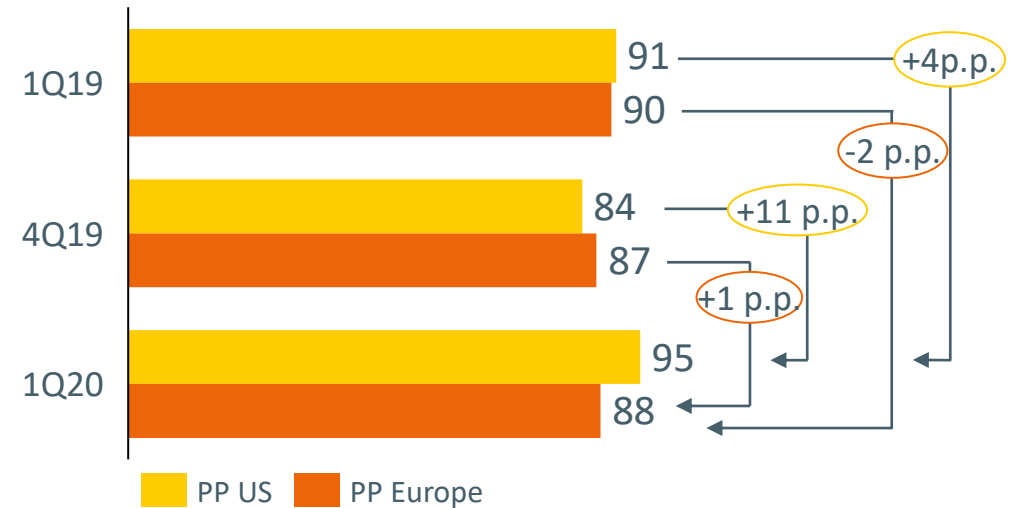
Increase in sales volume and better utilization rates



BRASKEM'S PP SALES by destination market (kt)

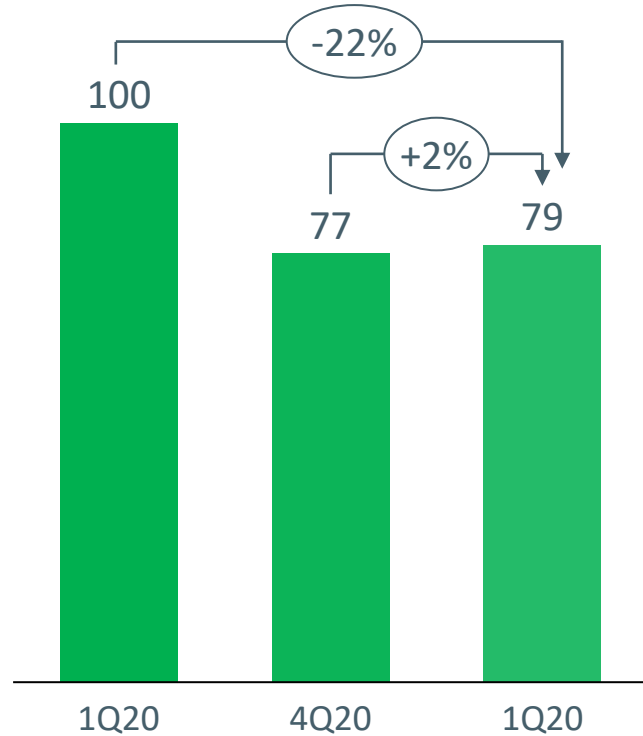


UTILIZATION RATE by region (%)





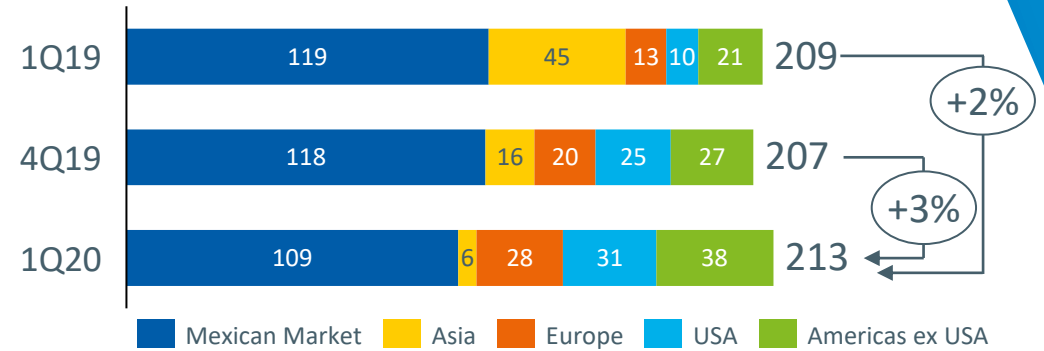
EBITDA (US\$ million)



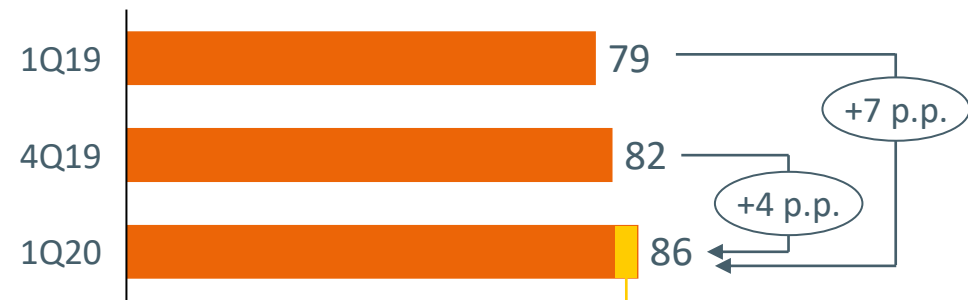
Increase in sales volume and better utilization rates



BRASKEM'S PE SALES by destination market (kt)



UTILIZATION RATE (%)

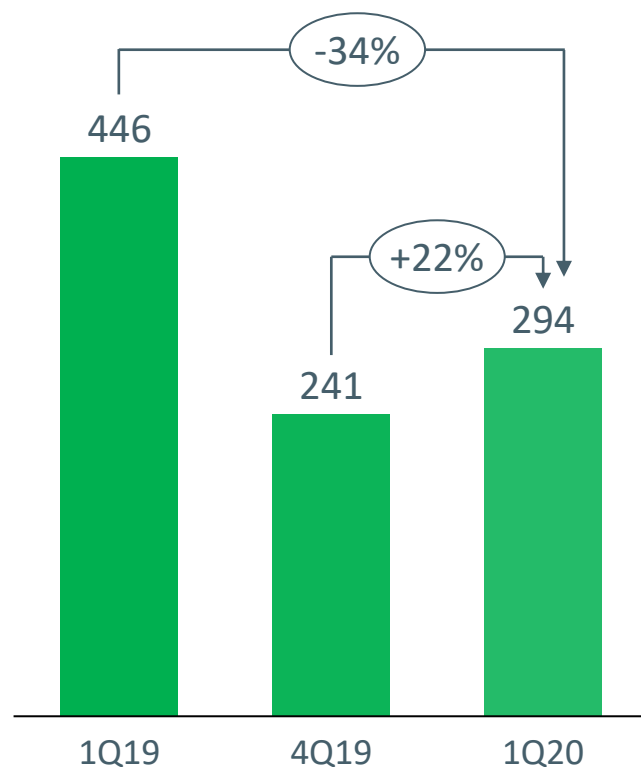


due to the ethane import project



EBITDA

(US\$ million)



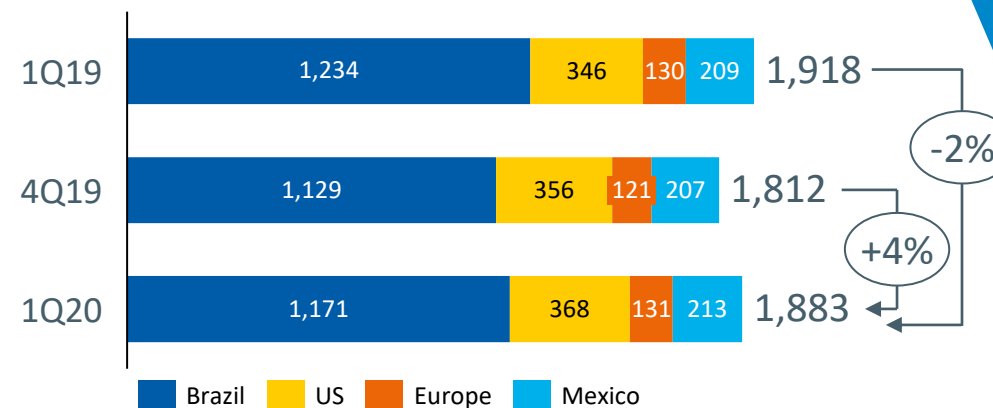
EBITDA Margin	13%	8%	10%
	1Q19	4Q19	1Q20

Increase in sales volume and better utilization rates



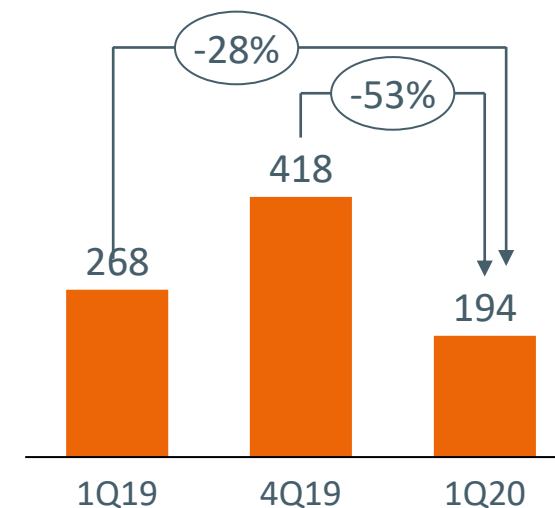
BRASKEM'S RESIN SALES

by origin of production (kt)



FIXED COSTS¹

SG&A + Other operating income/expenses (US\$ million)



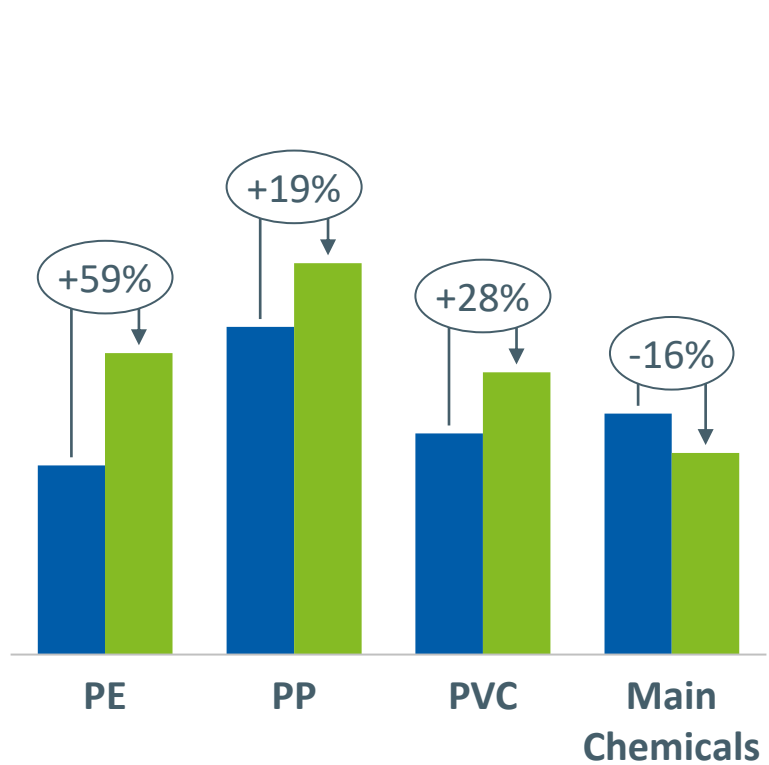
¹ Excluding the effects of the geological event in Alagoas

Petrochemical Spreads 2020

External consulting firms forecast: Jan/20 report vs May/20 report

Brazil Spreads

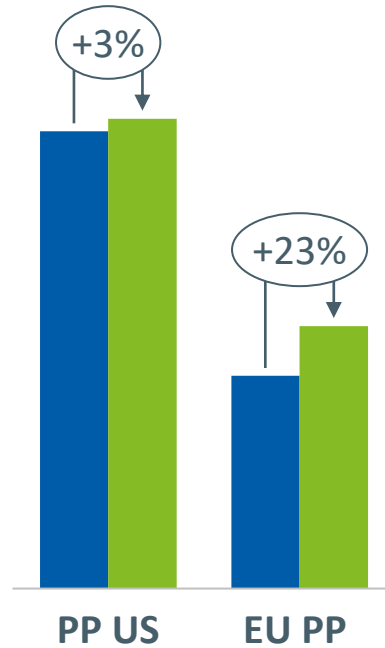
PE, PP, PVC and Main Chemicals



■ Jan/20 projection
■ May/20 projection

US & Europe Spreads

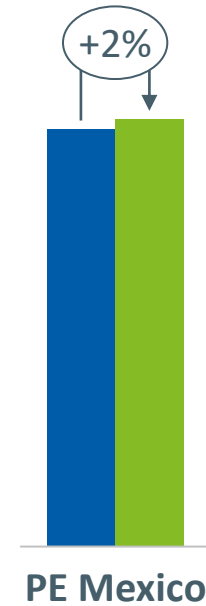
PP US and PP EU



■ Jan/20 projection
■ May/20 projection

Mexico Spreads

PE Mexico



■ Jan/20 projection
■ May/20 projection

ESG Highlights: Corporate Governance

 **2020** MONITORSHIP CONCLUSION CERTIFIED BY MPF, SEC AND DOJ

2019 AGU & CGU leniency agreement
3rd monitors' assessment
Implementation of 3rd package of monitor's recommendations

2018 2nd monitors' assessment
Implementation of 1st and 2nd packages of monitor's recommendations

2017 1st monitors' assessment
1st global internal audits
Implementation of 1st package of monitor's recommendations

2016 Global Settlement (DOJ/SEC/MPF)

MAIN ACHIEVEMENTS

11k+
documents
reviewed



80+
policies and
normative
documentation
reviewed, including
the Ethics Code

400+
interviews



40+ procedures
reviewed, including
improvements on
our Compliance
Program and
internal financial
controls

1,1k+
transactions
tested

Priorities for 2Q20




**PRODUCTIVITY
AND
COMPETITIVENESS**

- Ensure reliability of the industrial plants within the COVID-19 scenario
- Focus on the negotiation of feedstock contracts with Petrobras



**FEEDSTOCK AND
SUPPLIER
DIVERSIFICATION**

- Ramp up the import solution for complementary ethane in Mexico



**GEOGRAPHICAL
DIVERSIFICATION**

- Maximize synergies among regions where Braskem operates to minimize impacts of the downturn of the economy



**PEOPLE,
GOVERNANCE,
AND REPUTATION**

- Ensure health and safety of industrial teams with temperature monitoring, changes in the work shifts and minimal teams
- Expand recycled resins sales



**CAPITAL ALLOCATION
/ FINANCIAL
DISCIPLINE**

- Discipline in capital allocation and working capital optimization



THESE ARE SOME OF THE **HEROES** WHO LIVED IN OUR INDUSTRIAL PLANTS TO GUARANTEE THE MATERIALS THAT SOCIETY NEEDS TO GET THROUGH THIS CRITICAL MOMENT. **THANKS FOR YOUR EFFORTS!**

Braskem 