

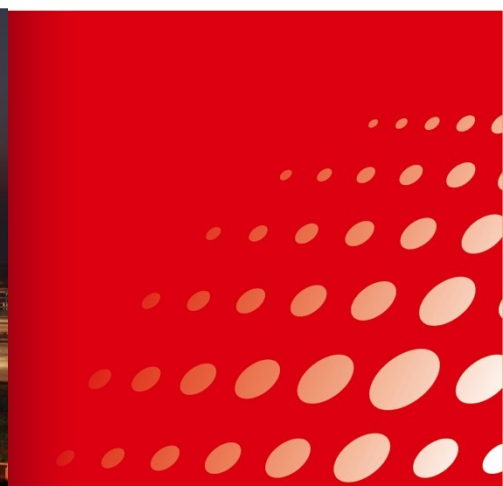


# China Petroleum & Chemical Corporation 1Q 2019 Results Announcement

April 30 2019



**SINOPEC CORP.**  
中国石油化工股份有限公司



# Cautionary Statement

Financial data of the first quarter contained in the presentation and presentation materials are unaudited.

This presentation and the presentation materials distributed herein include forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that Sinopec Corp. expects or anticipates will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements. Sinopec Corp.'s actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, exploration and development outcomes, estimates of proved reserves, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, project delay, project approval, cost estimates and other risks and factors beyond our control. In addition, Sinopec Corp. makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.

## Market Environment in 1Q 2019

- **China's GDP grew by 6.4% YoY in the first quarter**
- **International crude oil price realized a fast rebound from low level**
- **Domestic demand for refined oil products and petrochemicals sustained growth**
  - ◆ **Domestic consumption of gasoline and kerosene grew by 3.7% and 6.3% YoY respectively**
  - ◆ **Domestic consumption of ethylene equivalent maintained rapid growth**

# Profitability

RMB million	1Q 2018	1Q 2019	YoY Change %
Turnover and Other Operating Revenues	621,251	717,579	15.5
EBIT	32,575	27,128	(16.7)
Profit Attributable to owners of the Company	19,306	15,468	(19.9)
EPS(RMB)	0.159	0.128	(19.9)

# Financial Position

RMB million	As of Dec. 31, 2018	As of Mar. 31, 2019	Change %
Total Assets	1,592,308	1,813,445	13.9
Short-term Interest-bearing Debt	61,127	89,355	46.2
Long-term Interest-bearing Debt	57,967	59,930	3.4
Total Equity Attributable to owners of the Company	717,284	738,578	3.0
Liability to Asset Ratio	46.2	51.4	Increase by 5.2 percentage points

\* 'IFRS 16: Leases' became effective on January 1 2019. As a result, the Liability to Asset Ratio increased by around 5.2 percentage points compared with December 31 2018.

# Cash Flow

RMB million	1Q 2018	1Q 2019	YoY Change %
Net Cash Generated from/ (Used in) Operating Activities	12,052	(14,609)	-
Net Cash Used in Investing Activities	(1,488)	(25,582)	1,619.2
Net Cash Generated from Financing Activities	6,461	29,369	354.6

RMB million	As of Dec. 31, 2018	As of Mar. 31, 2019	Change %
Cash and Cash Equivalents (Incl. Time Deposits)	167,015	168,386	0.8

## Upstream – Enhanced High-Quality Exploration and Profitable Development

- Enhanced high-quality exploration with new discoveries in Jiyang Depression and Sichuan Basin
- Prioritized profit-oriented development and resumed crude production based on profitability
- Accelerated construction of natural gas production, supply, storage and marketing system, achieved rapid growth in natural gas production

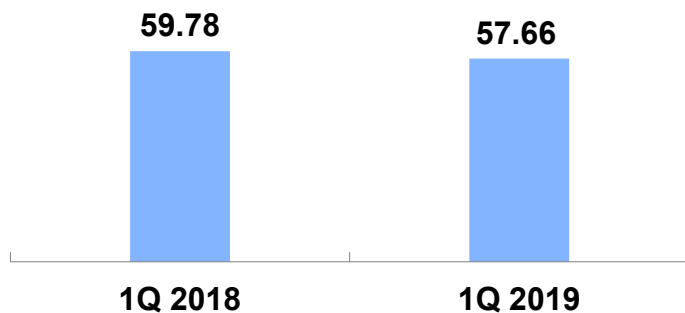
	1Q 2018	1Q 2019	YoY Change %
<b>Oil and Gas Production(mmboe)</b>	<b>111.33</b>	<b>113.46</b>	<b>1.9</b>
<b>Crude Oil Production(mmbbl)</b>	<b>71.35</b>	<b>70.81</b>	<b>(0.8)</b>
China	61.43	61.55	0.2
Overseas	9.92	9.26	(6.7)
<b>Natural Gas Production(bcf)</b>	<b>239.83</b>	<b>255.79</b>	<b>6.7</b>

\* 1 tonne=7.1 bbls for domestic crude oil production; 1 tonne=7.21bbls for overseas crude oil production; 1 cubic meter=35.31 cubic feet for natural gas production.

# Upstream – Significant Growth in Profit

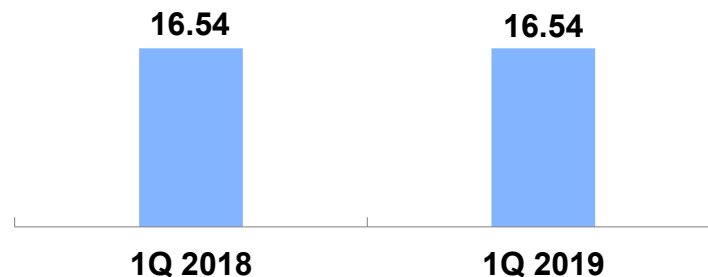
## Realized Price of Crude Oil

USD/bbl



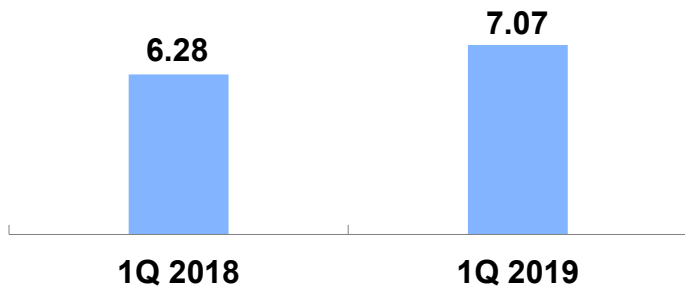
## Lifting Cost

USD/bbl



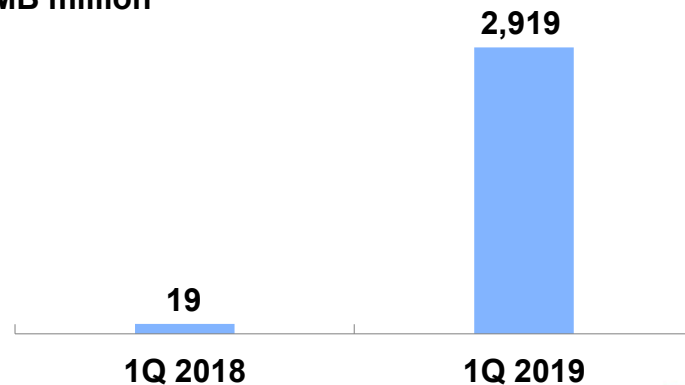
## Realized Price of Natural Gas

USD/mcf



## EBIT of Upstream

RMB million



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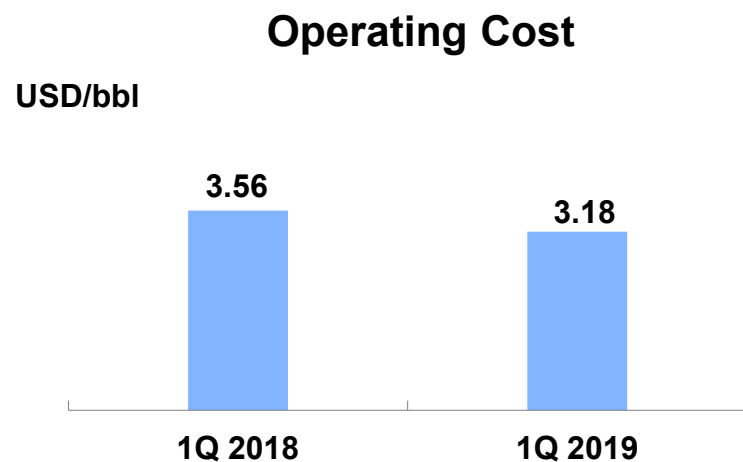
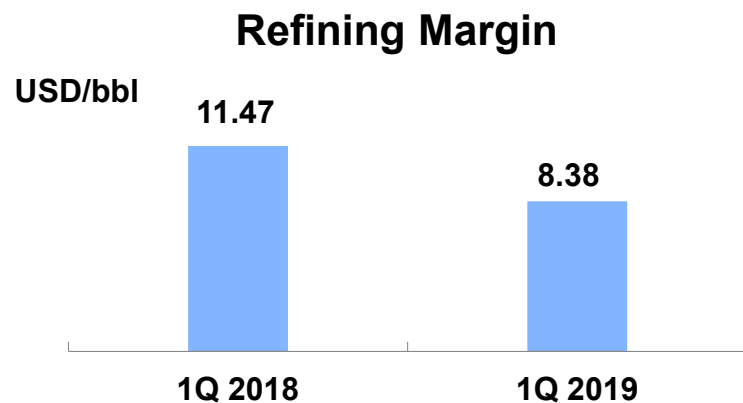
## Refining – Continued Optimization of Product Mix

- Optimized product mix with diesel-to-gasoline ratio down to 1.01
- Maintained high utilization rate of refining facilities
- Implemented the quality upgrading plan for bunker fuel

(mm tonnes)	1Q 2018	1Q 2019	YoY Change %
Refinery Throughout	60.16	61.78	2.7
Gasoline, Diesel and Kerosene Production	37.98	39.44	3.8
Gasoline Production	14.98	15.87	5.9
Diesel Production	15.93	16.03	0.6
Kerosene Production	7.07	7.54	6.6
Light Chemical Feedstock Production	9.94	10.07	1.3
Diesel-to-Gasoline Ratio	1.06	1.01	Decline by 0.05

\* Refinery throughput is calculated based on 1 tonne= 7.35 bbls  
100% production of domestic JVs included

# Refining – Robust Refining Margin



# Marketing – Leverage Network Advantage in Response to Competition

- Domestic sales volume and retail volume kept rapid growth
- Enhance marketing network advantage by optimizing location of service stations and refined oil product pipelines
- Great efforts in developing business of natural gas for automobile

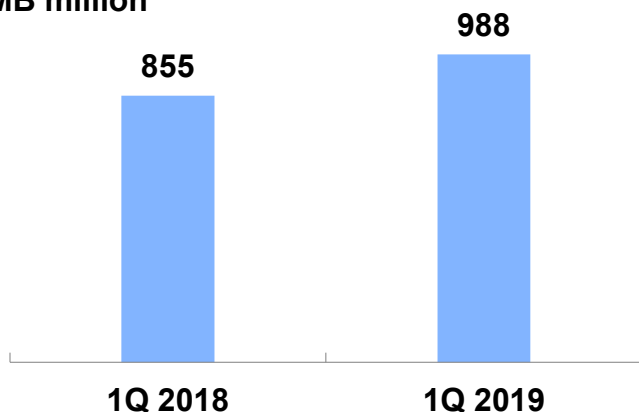
(mm tonnes)	1Q 2018	1Q 2019	YoY Change %
Total Sales Volume of Refined Oil Products	47.21	49.74	5.4
Domestic Sales Volume of Refined Oil Products	43.35	45.61	5.2
Retail	29.46	30.20	2.5
Wholesale and Distribution	13.89	15.41	10.9
Annualized Average Throughput per Station (tonne/station)	3,846	3,939	2.4

(mm tonnes)	As of 31 Dec. 2018	As of 31 Mar. 2019	Change(%)
Number of Sinopec-Branded Service Stations	30,648	30,671	0.1
Number of Convenience Stores	27,259	27,283	0.1

# Marketing – Continuous Growth in Non-fuel Business

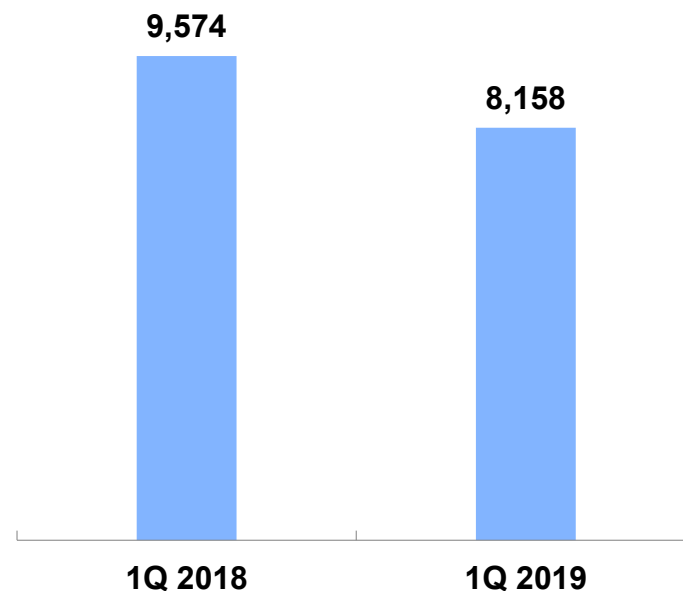
## Profit of Non-fuel Business

RMB million



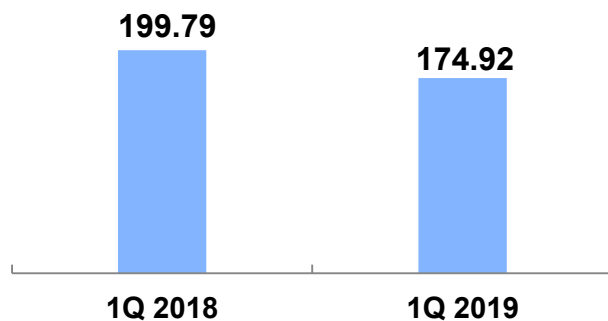
## EBIT of Marketing Segment

RMB million



## Marketing Cash Operating Cost

RMB/tonne



## Chemicals – Strengthen Structural Adjustment

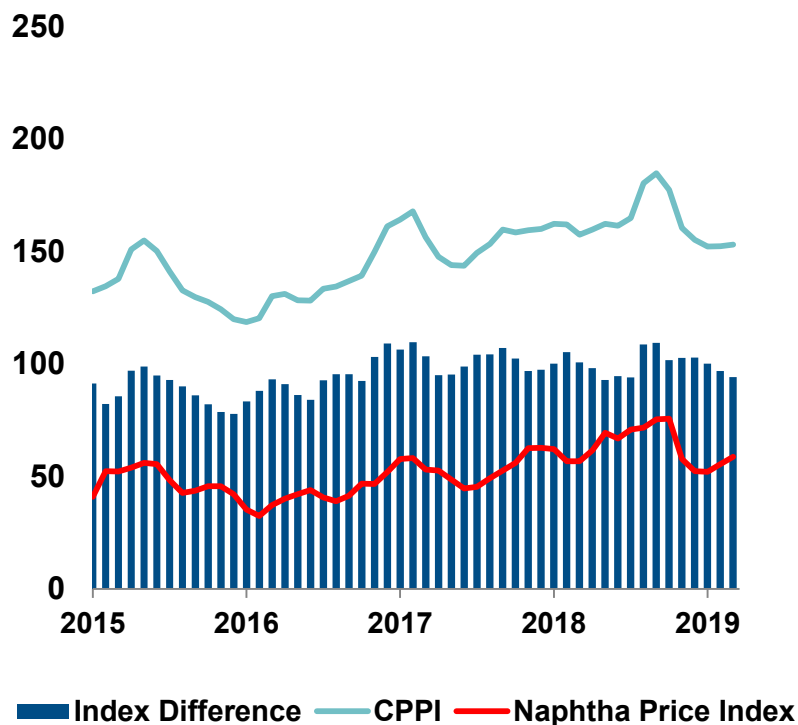
- Adjusted feedstock mix to further reduce costs
- Adjusted product mix to increase the production of high value-added products
- Enhanced the dynamic optimization of facilities and product chain by appropriately arranging utilization and scheduling
- Total sales volume of chemical products increased by 14.3% YoY

'000 tonnes	1Q 2018	1Q 2019	YoY Change %
Ethylene Production	2,995	3,049	1.8
Synthetic Resin Production	4,117	4,178	1.5
Synthetic Rubber Production	199	271	36.2
Synthetic Fiber Monomers & Polymers Production	2,246	2,575	14.6
Synthetic Fiber Production	296	322	8.8

\* 100% production domestic of JVs included

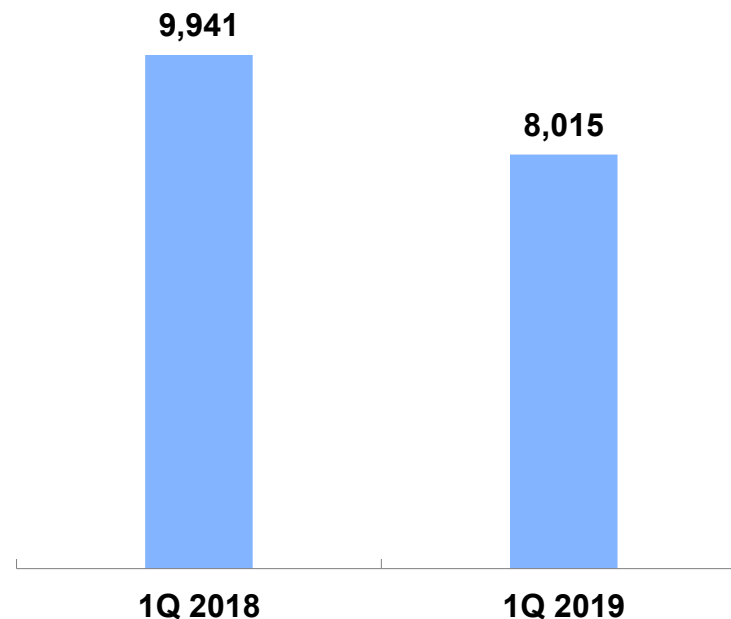
# Chemicals – Sustained Strong Results

## Chemical Products Price Index (CPPI)



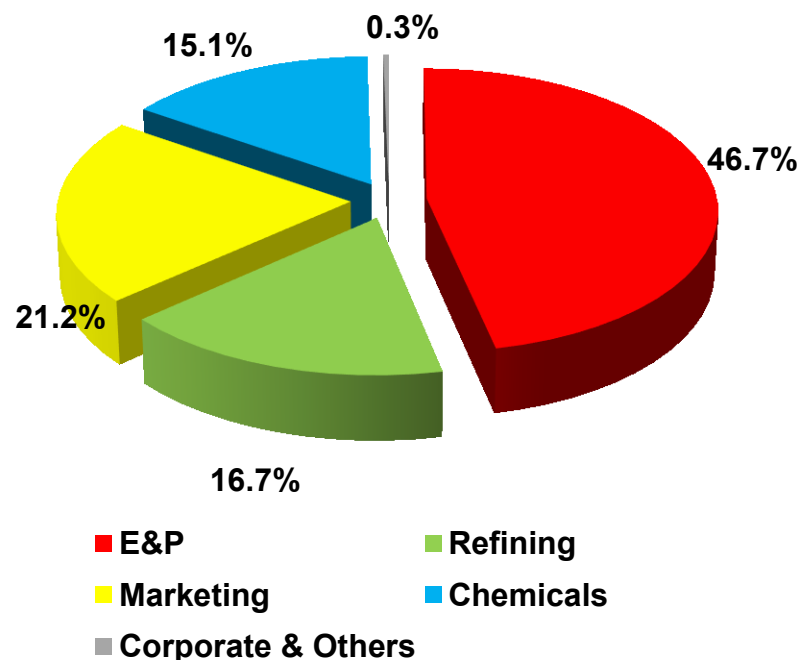
## EBIT of Chemical Segment

RMB million



# Capital Expenditure

- Capital expenditure in the first quarter was RMB 11.9 billion



- E&P: RMB 5.56 Bn
  - ◆ Oil & Gas production capacity, gas storage, natural gas pipeline construction
- Refining: RMB 2.00 Bn
  - ◆ Construction of Zhongke projects, and adjustment of product mix projects
- Marketing: RMB 2.52 Bn
  - ◆ Construction of refined oil products storage facilities, pipelines and service stations, as well as non-fuel business development
- Chemicals: RMB 1.80 Bn
  - ◆ Construction of Zhongke, Zhenhai, and Wuhan ethylene projects
- Corporate & Others: RMB 0.04 Bn
  - ◆ Construction of R&D facilities and IT system

# Q&A

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