



CHEMICALS

***CEPSA***

## Cepsa Petrochemicals



### Raw material for detergents

- The most modern technology for the production of LAB was developed jointly by **Cepsa and UOP** and was a breakthrough in the sector.
- We are world leaders in raw materials for detergents, with 15% of world LAB capacity.
- LAB is consumed in the development of biodegradable detergents.
- This year we will start up our Fatty Alcohol Plant in Indonesia with 160 kty capacity.



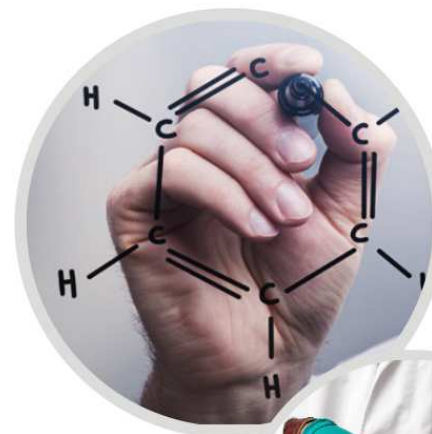
### Raw material for engineering plastics

- Phenol and acetone.
- With the opening of the Shanghai plant, Cepsa is the world's largest cumene producer and the second largest producer of phenol/acetone.



### Solvents and sulphurs

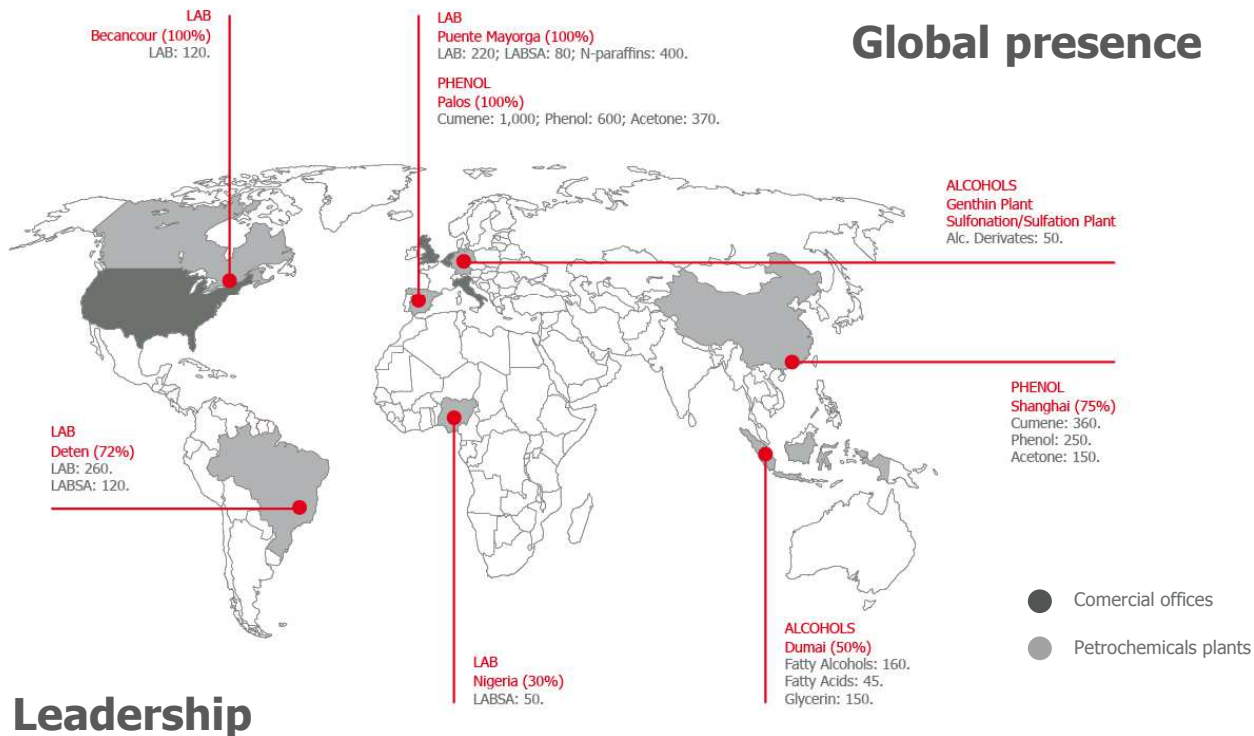
- Manufacturing of paint solvents, printing ink, cosmetics and adhesives.
- Leader in the Iberian Market, UK and Italy.






# Cepsa Petrochemicals Internationalization

Global leadership through an **integrated** and diversified portfolio; **international** presence, with chemical sites in Europe, Americas and Asia.

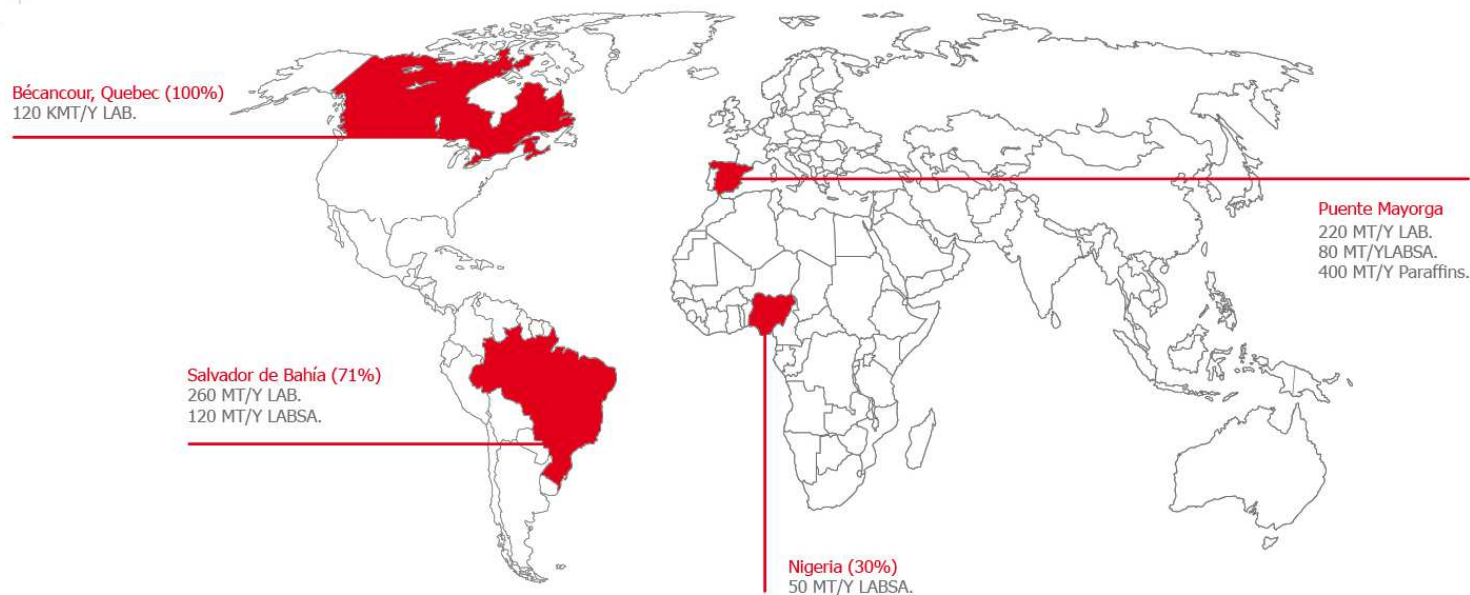
## 3 business lines



### Leadership

Surfactants 	Phenol 	Solvents 
<b>#1</b> • LAB producer (600,000 MT) <b>#1</b> • LAB technology 87% of new capacity since 1995 uses Cepsa's DETAL™ and DETAL Plus™ technology.	<b>#1</b> • Cumene Producer (1,360,000 MT) <b>#2</b> • Phenol & Acetone producer (1,200,000 MT)	<b>#1</b> • Iberian Supplier <b>#1</b> • UK & Italy Supplier

## LAB Business Line



Growth and  
Consolidation  
Leadership

## Focus on the Atlantic Basin (LAB)

**#1** • LAB producer (600,000 MT)

**#1** • LAB technology

87% of new capacity since 1995 uses Cepsa's DETAL™ and DETAL Plus™ technology.



# The Company

- Began operations in 1981.
- Located at Industrial Park at Camaçari, in Bahia.
- HF Technology.
- In 1999, Cepsa acquired 71.44% of the Company to family owners and became shareholder jointly with PETROBRAS.
- Integrated in Raw Materials through shareholders: PETROBRAS and CEPESA Química:
  - PETROBRAS refinery and CEPESA Química Puente Mayorga supply n-paraffins.
  - Benzene supplied from BRASKEM.
  - Total Capacity: **260 MT/Y LAB**  
**120 MT/Y LABSA**

## DETEN Asset Overview



## Shareholder's Structure



## WHY Revamping is needed



### Demographic reasons

- Brazil is the fifth-largest country in **population**: 211 million (ONU).
- 40 million Brazilians have been reached the **middle class** sin 2002 (FGV).
- 22 million Brazilians have been lifted out of extreme poverty since 2011



### Domestic marketing reasons

- Brazil is currently the world's 3rd-largest market for beauty and healthcare products, 3rd-largest for PCs, 4th-largest for mobile phones, automobiles and TVs, and 5th-largest for medical appliance.



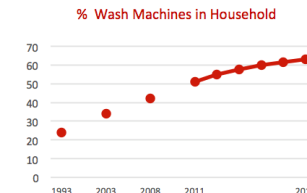
### Economic reasons

- GDP on growth: close to 1% for 2017 and 1.2% for 2018\*.
- Unemployment rate on recession: from 12% in 2016 to 10% in 2018 and decrease trend\*.

\* According to BBVA Brazilian economic forecast.

- Today the market consumption is over **122 million**: a Huge Domestic market.

- In one decade, the percentage of wash machine in the households housings increased **from 34% to 60%**; there is still a large potential market for Detergents.



- It will continue to grow, while there is liquidity in the Brazilian international reserves and consequently the LAB consumption will increase too.

## CEPSA Position



Detén  
LAB: 260 KTY



CEPSA reinforces its leadership position as the world's leading producer of LAB, reaching a capacity of 600 KMT/year.

### Support growth, secure supply and meet opportunities

The revamping will meet the growing demand in south America in countries like Chile and Colombia, in addition to the increase in local demand in Brasil.

### Quality

Technological renovation of DETEN Plant.



Thanks