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PETROKIMIA GRESIK DELIVERS OUTSTANDING PERFORMANCE, FINANCIAL DIRECTOR AND GENERAL DIRECTOR OF PETROKIMIA GRESIK WINS "INDONESIA'S BEST CFO 2022" AWARD

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The Chief Financial and General Director of Petrokimia Gresik, Budi Wahyu Soesilo, was named "Indonesia's Best CFO (Chief Financial Officer) 2022" with a "Very Good" rating by the SWA Media Group for having successfully guided Petrokimia Gresik to perform excellently. The award was presented by the Group Chief Editor of SWA Media, Kemal E. Gani, to Soesilo virtually a while ago.

Soesilo stated that since the Covid-19 pandemic to the present day, the financial sector of the industry globally faces tremendous challenges, ranging from the rise of costs due to high inflation, and interest rates, to the global crisis. Also, the demand for investment in technology is increasing to improve the company's operational efficiency.

"Alhamdulillah Petrokimia Gresik was able to adapt to the challenges that existed during the Covid-19 pandemic and the post-pandemic economic recovery. This is demonstrated by the financial performance of the company which shows a positive trend," said Soesilo.

As of August 2022, the net income of Petrokimia Gresik reached more than IDR 2 trillion, or around 146 percent compared to the 2022 Work Plan and Budget (RKAP) of IDR 1.13 trillion. The revenue by the second quarter of 2022 is also much higher compared to the net income in 2021, which was IDR 1.5 trillion.

Soesilo revealed that the financial performance was obtained after the company successfully faced challenges, including in the financial sector. Firstly, the rise in prices of the main raw materials for fertilizer, some of which are imported, such as sulfur, phosphate rock, ammonia, phosphoric acid, sulfuric acid, diammonium phosphate (DAP), and KCL. The ongoing conflict in Europe also has an impact on the price of these fertilizer raw materials.

"On the other hand, raw materials obtained from imports caused Petrokimia Gresik's cash outflow in the form of US dollars, while our cash inflow is in rupiah. The volatility of the exchange rate of the rupiah against the US dollar is also a challenge for Petrokimia Gresik," he concluded.

To face these challenges, Petrokimia Gresik has anticipated an increase in working capital requirements due to the appreciation of the rupiah by ensuring the availability of a variety of funding sources. In addition, Petrokimia Gresik also carried out efficiency through the Cost Reduction Program (CRP) in all operational lines, especially in production costs and distribution costs, to make the product price more competitive. As for the results of the CRP program carried out by Petrokimia Gresik until October 2022, it has reached IDR 194.7 billion.

"Our future competitors are not only domestically produced products but also imported fertilizers that are much cheaper. Our competitors from abroad are those who have raw materials, it could be that their production costs are also cheaper," he explained.



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Meanwhile, in the implementation of ESG (Environment, Social, and Governance) in the financial sector, Petrokimia Gresik also has a Distributor Financing program, where this strategy becomes one of the added values in this evaluation. Petrokimia Gresik works with banks to provide financing to distributors so that the redemption of non-subsidized fertilizers can be carried out easily.

"Petrokimia Gresik's innovative products, if not supported by a good distribution network, will be impossible to provide optimal results for the company," said Soesilo.

Finally, he also revealed the financial strategies carried out by Petrokimia Gresik not only had a positive impact on the company alone but also had a chain of benefits for the welfare of farmers, the progress and sustainability of Indonesian agriculture, and national food security.

"This achievement is a shared accomplishment, the result of a collaboration of all sectors at Petrokimia Gresik, that's why I dedicate it to the company. This achievement was made possible thanks to the support of the team and a good system so that Petrokimia Gresik is able to run this business well and smoothly," he concluded.

During the virtual awarding ceremony, Soesilo also became a speaker with the theme "The New CFO Roles as Business Transformer and Growth Initiator in Challenging Non-Finance Industry". In this session, Soesilo presented the current challenges faced by Petrokimia Gresik in general and from the financial perspective, explaining the corporate resources, strategies, and breakthroughs in transformation, and the results achieved, so it is hoped to inspire.

PT Petrokimia Gresik

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