

Competitive Cost & Margin Analytics

Understanding the structure of chemical production costs requires detailed and complex calculations and an extensive foundation of knowledge and insight.

Companies can spend an inordinate amount of time collecting data and analyzing macroeconomic trends, cost drivers and supply/demand of specific chemicals from disparate sources in order to assess competitiveness and optimize profitability.

Chemical Competitive Cost & Margin Analytics (CCMA) models provide an interactive tool, allowing you to explore how costs and margins for a product vary according to: geography, capacity, time, technology, feedstock, operating rate and integration level.

Key Questions

- How will new capacity additions affect the competitiveness of my existing operating plants?
- Who are the most cost advantaged and disadvantaged producers?
- Is my capital investment viable in the long-term?
- What is the feedstock cost advantage of an integrated plant?
- How will a shift in oil, feedstock or chemical prices impact competitiveness?
- I need to renegotiate contracts - what are the upstream and downstream cost structures in my value chain?

Key Features

- Production cash cost and margin estimates, identified by plant
- Functionality to generate estimated economics for hypothetical plants
- User-defined price adjuster model, from product price to immediate feedstock level and global crude oil price.
- Annual cash and variable cost and margin curves: 5 years history & 10 years forecast
- Monthly cash and variable cost and margin curves: 3 months history & 15 months forecast
- Global plant list with technology and capacity data
- Regional feedstock, by-product and utility price forecasts
- Energy price basis & energy outlook
- Executive overview & methodology

A 12-month subscription provides four model updates, which occur on a quarterly basis, aligned to our proprietary long-term price forecasts and S/D balances. Our integrated approach offers you the opportunity to respond as the market shifts, and ensures your strategic and operational decisions utilize the most current and robust data available.

How do our clients use the Competitive Cost & Margin Analytics service?

COMPETITIVE BENCHMARKING

- Evaluate competitive position of existing assets locally, regionally or globally
- Review cost & margin estimates for competing assets by location & technology
- Understand impact of new capacity to existing assets' performance

PORTFOLIO IMPROVEMENT

- Understand risk and exposure to feedstock price fluctuation
- Assess relative competitiveness of future hypothetical assets
- Build value based commercial strategies
- Explore how economics shift under different future price scenarios

PROCUREMENT STRATEGY

- Understand cost structure of raw material suppliers to inform contract negotiations
- Evaluate cost & margin dynamics to inform price setting
- Identify feedstock cost advantages from integrated producers
- Understand sensitivity to industry shifts

Using an interactive, data-rich Excel model that calculates production costs and margin estimates by chemical plant, you can:

Evaluate Long-Term Competitiveness of a Plant

- Understand impact of market fluctuations with 10 year annual forecast
- Leverage the crude adjuster model to define and alter price forecasts to identify exposure
- Input estimated plants to grasp competitive position relative to operating assets

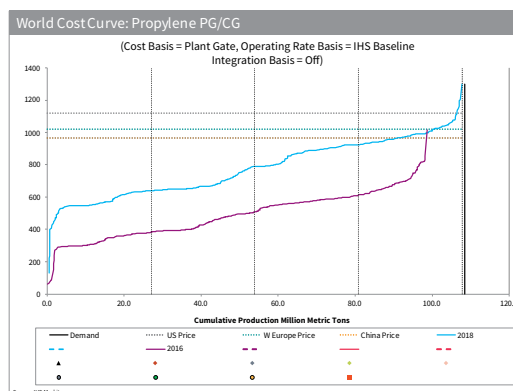
Calculate Impact of Market Changes on Cost and Margin Performance

- Shift from annual to monthly curves to understand impact of short term change or plant shutdown
- Alter oil/feedstock/product price to anticipate the effect of a volatile market
- Compare multiple time-periods to understand the longevity of a market change and assess impact of capacity additions

Inform Purchasing Strategies

Understanding your suppliers cost structure and competitiveness is a key component of a rigorous procurement strategy.

- Leverage annual forecast curves to assess how the marginal cash cost will adjust over time
- Understand the cost differential of an integrated vs. non-integrated plant
- Customize price sets to grasp how your suppliers competitive position could shift



Available Products – 46 product models covering over 6,000 plants

Acetic Acid	Ethylene Dichloride	Polyethylene (HDPE, LDPE, LLDPE)
Acrylic Acid	Ethylene Oxide, High-Purity	Polypropylene
Acrylonitrile	Expandable Polystyrene	Polystyrene
Adipic Acid	Formaldehyde	Polyvinyl Chloride
Ammonia	HMDA	Propylene
Benzene	Methanol	Propylene Oxide
Bisphenol-A	Methyl Methacrylate	Soda Ash
Butadiene	Mixed Xylenes	Styrene
Butanediol	Monoethylene Glycol	Styrene-Butadiene Rubber
Caprolactam	MTBE	Terephthalic Acid
Chlor-Alkali	Nylon 6 & Nylon 6,6	Toluene
Cumene	Paraxylene	Urea
Cyclohexane	PET	Vinyl Acetate Monomer
Dimethyl Ether	Phenol	Vinyl Chloride Monomer
Ethylbenzene	Polybutadiene Rubber	
Ethylene	Polycarbonate	

IHS Markit Connect

Access your IHS Markit data, analysis and experts anytime - in the office or on the go! As an innovative business and market intelligence platform, Connect uses advanced navigation, sophisticated content tagging and notifications, and interactive data visualization to optimize the ways you can access, query, visualize, and analyze your data based on your business needs.

** For products of interest not listed above, please contact us.

For more information www.ihsmarkit.com

CUSTOMER CARE

NORTH AND SOUTH AMERICA

T +1 800 447 2273
+1 303 858 6187 (Outside US/Canada)

EUROPE, MIDDLE EAST AND AFRICA

T +44 1344 328 300

ASIA PACIFIC

T +604 291 3600

E CustomerCare@ihsmarkit.com

About IHS Markit

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.