

# MANAGEMENT PRESENTATION

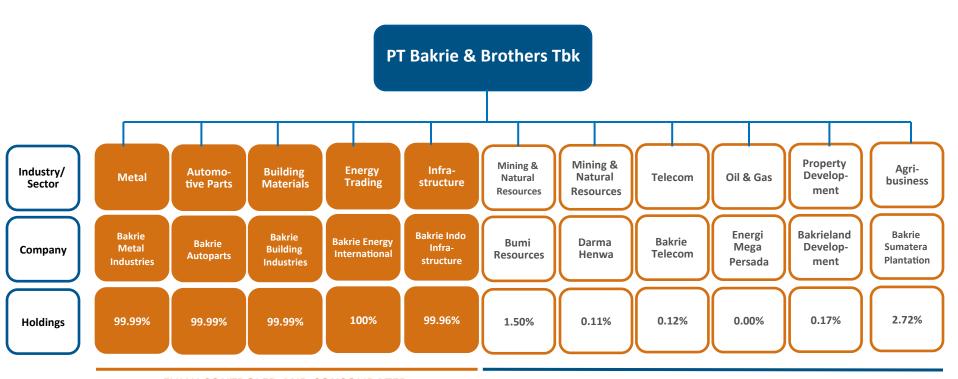
August 2017



- Financial Updates
- Business Updates
- Portfolio Performance
- Strategic Initiatives
- Appendix



## PORTFOLIO OF PUBLICLY TRADES SHARES AND PRIVATELY HELD COMPANIES



**FULLY CONTROLED AND CONSOLIDATED** 

**INVESTMENT** 

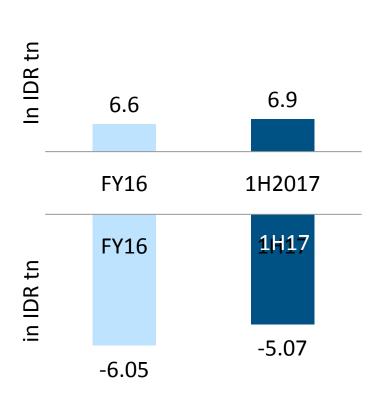
\*as of June 30, 2017





## FINANCIAL PERFORMANCE - B/S

(consolidated – in IDR trillion)



 Assets slightly increased by 6% for the half of 2017. This was due to increase of current assets.

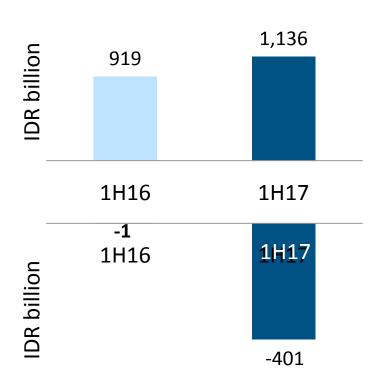
• **Equity deficiency** improved to Rp5.07 trillion for the half of 2017.





## FINANCIAL PERFORMANCE - P&L

(consolidated – in IDR billion)



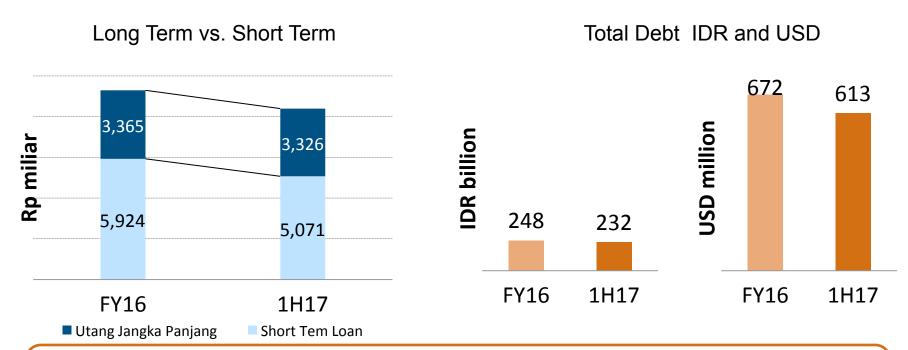
- **Revenue** increased by 23.5% for the first semester of 2017 as compared to the same period in 2016
- This was due to slight improvement of demand in automotive, building materials and metal businesses.
- The Company booked (loss) attributable to owners of parent for the first semester of 2017.
- This was mainly due to decrease of gain on foreign exchange.





## DEBT STRATEGY

## (Parent only)



- Total Loan slightly decreased by IDR 892 billion or -10%
- Total Loan in IDR decreased by IDR 16 billion or 6%
- Total Loan in USD decreased by USD 59 million or 9%





# BUSINESS UPDATES ON PRIVATELY HELD COMPANIES



#### **Bakrie Autoparts**

- •The pioneer in grey & ductile casting iron products for OEM automotive components in Indonesia.
- •Main automotive component supplier for commercial vehicles such as Mitsubishi and Hino in the domestic market.
- Major supplier of components for domestic Mitsubishi and Hino commercial car with plan to expand its current replacement market.
- •In the near future BA plans to tap into passenger vehicle to further expand its market.



#### **Bakrie Building Industries**

- •A producer of fiber-cement products for domestic and export market.
- Held approximately 21% market share in the domestic roof and ceiling market with 80 strong and loyal distributor network.
- •Supported by a network of 80 loyal distributors
- Expanding its product portfolio to offer energy efficient building material.



#### **Bakrie Metal Industries**

- •Specializing in steel fabrication and civil engineering services to diversified sectors.
- Extensive experience in handling major EPC projects for offshore and onshore facilities.
- Produces small to medium steel pipes for oil & gas distribution, construction and water pipe.
- •Held approximately 60% of local pipe market share with major oil & gas customers



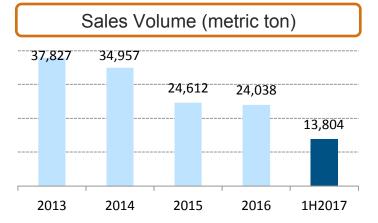
#### Bakrie Indo Infrastructure (BIIN)

- •Bakrie Power specializing in power plant development, currently constructing 3x18 MW and power plant 2x660 MW power plant
- Bakrie Oil & Gas Infrastructure; specializing in gas pipeline infrastructure, currently operating 200km offshore gas pipeline
- •Bakrie Toll Indonesia; specializing in developing toll road, currently constructing 26km urban toll road





## **BAKRIE AUTOPARTS**



<sup>\*</sup>not including sales from BMC which is counted per piece

#### **Product**

- OEM supplier for automotive components.
- Sales composition consists of 82% automotive components and 18% general casting.

#### **Performance**

 Sales revenue decreased by 30% in 2015 and relatively stable in 2016, which reflects the easing of automotive industry contraction.

# EBITDA [million Rupiah] 90,869 43,408 19,115 7,707 11,610

#### **Prospect**

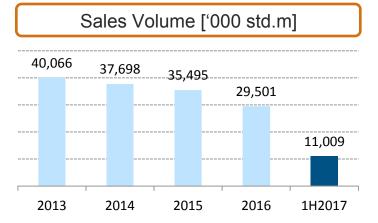
- Gaikindo predicted the growth for sales in motor vehicles at 6% in 2017, an increase compared to 5% growth in 2016.
- Infrastructure projects are predicted to increase the demand for cars and trigger demands in rural areas. <sup>(1)</sup>.
- To further improve its performance, BA plans to tap into passenger vehicle market which contributed up to 82% of domestic market share in 2016<sup>(1)</sup>.

(1) GAIKINDO





## BAKRIE BUILDING INDUSTRIES



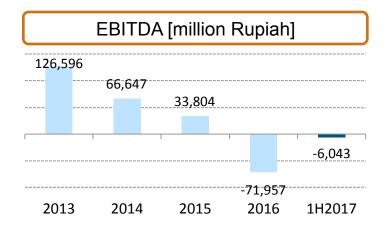
<sup>\*</sup>not including sales from Bangun Bantala Indonesia

#### **Product**

- Fiber Cement products with further expansion on its capacities and product portfolio.
- Sales composition consists of 70% roofing products and 30% ceiling and partition.

#### **Performance**

Sales volume decreased by 17% in 2016.



#### **Prospect**

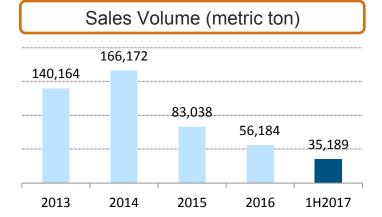
- In 2016 growth rate of property loans (for house and apartment) was 17%<sup>(1)</sup>.
- Promising growth potentials in line with government policies to boost property industry includes; BI rate maintained at 6.5% and the 13<sup>th</sup> Economic Policy Package focusing on simplifying regulations on housing for the lower income segment of Indonesia.

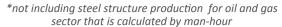
(1) Bank Indonesia





## **BAKRIE METAL INDUSTRIES**



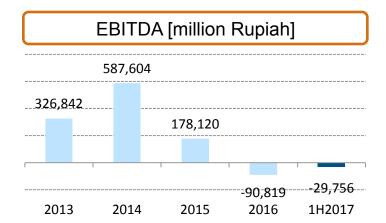


#### **Product**

- Services for steel construction, EPC, and a producer for pipes with diameter ranging from 0,5in to 24in.
- Sales Composition consists of 44% products and services in oil & gas sector.

#### **Performance**

- Sales Volume decreased by 32% in 2016.
- 2016 performance was still bolstered by non-oil and gas market.



#### **Prospect**

- Potential from oil & gas (OG) distribution is declining in line with the national oil lifting statistics.
- Penetrate further to non-OG market given booming infra sector, as well as broadening captive OG market
- Currently gas consumption for Indonesia is 153 cu meter per capita, far below Thailand (769) and Malaysia (1044)<sup>(1)</sup>.









(1) CIA World Factbook



## **Manufacturing Business Units**

- **Bakrie Autoparts** Consolidate productive assets, increase capacity through upgrading of production capacity, product portfolio expansion by adding higher margin products for both automotive and non-automotive.
- Bakrie Building Industries product portfolio expansion by addition of high value added products; expansion of distribution network to shorten distance to consumers.
- Bakrie Metal Industries addition of product types by establishment of coating plant and metal services laboratory; expansion of non-oil & gas market; expansion of related business lines.



## Infrastructure Projects Development

## Kalija Pipeline 1st Phase

- Collaborating with PT Perusahaan Gas Negara Tbk (PGN)
- Construction was completed on August 21, 2015
- Gas were transported from Kepodang field (Muriah gas field owned by Petronas) to Tambak Lorok Power Plant, 116 mmscfd gas daily









## Infrastructure Projects Development

### **Cimanggis-Cibitung Toll Road**

- Collaborating with PT Waskita Toll Road (a subsidiary of PT Waskita Karya Tbk)
- First phase construction begun in September 2015, as well as construction process in Cimanggis interchange

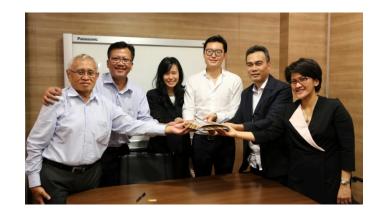




## Infrastructure Projects Development

# Tanjung Jati A Power Plant 2x660MW

- Collaborating with YTL Jawa Energy BV (a subsidiary of YTL Corporation Berhad)
- Signing of PPA in December 2015
- Currently in investment funding process





## **APPENDIX**













# SEVEN DECADES OF BUSINESS

Bakrie & VENTURES

Continuelandacquisition process as well as phase 1 construction. First phase of this project has fully operated. Gas BNBR completed the revitalization including quasi reorganisation transportation carriedout according to GTA ENRG acquired Offshore North West Java BUMI acquired 84% of Pendopo oil block, valued at US\$212mn Energi Batubara, value US\$117mn Bakrie group formed strategic partnership with BORN and reduced debt by US\$ 1bn ENRG signed agreement to purchase 10% stake in Masela Block, value 2016 PT Bakrie Telecom's ("BTEL") IPO and US\$90mn awarded nationwide 2011 BUMI acquired 76.8% of PT Fajar license Bumi Sakti, value US\$222mn PT Energi Mega Persada BTEL launched CDMA ("ENRG") was established hased telecommunication 2009 2012 2013 - 2015 service PT Bumi Resources ("BUMI") acquired 80% ENRG acquired as of PT Arutmin Indonesia 100% interest from BP BPI awarded with significant pipe supply 2010 PT Bakrie Capital contract by Pertagas and Pertamina EP Indonesia acquired **BNBR** completed 58.1% of BUMI transaction of Established as a BNBR acquired 2004 - 2006 BTJ changed its name to Bakrie Autoparts general divestment upon PT Bakrie 2007 - 2008 SPA signing with Vallar, UK merchant & some ownership in Sumatera - value US\$844mn commissioner Bumi plc **Plantations** agent Establishment of Bakrie 1997 - 2001 First part of Kalija infrastructure project ("UNSP") Connectivity Services started in 2014 and completed in Aug **Gas Transportation** Agreement (GTA) Pioneered 2015 **ELTY** acquired PT Bukit BNBR's IPO UNSP's area expansion Segment Kepodang-Indonesia's Steel Jonggol, \$111mn value for 107,000 Ha, value US\$110mn tambak Lorok was 51% stake and a 20% of Manufacturing Cimanggis-Cibitung toll road project BTEL nationwide expansion, signed Industry value US\$72mn Bukit Sentul, value \$17mn 2003 started BNBR acquired ELTY, ENRG & The Signing of Assets BUMI acquired 24% PT BUMI value ~ US\$4.4bn Preparation stage of Tanjung Jati A Newmont Nusa Tenggara Purchase of KG-**BUMI** acquired Herald power plant project is approaching Technology by Bakrie BUMI acquired value US\$225mn Resources, value US\$547mn completion 1986-1989 Tosanjaya (BTJ) additional 20% of PT ELTY purchased 75.04% ELTY acquired Lido Lake Arutmin Indonesia 1990-1996 shares in Alberta Utilities. Resort (99.99% value US\$2mn **BUMI** acquired ownership), value **BUMI** acquired 44% PT 100% of PT Kaltim US\$39mn UNSP's IPO Darma Henwa ("DEWA") Prima Coal ("KPC"), value US\$218mn value US\$500mn 1942-1962 Licensed to Establishment of Bakrie operate fixed wireless services **Energy International** 



PT Bakrieland Development ("ELTY") was established



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