



**Bakrie &  
Brothers**

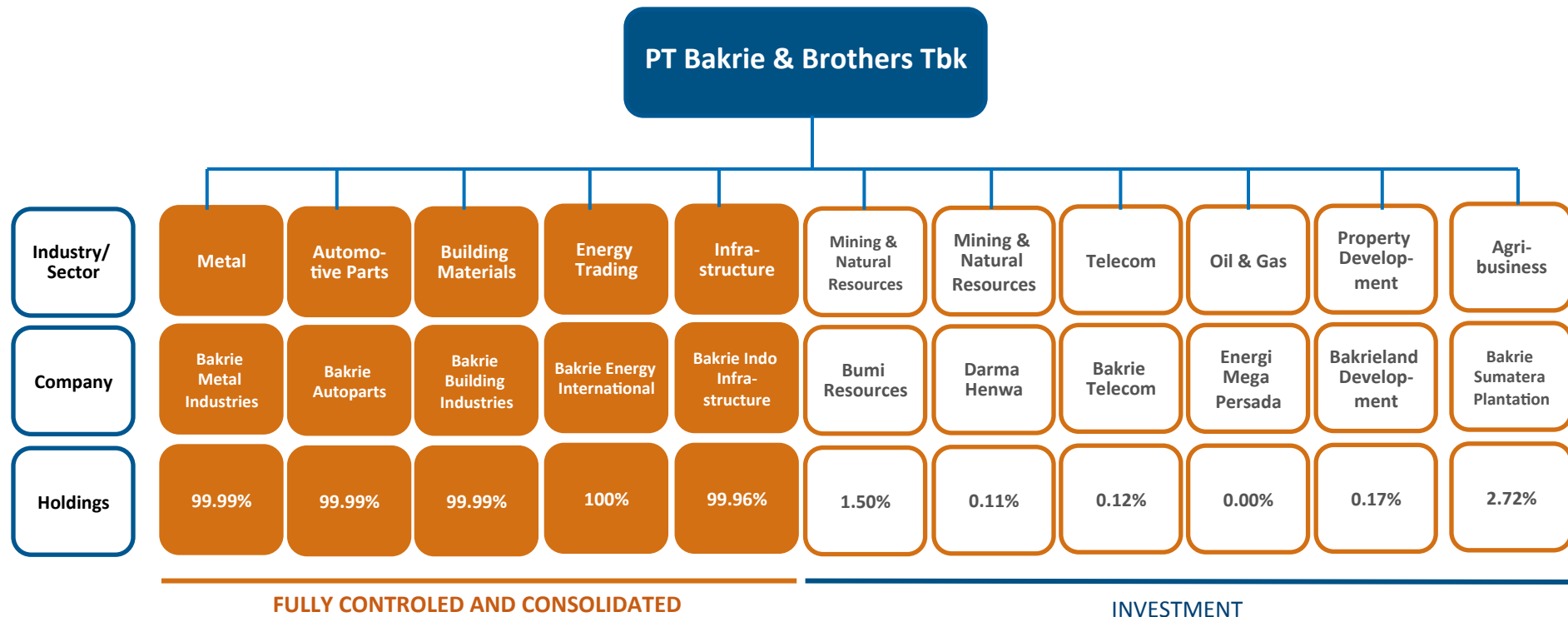
# MANAGEMENT PRESENTATION

August 2017

# AGENDA

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

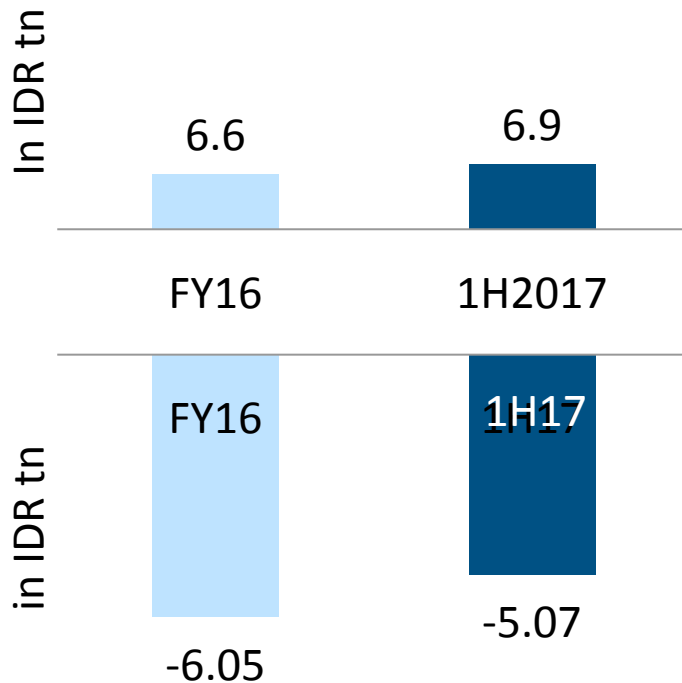
# PORTFOLIO OF PUBLICLY TRADED SHARES AND PRIVATELY HELD COMPANIES



*\*as of June 30, 2017*

# FINANCIAL PERFORMANCE – B/S

(consolidated – in IDR trillion)

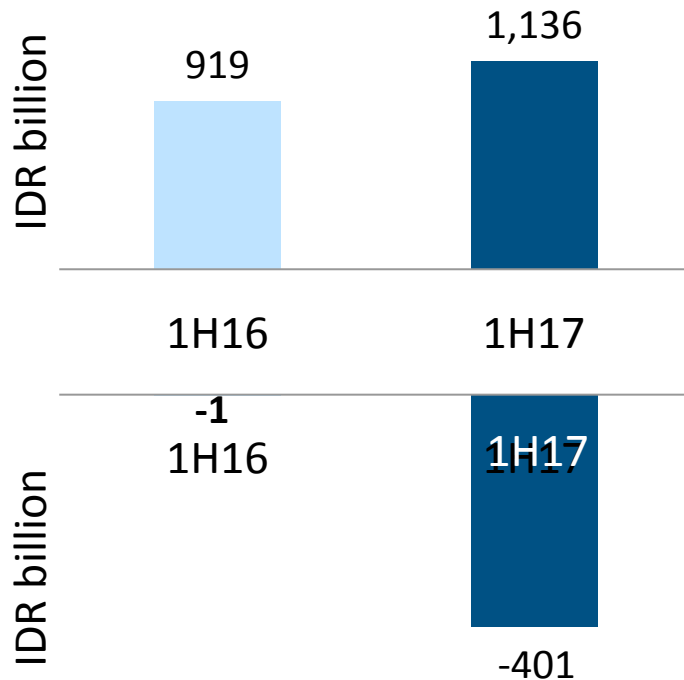


- **Assets** slightly increased by 6% for the half of 2017. This was due to increase of current assets.

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

# FINANCIAL PERFORMANCE – P&L

(consolidated – in IDR billion)



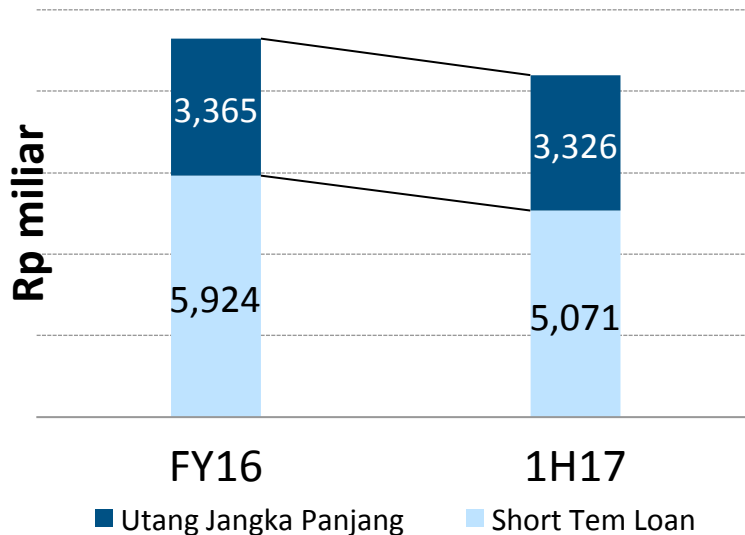
- **Revenue** increased by 23.5% for the first semester of 2017 as compared to the same period in 2016
- This was due to slight improvement of demand in automotive, building materials and metal businesses.

- 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.

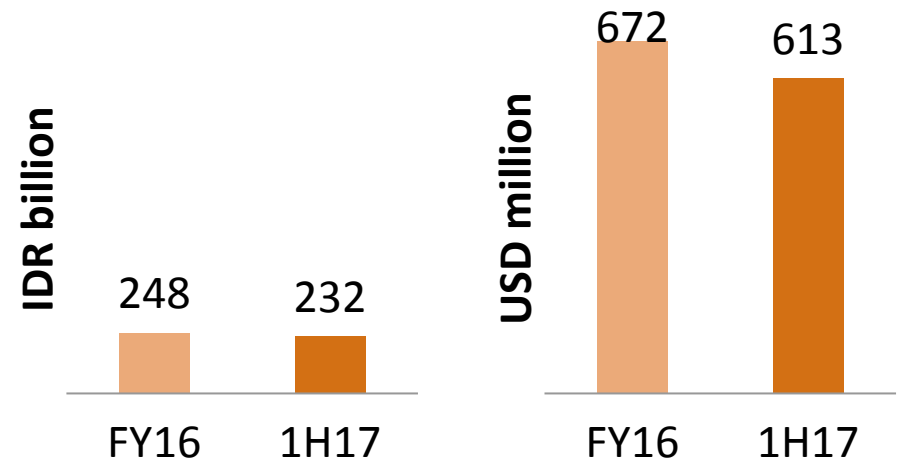
# DEBT STRATEGY

(Parent only)

Long Term vs. Short Term



Total Debt IDR and USD



- **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



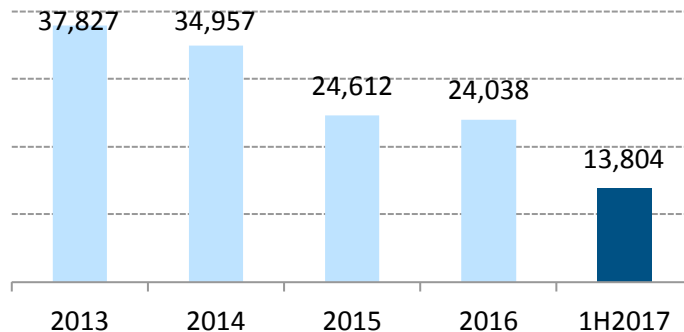
## Bakrie Indo Infrastructure (BIIN)

- 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

Sales Volume (metric ton)



*\*not including sales from BMC which is counted per piece*

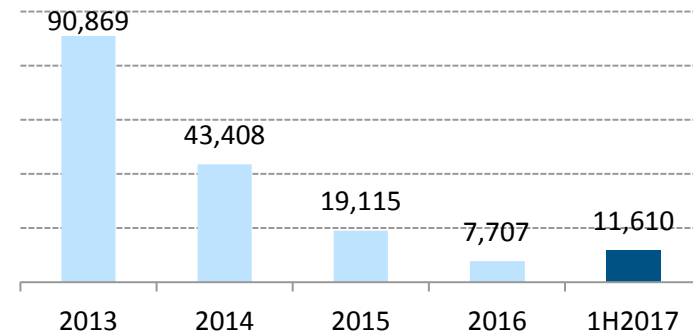
## Product

- 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]



## Prospect

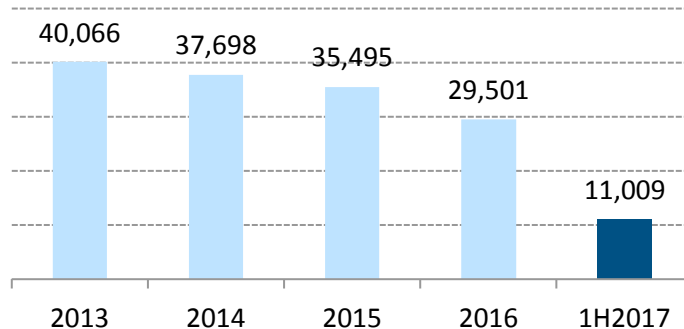
- Gaikindo predicted the growth for sales in motor vehicles at 6% in 2017, an increase compared to 5% growth in 2016.
- Infrastructure projects are predicted to increase the demand for cars and trigger demands in rural areas. <sup>(1)</sup>.
- To further improve its performance, BA plans to tap into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

(1) GAIKINDO



# BAKRIE BUILDING INDUSTRIES

Sales Volume ['000 std.m]



*\*not including sales from Bangun Bantala Indonesia*

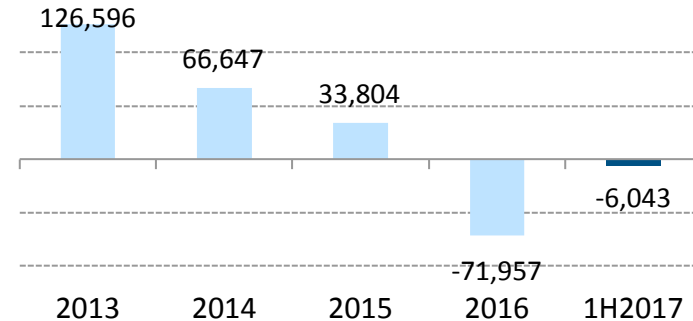
## Product

- 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.

EBITDA [million Rupiah]



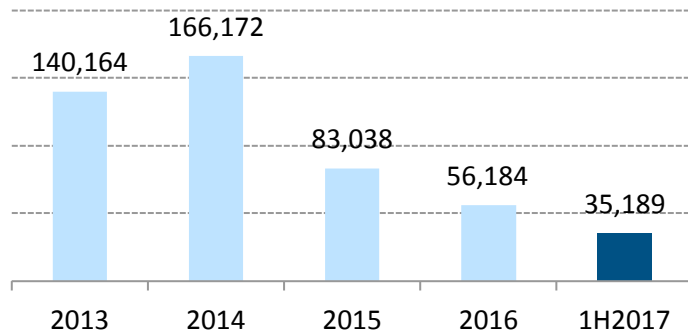
## Prospect

- 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

Sales Volume (metric ton)



*\*not including steel structure production for oil and gas sector that is calculated by man-hour*

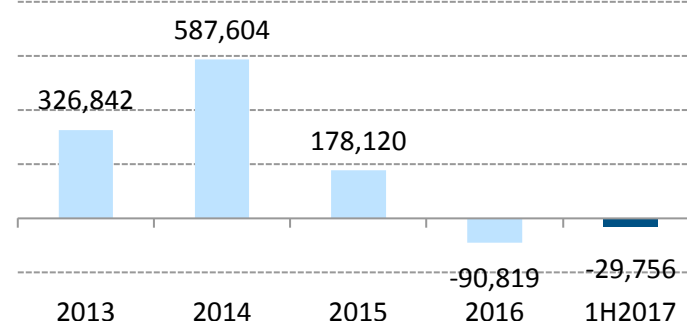
## Product

- 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.

EBITDA [million Rupiah]



## 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

# GROWTH STRATEGY

## 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.

# GROWTH STRATEGY

## Infrastructure Projects Development

### Kalija Pipeline 1<sup>st</sup> 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



# GROWTH STRATEGY

## 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

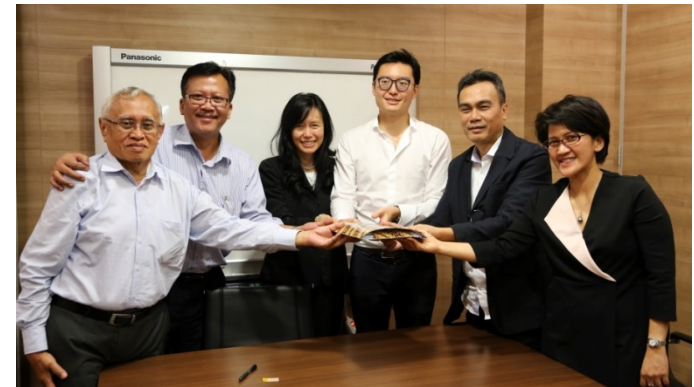


# GROWTH STRATEGY

## 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

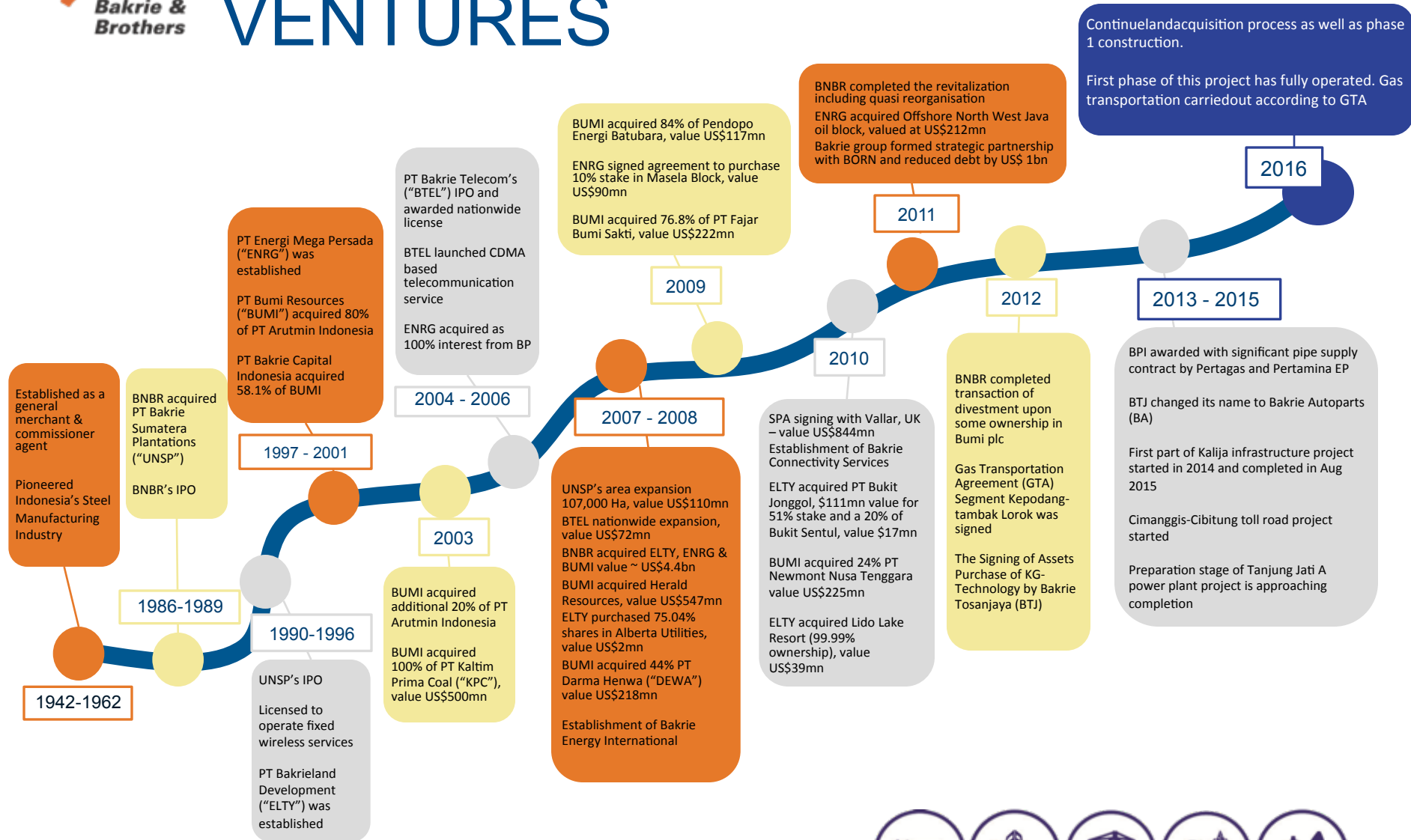


# APPENDIX





# SEVEN DECADES OF BUSINESS VENTURES



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