



***Bakrie &  
Brothers***

The background of the slide is a photograph showing the silhouettes of two construction workers in the foreground, one appearing to assist the other. In the background, a tall lattice crane and the skeletal structure of a building under construction are visible against a bright blue sky with scattered white clouds. A solid blue horizontal band spans the width of the slide, serving as a backdrop for the title text.

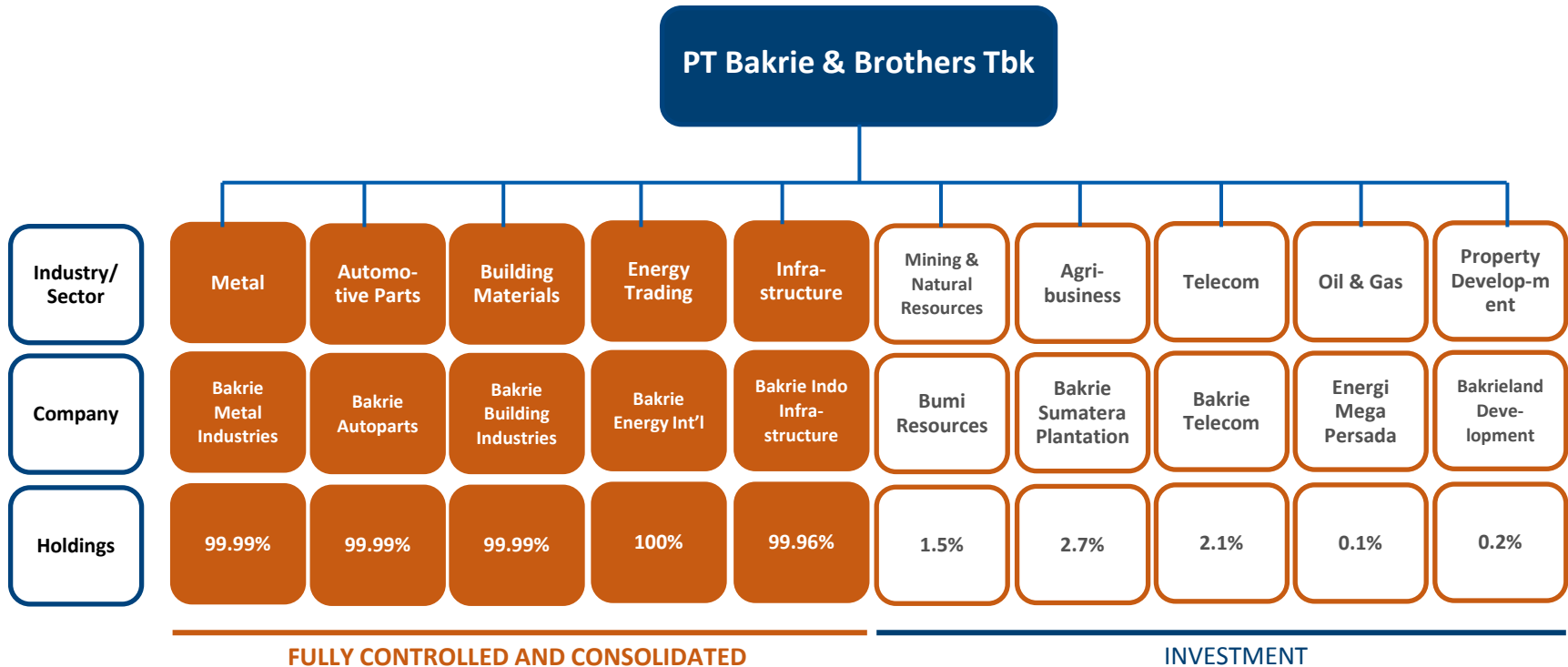
# MANAGEMENT PRESENTATION

November 2016

# AGENDA

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

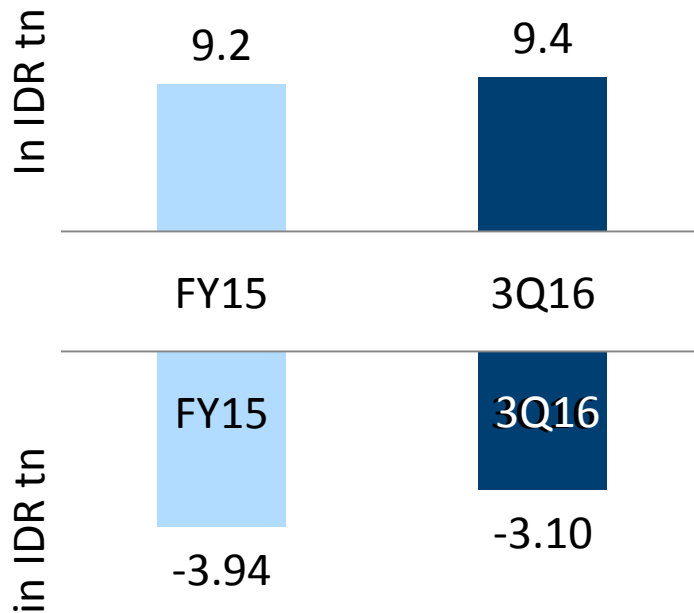
# PORTFOLIO OF PUBLICLY TRADES SHARES AND PRIVATELY HELD COMPANIES



*\*as of September 30, 2016*

# FINANCIAL PERFORMANCE – B/S

(consolidated – in IDR trillion)

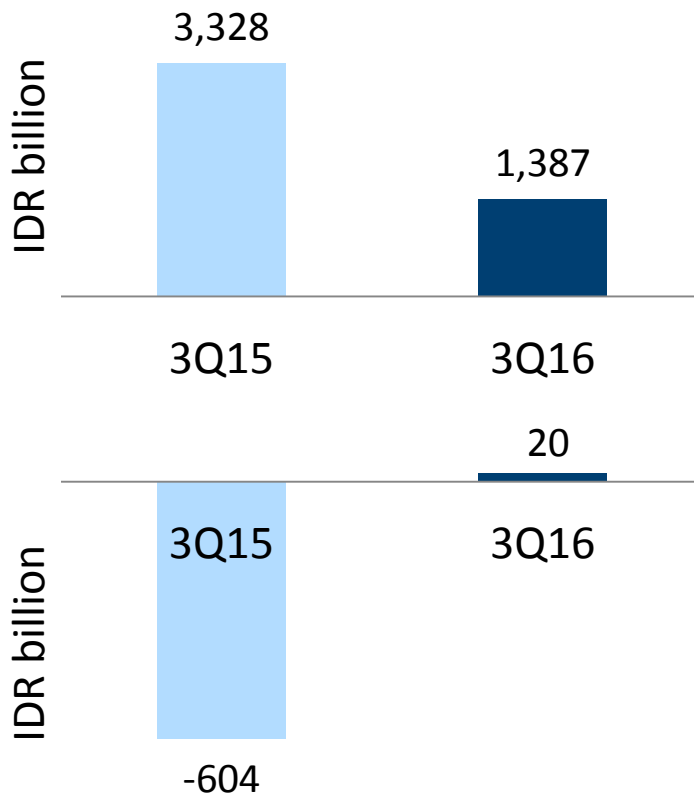


- **Assets** were relatively stable in third quarter of 2016.

- **Equity deficiency** slightly improved to Rp 3.1 tn at the end of the third quarter of 2016.

# FINANCIAL PERFORMANCE – P&L

(consolidated – in IDR billion)



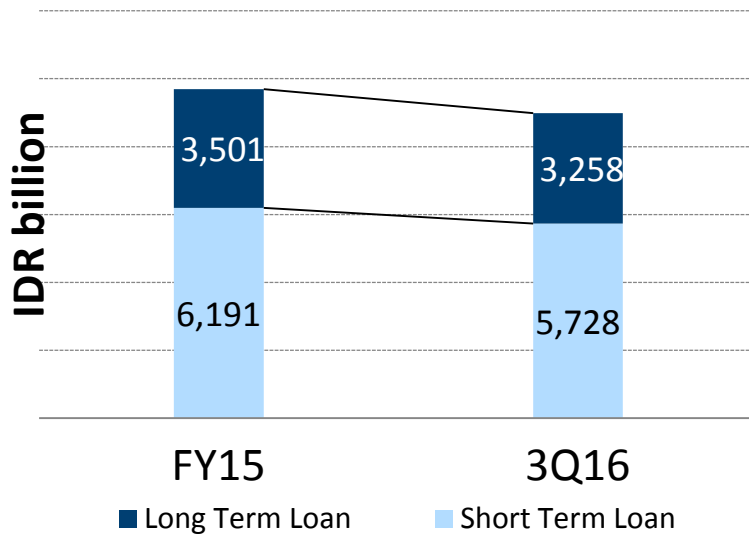
- **Revenue** decreased by 58% in third quarter of 2016.
- This was mostly due to decline of demand in automotive, building materials and metal businesses.

- **Profit (loss) attributable to owners of parent** significantly increase in third quarter of 2016.
- This was mainly because the Company recorded gain on forex.

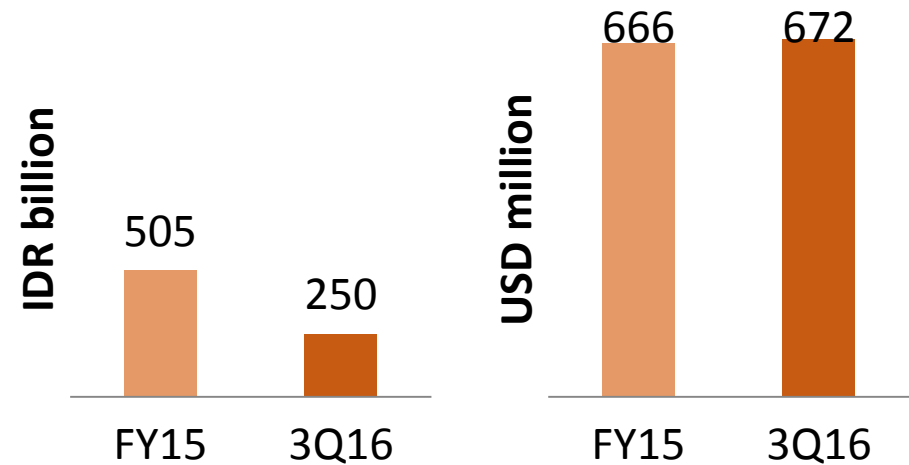
# DEBT STRATEGY

(Parent only)

Long Term vs. Short Term



Total Debt IDR and USD



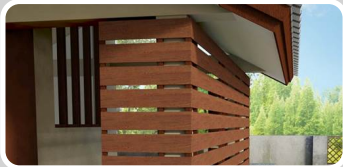
- **Total Loan** decreased by IDR 706 billion or 7%
- **Total Loan** in IDR decreased by IDR 255 billion or 50%
- **Total Loan** in USD experienced a 1% increase

# BUSINESS UPDATES ON PRIVATELY HELD COMPANIES



## Bakrie Autoparts

- The pioneer in grey & ductile casting iron products for OEM automotive components in Indonesia..
- 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.
- 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



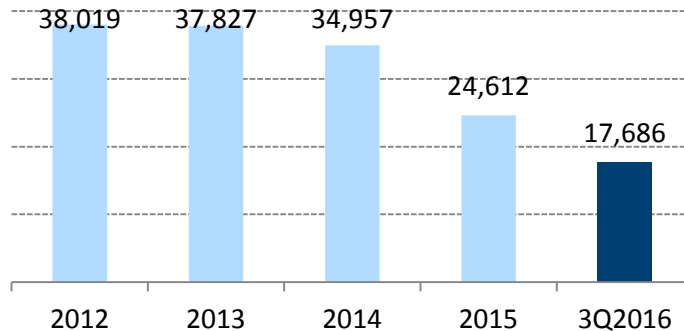
## Bakrie Indo Infrastructure (BIIN)

- 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*

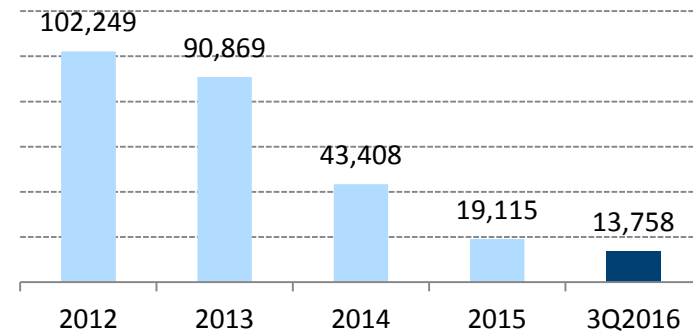
## Product

- OEM supplier for automotive components.
- Sales composition consists of 87% automotive components and 13% general casting.

## Performance

- Sales revenue decreased by 8% in 2014 and decreased by 30% in 2015, which reflects the slowing down of automotive industry.

EBITDA [million Rupiah]



## Prospect

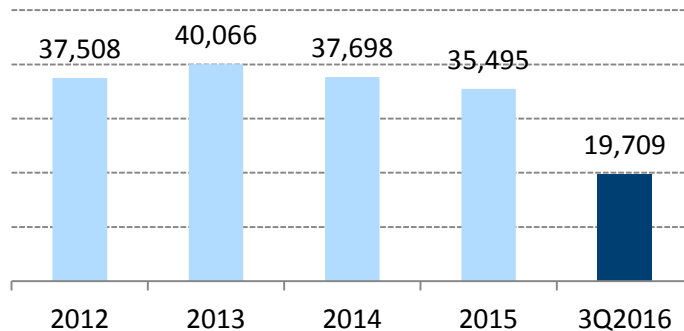
- In 2016, Gaikindo stated that the growth for sales in motor vehicles stayed at only 4%.
- Infrastructure projects are predicted to increase the demand for cars and trigger demands in rural areas. <sup>(1)</sup>.
- To further improve its performance, BA plans to tap into passenger vehicle market as commercial vehicle only comprises of 74% domestic market share in 2015<sup>(1)</sup>.

<sup>(1)</sup> GAIKINDO



# BAKRIE BUILDING INDUSTRIES

Sales Volume ['000 std.m]



*\*not including sales from Bangun Bantala Indonesia*

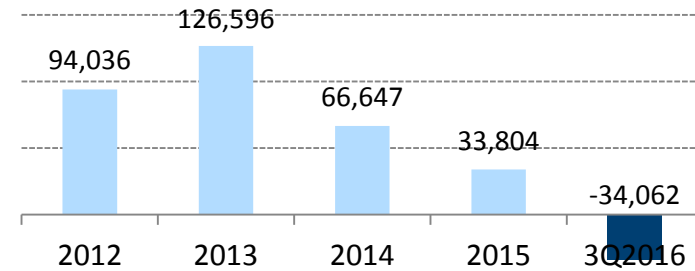
## Product

- 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 6% for both 2014 and 2015.

EBITDA [million Rupiah]



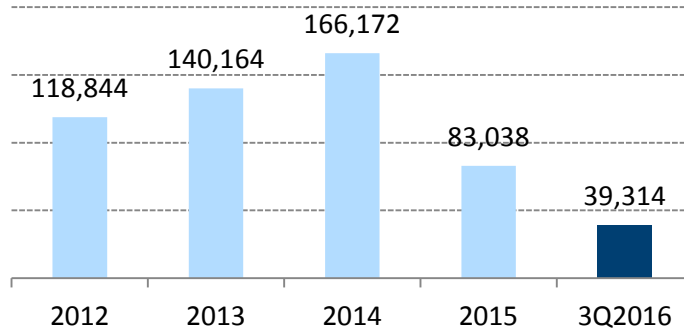
## Prospect

- In 2015 residential and hotel construction sector grew at 33% and 57% respectively<sup>(1)</sup>.
- Promising growth potentials in line with government policies to boost property industry includes; a decrease in BI rate per June 2015 (6.5%) and the 13<sup>th</sup> Economic Policy Package focusing on simplifying regulations on housing for the lower income segment of Indonesia.

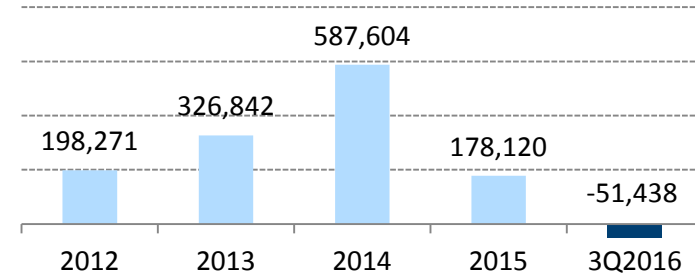
(1) BCI Economics

# BAKRIE METAL INDUSTRIES

Sales Volume (metric ton)



EBITDA [million Rupiah]



## Product

- Services for steel construction, EPC, and a producer for pipes with diameter ranging from 0,5in to 24in.
- Sales Composition consists of 60% steel pipes and 40% steel construction and EPC.

## Performance

- Sales Volume decreased by 50% in 2015.
- 2015 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

# 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

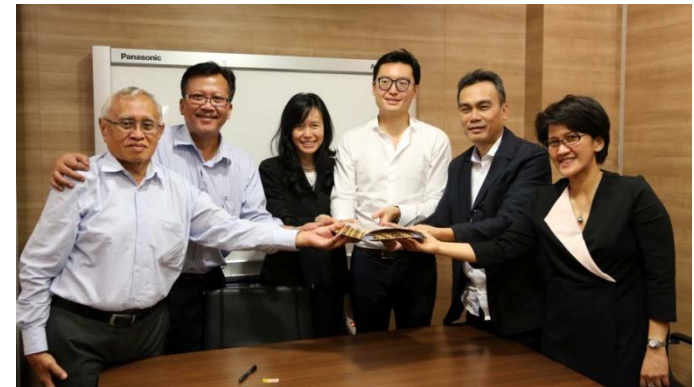


# GROWTH STRATEGY

## 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

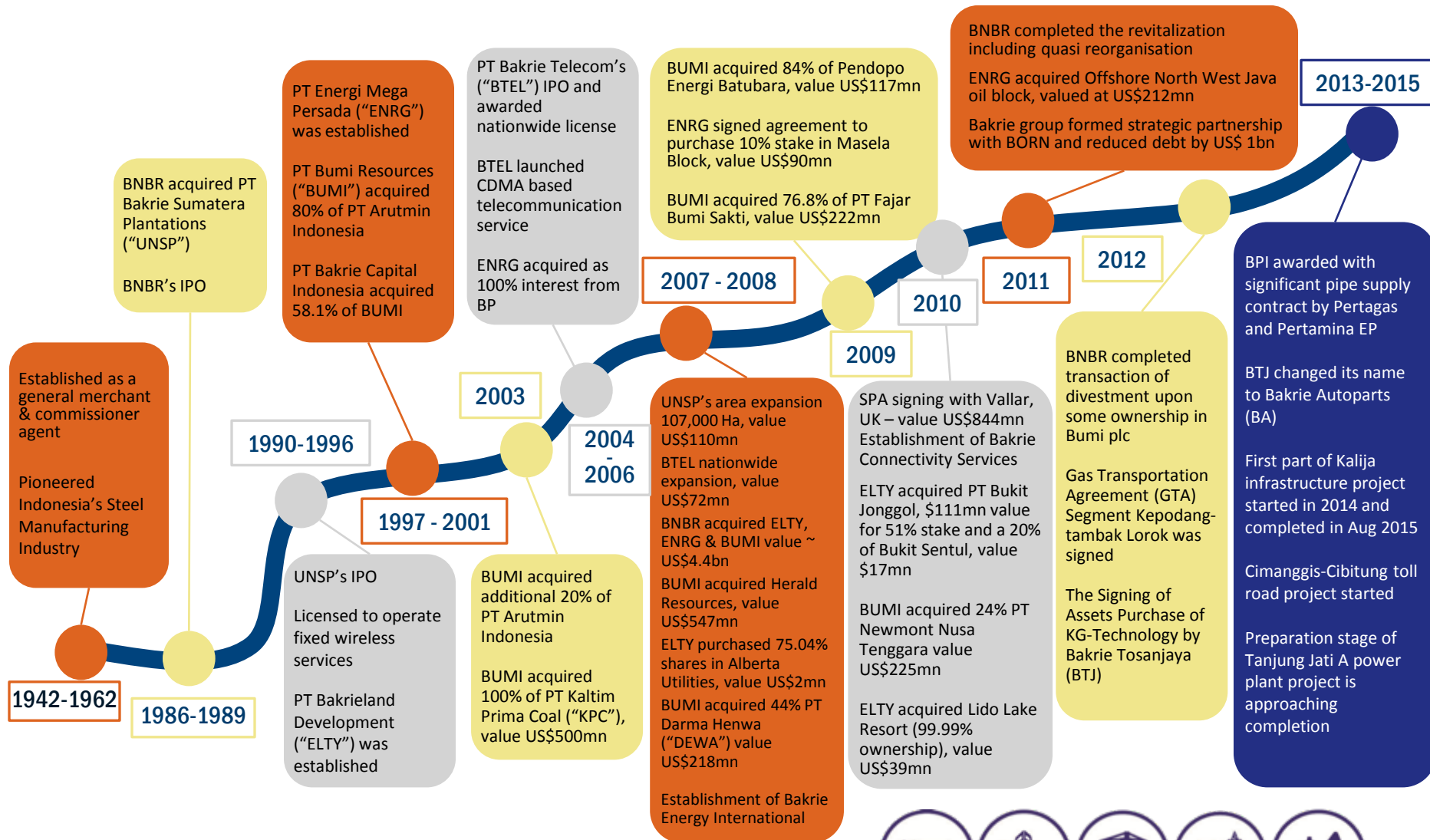


# APPENDIX





# SEVEN DECADES OF BUSINESS VENTURES



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