

# REDEFINING BAKRIE & BROTHERS

Management Update - December 2021



A black and white photograph of Winston Churchill. He is wearing a pinstriped suit and a bow tie, and is making a V-sign with his right hand. The background is a large, multi-story building with many windows.

“Never let a good crisis  
go to waste”

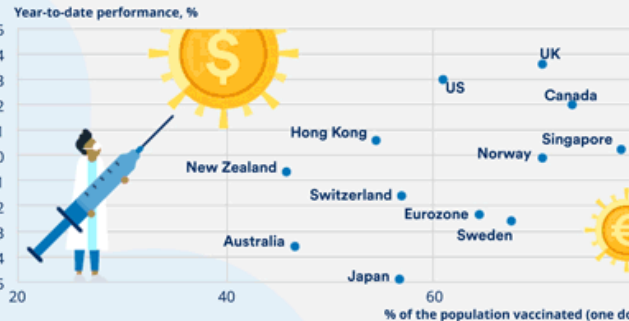
Winston Churchill – mid 1940s

# COVID-19 IMPACT

## Has Covid actually mattered to financial markets?

The success of the vaccine roll-out across countries has played out through currencies

Currency winners have typically benefitted from higher vaccination rates



Note: Currency performance is based on nominal effective exchange rates (NEER) except for the US which is based on the DXY index. Source: Our World in Data, Schroders Economics Group, Refinitiv Datastream, 31 August 2021.

## View at a glance: Schroders' GDP growth forecasts



Source: Schroders

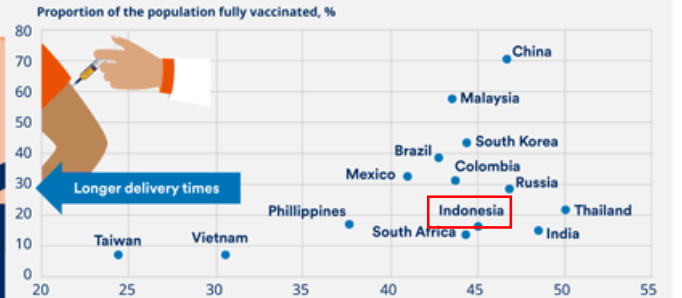
## How's vaccine inequality driving up global inflation?

Poor Covid vaccine distribution is disrupting local supply chains



Vaccine inequality is having an economic impact on a global scale, with rising global delivery times pointing to higher inflation

Under-vaccinated EM countries have longer delivery times



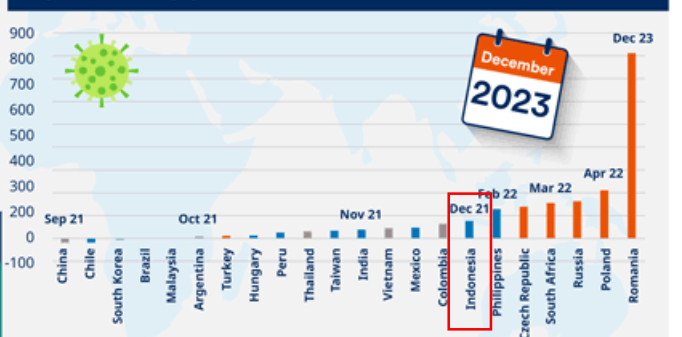
Note: the horizontal axis tracks delivery times using a purchasing managers' index (PMI). A number below 50 indicates deteriorating delivery times. Source: Schroders Economics Group, Refinitiv, Our World in Data, 27 September 2021.

## Which emerging markets are most at risk from future Covid outbreaks?

Low vaccination rates have meant that outbreaks of the Delta variant have caused disruption across Asia and in South Africa



Days until 70% of population receives at least one dose of vaccine



Source: Refinitiv Datastream, 20 September 2021.

# PANDEMI COVID-19: THE GREAT RESET



## *ECONOMIC RESET*

- 5.2 million deaths globally due to COVID-19.<sup>1</sup>
- The global economy is in recession with a contraction of 3.5% in 2020.<sup>2</sup>
- Inflation is rising in most developed and emerging economies.<sup>3</sup>

## *ENVIRONMENTAL RESET*

- Decreased mobility during the pandemic causes a temporary reduction in greenhouse gas emissions.
- The COP-26 Conference, Glasgow, is expected to realize the Paris Agreement targets.

## *TECHNOLOGICAL RESET*

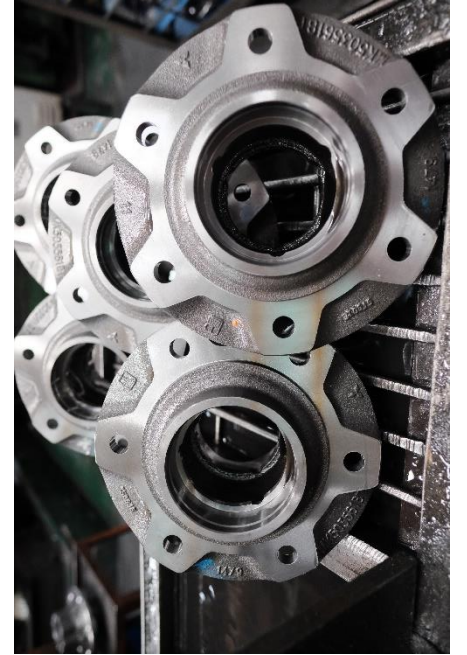
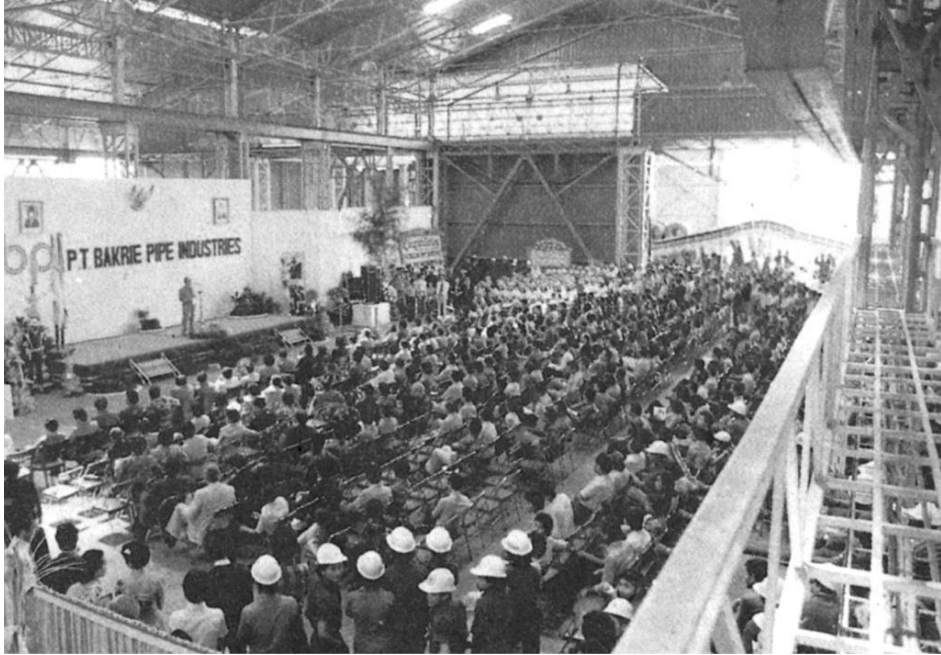
- Accelerated technology adaptation: hybrid workplace.
- Digital transformation: the use of AI, manufacturing 4.0.

1) [www.worldometers.info/coronavirus](http://www.worldometers.info/coronavirus)

2) World Bank

3) IMF

# WHAT PEOPLE REMEMBER ABOUT BNBR



# BUSINESS THAT FUELS INDONESIA'S DEVELOPMENT



Indonesia

## Budding Independence

Indonesia proclaimed its independence

1942 - 1960

## Miracle Growth

Indonesia's *miracle growth* period supported the growth of export-oriented manufacturing industries

1960 - 1997

## Reformation

Asian financial crisis gave momentum for significant economic, structural, and governance reform in the nation

1997 - 2005

## Consumer Boom

Strong domestic demand driven by consumer class gave monumental boost to the nation's growth

2005 - 2015

## Digital Economy

Digital economy presents \$133 billion opportunity growing at 49% CAGR

2015 - Beyond



Bakrie

## Establishment

Established General Merchant & Commission Agent businesses

## Expansion into Manufacturing & Agriculture

Expansion to steel manufacturing and plantation facilities

## Expansion into Energy

Privatized coal production to support Indonesia's growing energy needs

## Expansion into Consumer

Founded a leading media group focused on entertainment and sports

## Investing in Digital

Invested into digital services and infrastructure to support partner businesses

### BAKRIE & BROTHERS



**Steel Pipe**  
First steel pipe industry



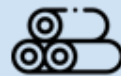
**EPC, Steel Structure**



**Building Material**



**Autoparts**



**Seamless Pipe**

**Steel Pipe**  
Large diameter API



**Gas Transportation**  
Kalimantan – Jawa pipeline I



**Toll Road**  
Cimanggis – Cibitung



**Power Plant**  
Coal-fired



**Electric Vehicle**

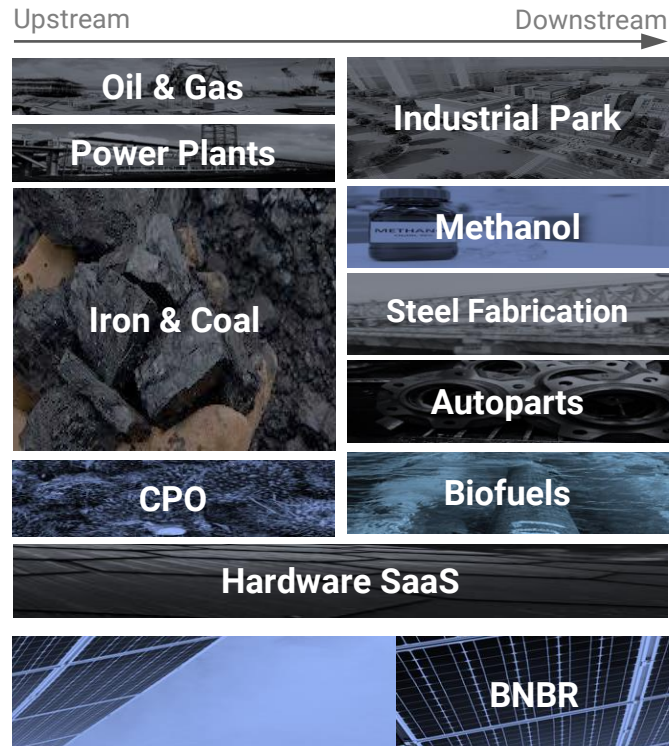


**Renewable Energy**

# WHAT PEOPLE WILL REMEMBER ABOUT BNBR

## Smart Industrialisation

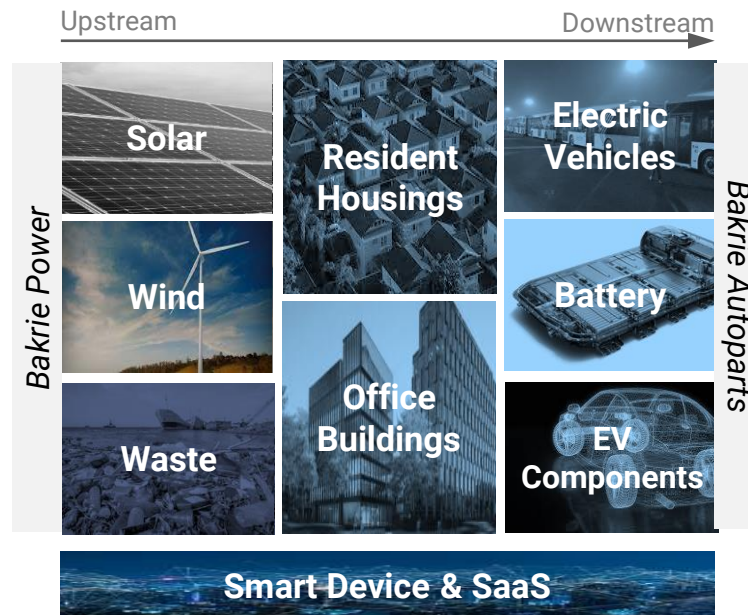
Industrialisation is our core fundamental business.



As an enabler which nurtures and enhances new businesses.

## Sustainable Economy

Accelerating transition to sustainable energy with electric cars, solar and integrated renewable energy solutions for homes and businesses.

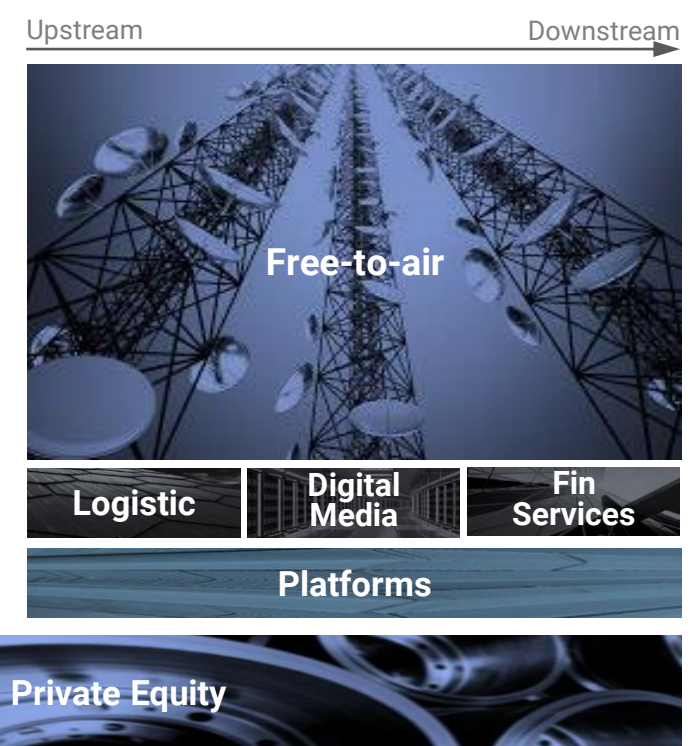


## Quantum Ventures, Convergence Ventures, etc

Focus on empowering start-ups in related verticals.

## Digital Services

Providing technology infrastructure and internet services that enables businesses to enrich the lives of Indonesia's growing consumer class.



# UNLOCKING EXPONENTIAL GROWTH

## Who we are

Supported by Bakrie Group as anchor LP, QVF is a \$30m early-stage VC fund venture-building and investing in innovative companies across Indonesia's renewable energy, EV, logistics, and fintech sectors.

## Our competitive advantages

QVF provides portfolio companies with guidance and resources for success, ranging from **team building, market research, exit strategy, cross-pollination, funding, and unfair access to “ecosystem superchargers”** (i.e. government, incumbents, investors).

## Portfolio companies

**+\$10m of capital deployed** as we build and scale startups in target verticals and realize synergies with strategic partners.



# FOCUS ON ESG

# E

## Environment

Each BNBR manufacturing business unit has an Environmental Management System (ISO 14001) certification.

Environmental management around the operational area is carried out by involving the authorized departments.



# S

## Social

BNBR consistently develops human resources through Bakrie Learning Center programs.

Community development is carried out collectively with other Bakrie group companies through the Bakrie Amanah foundation.



# G

## Governance

BNBR always prioritizes good corporate governance in carrying out its business.

BNBR routinely conducts assessments of the implementation of corporate governance of all its business units.



# FOCUS ON SDGs

*BNBR has mapped out several Sustainable Development Goals (SDGs) which have been in line with our commitments over the past few years and will continue to increase in the coming year.*

1 NO POVERTY



## Human Rights

- Formulation and implementation of the BNBR Code of Ethics and Business Conduct Policy.
- Commitment to comply with the law and fulfill the responsibility to pay taxes.
- Respect civil and political rights, as well as economic, social and cultural rights.

3 GOOD HEALTH AND WELL-BEING



## Labor Practices

- Provide a good working environment and social protection and support the practice of social dialogue.
- Support and manage Occupational Health and Safety (OHS).

4 QUALITY EDUCATION



## Community Engagement and Development

- Making social investments through improving social aspects for the lives of people around BNBR.
- Engage in actions to improve the quality of education for employees and communities around BNBR.

5 GENDER EQUALITY



## Gender Equality

- Providing equal and equal opportunities for everyone to become employees, receive training, and develop a career in the BNBR group.
- Support individual development.

7 AFFORDABLE AND CLEAN ENERGY



## Environment

- Implementation and management of environmental risks.
- Sustainable and environmentally friendly business development, including electric buses and renewable energy.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



## Sustainable Industry

- Support sustainable industrial development, innovation and infrastructure.
- Supporting innovation towards the realization of Manufacturing 4.0.

11 SUSTAINABLE CITIES AND COMMUNITIES



## Inclusive City

- Support the provision of environmentally friendly urban public transportation.
- Support the resolution of housing backlog problems in Indonesia.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## Consumer Issues

- Provide customer service, support and dispute resolution.
- Provide clear and useful user information for each product and service.

# BNBR IS EVOLVING INTO FUTURE SUSTAINABLE BUSINESSES



- Over 40 years of experience in forging and casting.
- Producers of automotive components for OEMs.
- Caters mostly to ICE (Internal Combustion Engine) commercial vehicles.



- One of the pioneers of EV in Indonesia.
- Business focus on Heavy eMobility.
- Owner of leading EV brands with industrial integrator plan in the pipeline.



- Established in 1994 by BNBR to capture opportunities in the power sector.
- Experienced in handling coal-fired power plants.



- Renewable energy (RE) developer aiming to lead energy transition in Indonesia.
- Experienced in providing cost efficient solution for de-dieselization projects.



- Over 30 years of experience in fiber-cement based building materials business.
- Producers of the well known brand Harflex for roofing product and Versa for board product.

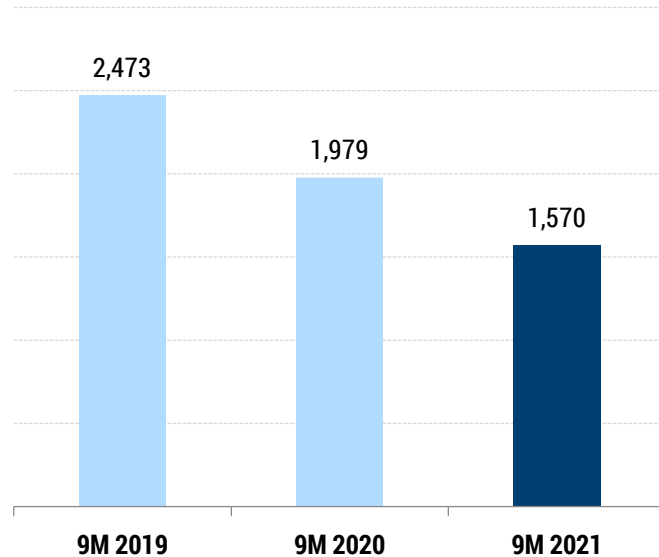


- Solution provider for housing backlog problems.
- Proven prefab housing designs and productions.
- Set to adopt the latest 3-D printing technology in construction.

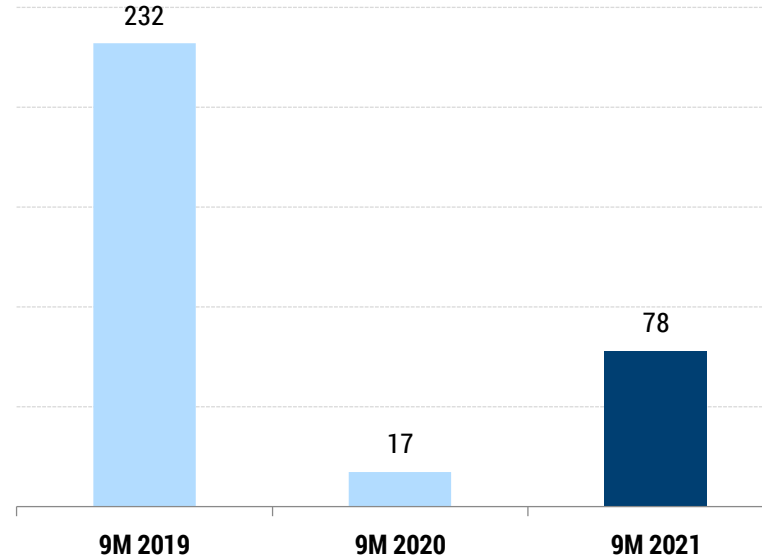


# FINANCIAL PERFORMANCE 9M-2021 (1)

Revenue (y-o-y)



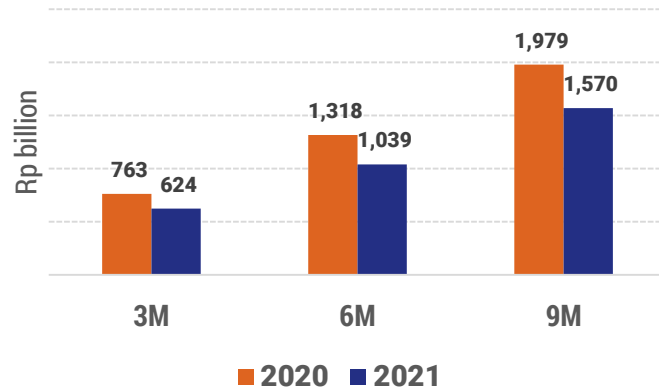
EBITDA (y-o-y)



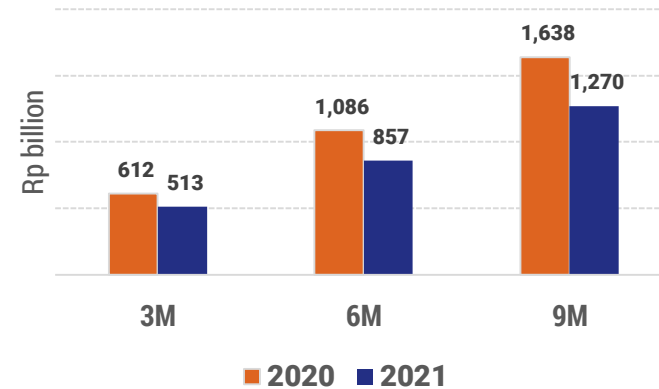
In the first nine months of 2020 and 2021 COVID-19 had quite an impact on Revenue. However, it appears that the Company can increase EBITDA by forming a V-shape.

# FINANCIAL PERFORMANCE 9M-2021 (2)

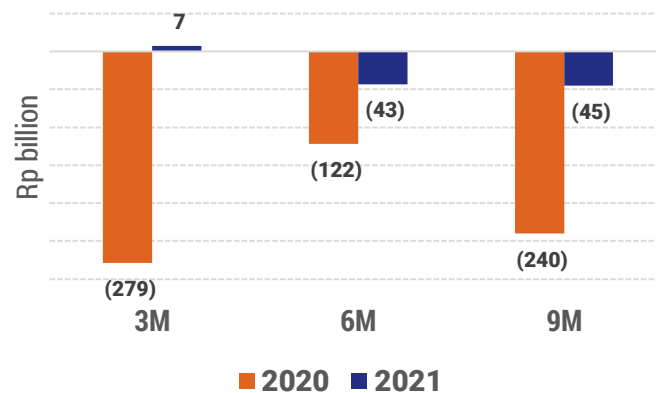
## Revenue



## COGS



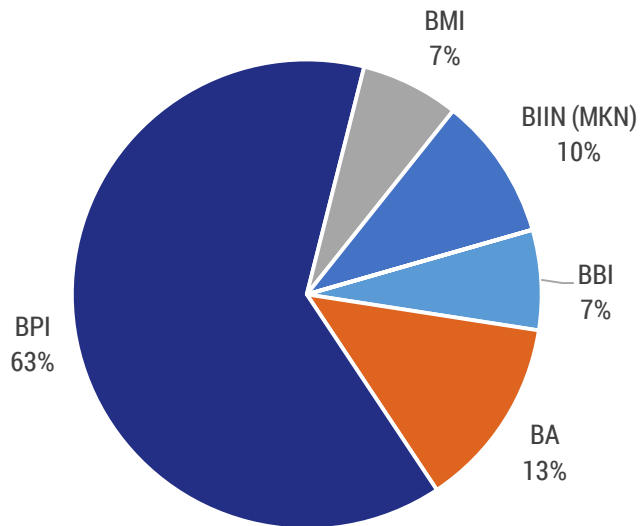
## Net Income



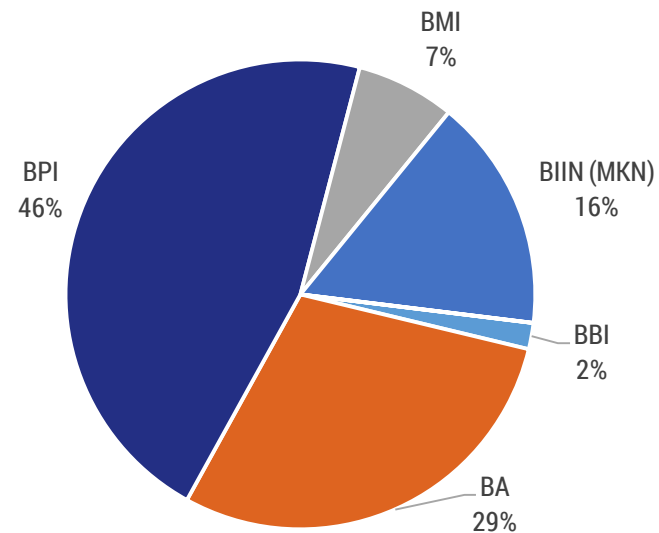
The V-shape improvement in EBITDA is the result of the Company in implementing efficient cost management. Although Net Income is still negative, it shows a significant improvement compared to last year in the same period.

# FINANCIAL PERFORMANCE 9M-2021 (3)

Revenue 3Q 2020



Revenue 3Q 2021



In the breakdown of BNBR's revenue for the third quarter of 2020 and 2021, BNBR's business evolution/pivoting towards electrification and technology can be seen, namely in BA and MKN.

# ON-GOING TASKS



## Good Corporate Governance

Improving the implementation of GCG in a sustainable manner by adhering to the Trimatra Bakrie.



## Debt Restructuring

Debt settlement has entered the final discussion stage with creditors.



## Existing Projects

Existing infrastructure projects are still running according to the agreed schedule.



## Business Units

Increasing efficiency in business development of existing business units.



## Collaboration

Continuing collaboration with existing partners (ie Quantum Fund – Strategic Private Equity) and other potential partners (Strategic Partners).



## Start Up Incubation & Acceleration

Incubate new businesses by leveraging disruptive technologies such as electric vehicles, renewables, and 3-D printing.

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