



# REDEFINING BAKRIE & BROTHERS

Annual Public Expose - 13 December 2022





# AGENDA

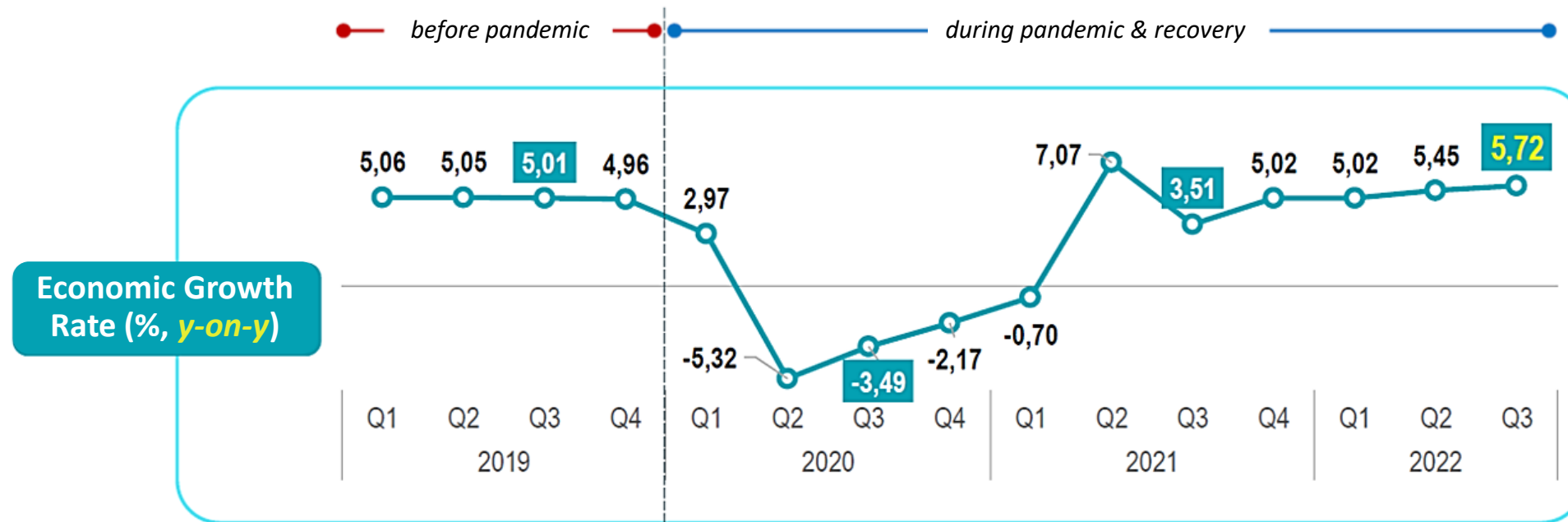
- Intro
- Financial Update
- BNBR Business
- Growth Strategy
- Strategic Initiatives
- Appendix



# INTRO



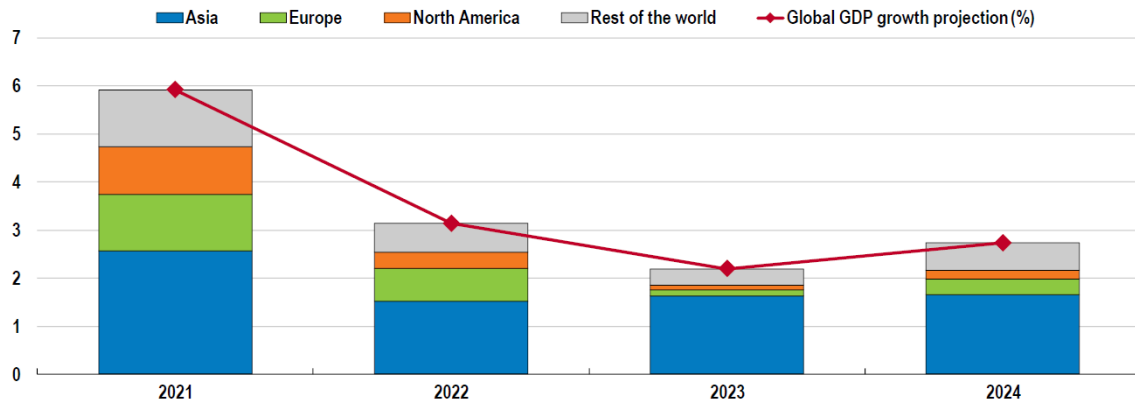
# THE INDONESIAN ECONOMY CONTINUES TO GROW



On a **y-o-y** basis economic growth of **Quarter 3 - 2022** is getting stronger and heading toward recovery

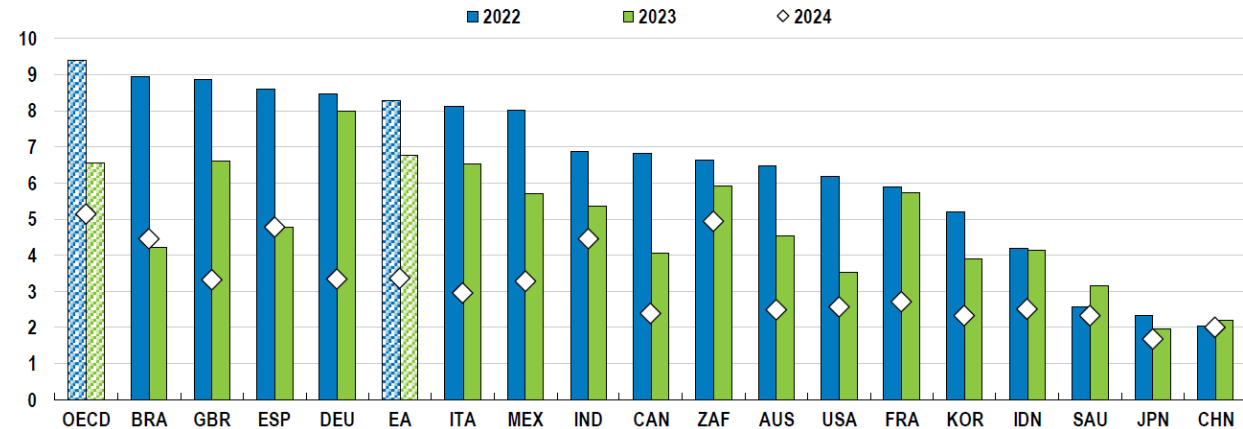
# GETTING READY FOR 2023 (1)

## Contributions to global growth [ppts]



Global economic growth is expected to slow down in 2023 and then increase again in 2024.

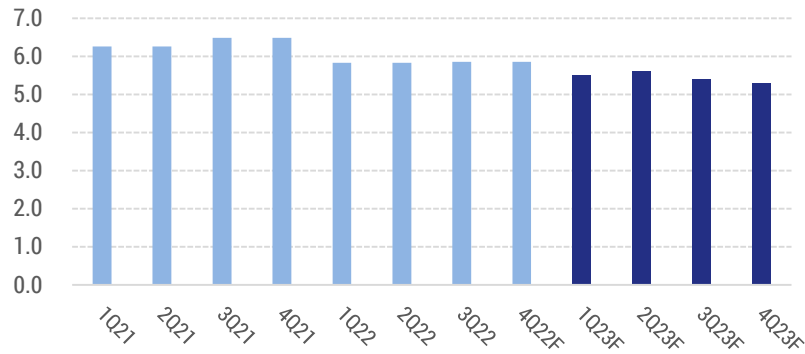
## Inflation projections G20 Economies [%]



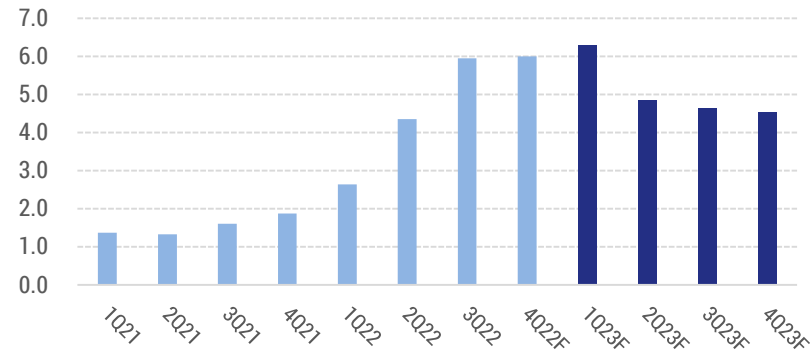
Inflation is expected to remain high in 2023, although it is expected to improve.

# GETTING READY FOR 2023 (2)

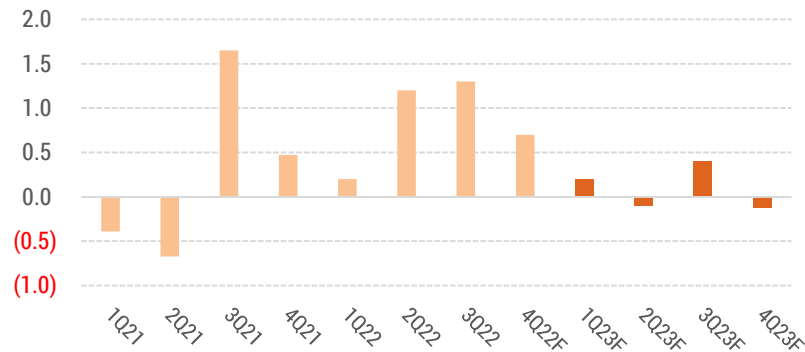
Unemployment rate  
Indonesia (% nsa)



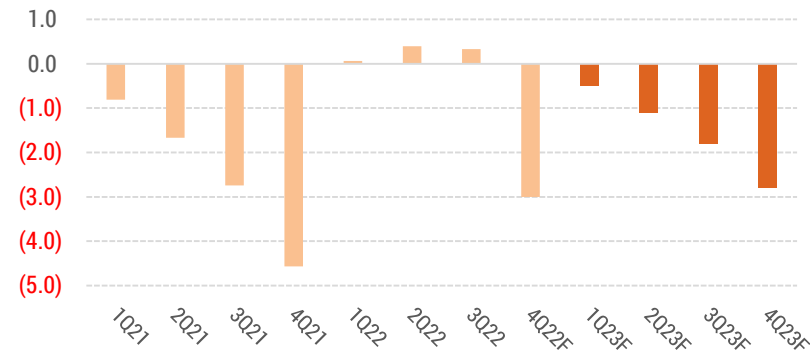
Consumer Price  
Indonesia



Current account balance  
Indonesia (% to GDP)



Fiscal balance  
Indonesia (% to GDP)



# G20 INDONESIA 2022: ACTION PLAN

G20 PRESIDENCY OF INDONESIA

RECOVER TOGETHER  
RECOVER STRONGER



**Flexibility** in our macro-economic policy responses and cooperation

**Protect the stability** of macro-economy and financial and remain committed to using all available tools

Promote **food and energy security** and support stability of markets

**Further investments** for developing countries

**Accelerate** achievement of the **SDGs**

Source: G20 Bali Leaders' Declaration, November 15 – 16, 2022



Advancing Innovation  
Inclusive and Growth

# B20 INDONESIA: KEY MESSAGES

## SUPPORTING G20 PRIORITY ISSUES



Global Health  
Architecture



Digital  
Transformation



Sustainable  
Energy Transition

Source: B20 Indonesia Final Communique

## TOTAL INVESTMENT US\$ 13,2 BILLION

Successfully brought in from the United States, China, United Arab Emirates, Singapore and others for various fields, including digitalization, manufacturing, infrastructure, to energy and renewable energy.

Source: <https://ekonomi.bisnis.com/read/20221122/9/1600890/rangkaian-pertemuan-b20-gaet-investasi-rp207-triliun>



# INDONESIA'S STRATEGIC POSITIONING

## Has substantially strengthened post G20 Bali

### Why Indonesia Matters

Indonesia is back on the map. In the next decade it will only become more important.

With a fifth of global reserves of nickel, used in batteries, the country is a vital link in electric-vehicle (EV) supply chains.

Indonesia has grown faster than any other \$1trn-plus economy bar China and India in the past decade.

Coal-fired power stations are being retired early, pushing these new industries to run on clean power.



### Indonesia's unexpected success story

FT FINANCIAL TIMES



At a time when the global economy is being battered by the war in Ukraine and the global energy, food and climate crises, Indonesia has emerged as an unlikely outlier:

- GDP 5.4% YoY (well above forecast)
- Inflation rate 4.7% in August 2022, one of the lowest globally
- Rupiah is among the best performing in Asia this year
- Indonesia stock market is hitting record highs

**3rd**

Largest  
Democracy

**\$60**

Billions  
Of investment has  
been secured

More than **100 million people**  
collectively spending  
**\$80 billion** a year

**5,4%**

year-on-year expansion of  
GDP in 2Q 2022

**16 airports**

built during the presidency of  
Joko Widodo, as well as 18  
ports and 38 dams

**2,042 km**

distance of new toll roads  
built in Indonesia in the  
same period

Source: Economist.com. 2022. why-indonesia-matters. [online]

Available at: <<https://www.economist.com/leaders/2022/11/17/why-indonesia-matters>> [Accessed on 24 November 2022].

# BAKRIE GROUP HAS BEEN A PROMINENT BUSINESS VOICE

To the Indonesia's strategic rise



## Summit 1-on-1 conversation NAVIGATING FUTURE DISRUPTION OF GLOBAL TECHNOLOGICAL INOVATION

With Elon Musk, CEO, *Tesla Inc*  
Moderated by Anindya Bakrie, CEO and  
President Director, *Bakrie & Brothers*



### *How should Indonesia contribute in this transition?*

"Indonesia already making their significance contribution already with the production critical ingredient for battery. Nickel as you mentioned it is key ingredients in lithium ion batteries especially for long range vehicles."

"Indonesia also doing a lot of renewable energy generation, so with combination of sustainable mining, renewable energy generation, and just overall advancement in connectivity and education, Indonesia gonna make a great contribution."

"Lithium is actually only few percent of battery weight, whereas nickel is actually majority ingredients of battery weight."





# HIGHLIGHTS OF 2022 ACHIEVEMENTS



- Steel pipe production reached 62,350 ton, with over 50% of market share in oil & gas segment.
- Electrical poles production reached 15,870 ton, equivalent to  $\pm 556$  km length, with a market share of approximately 25%.



- Automotive components production reached  $\pm 16,000$  ton.
- Market share domination in two commercial vehicles OEM, 100% in Mitsubishi and 60% in Hino.



- Construction of a fiber optic network of  $\pm 1,800$  km / a total of 65,000 homepass.



- Spin off into BNBR subsidiaries with expertise in electrification field.
- Establishment of R&D facilities in the field of electrification by involving several well-known universities.
- Received additional order of electric bus as much as 22 units.



- Invested in 3D printing construction technology by forming a Joint Venture between Bakrie & Brothers (Modula) and COBOD international.



- Average number of vehicles passing through Section I of Cimanggis Cibitung toll road increased by 18% compared to previous year, reaching 36,398 vehicles per day.



# BNBR: BUSINESS THAT FUELS INDONESIA'S DEVELOPMENT



## Budding Independence

Indonesia proclaimed its independence

## Miracle Growth

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

## Reformation

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

## Consumer Boom

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

## Digital Economy

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

1942 - 1960

1960 - 1997

1997 - 2005

2005 - 2015

2015 - Beyond



## Establishment

Established as general merchant & commission agent business

## 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 Pipes  
First steel pipe industry



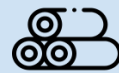
EPC, Steel Structure



Building Materials



Automotive Components



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



3D Printing  
Construction



Internet of Things

# 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 SUSTAINABLE BUSINESS



## **Bakrie Autoparts**

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



V K T R

- 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.



## **Bakrie Power**

- 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.



## **Bakrie Building Industries**

- 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.



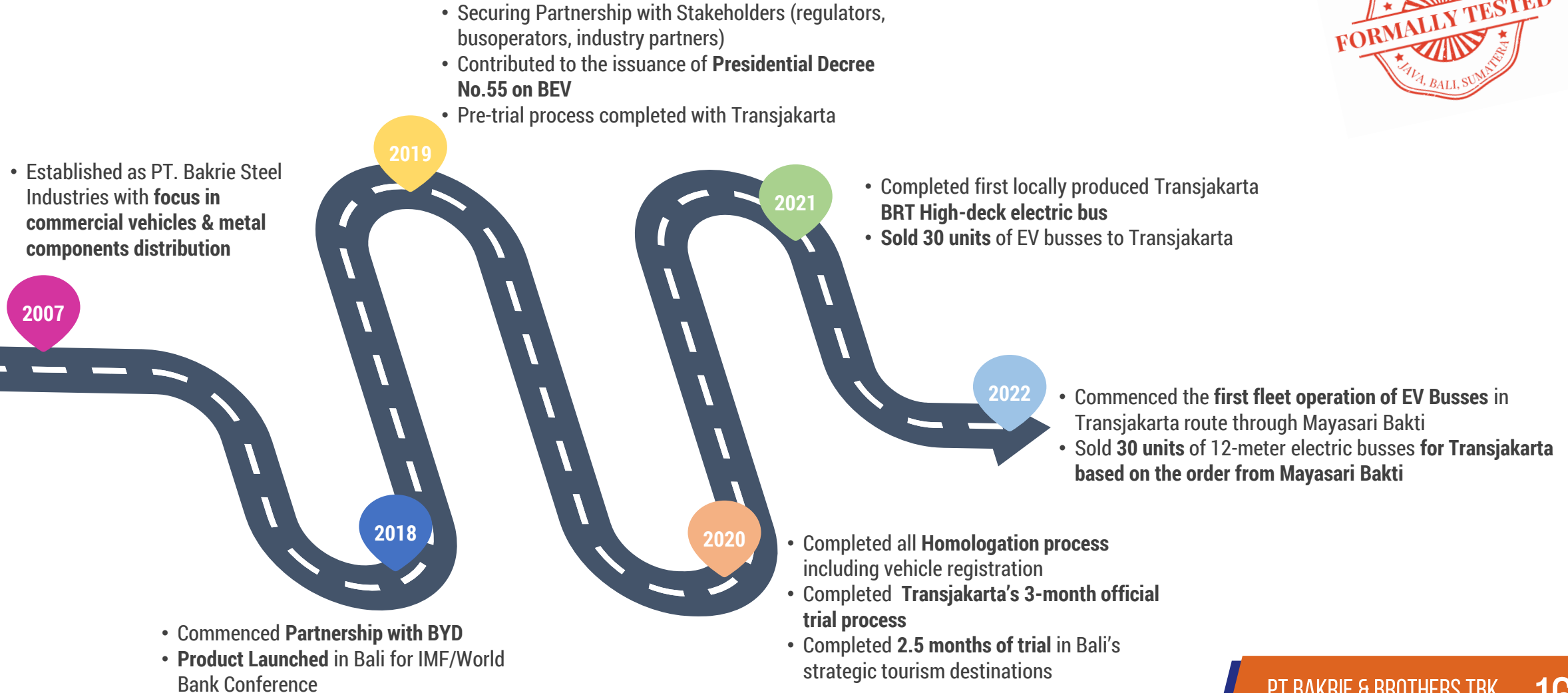
M O D U L A

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

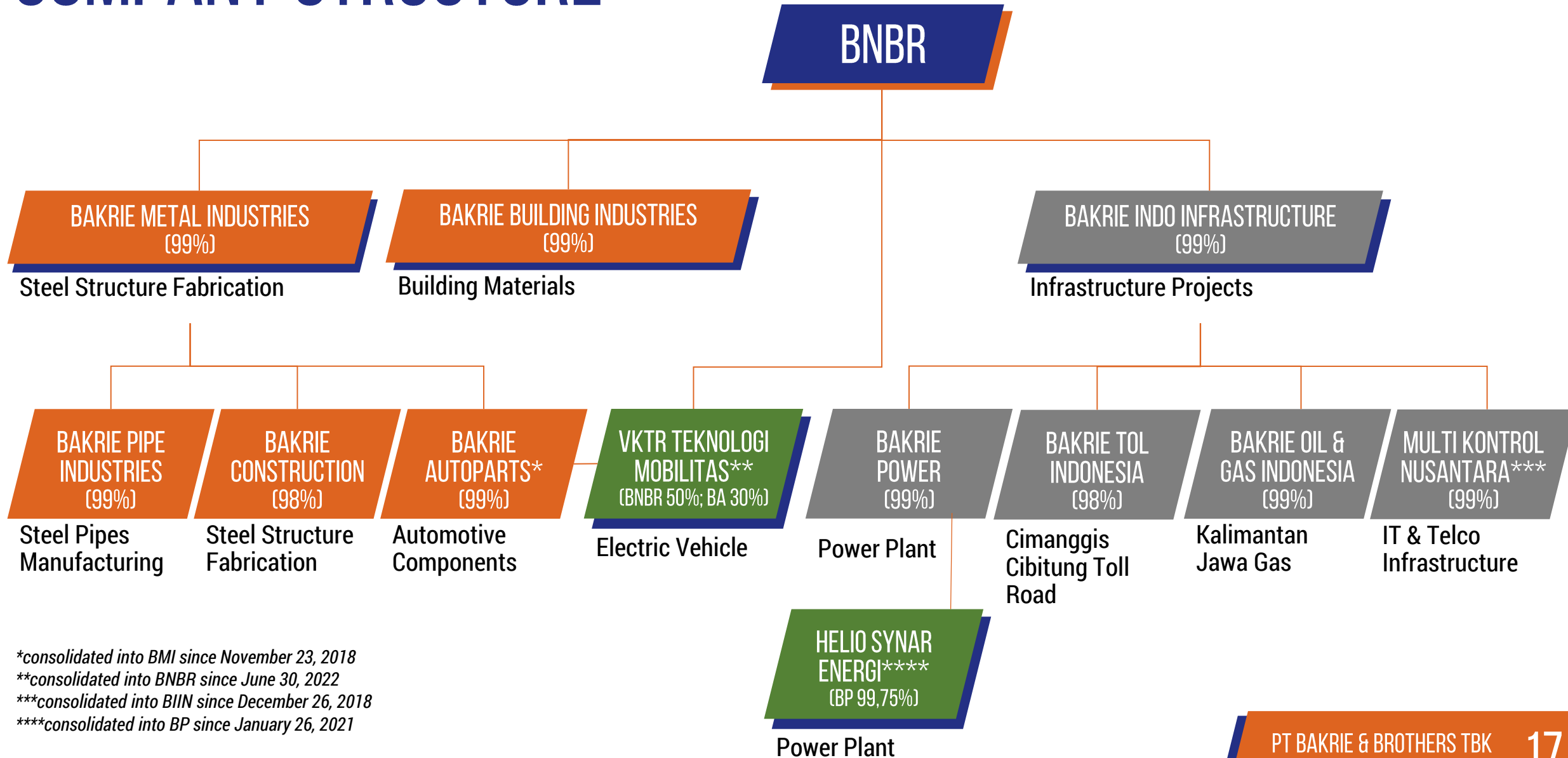


# SUSTAINABLE BUSINESS

## PT VKTR TEKNOLOGI MOBILITAS



# COMPANY STRUCTURE



\*consolidated into BMI since November 23, 2018

\*\*consolidated into BNBR since June 30, 2022

\*\*\*consolidated into BIIN since December 26, 2018

\*\*\*\*consolidated into BP since January 26, 2021

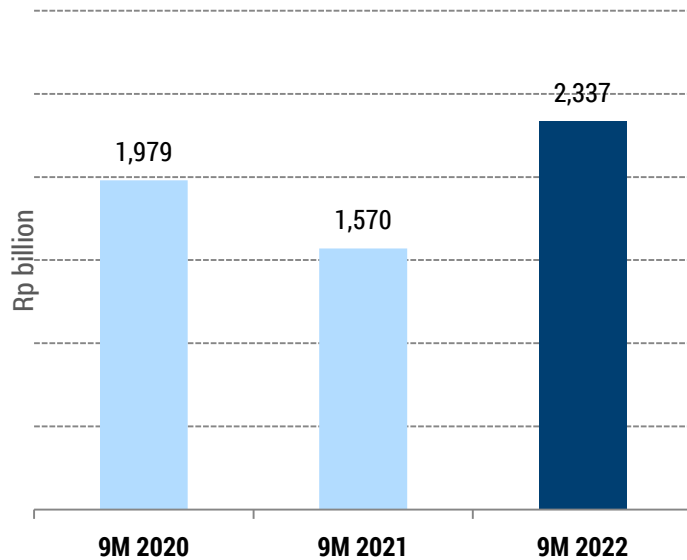




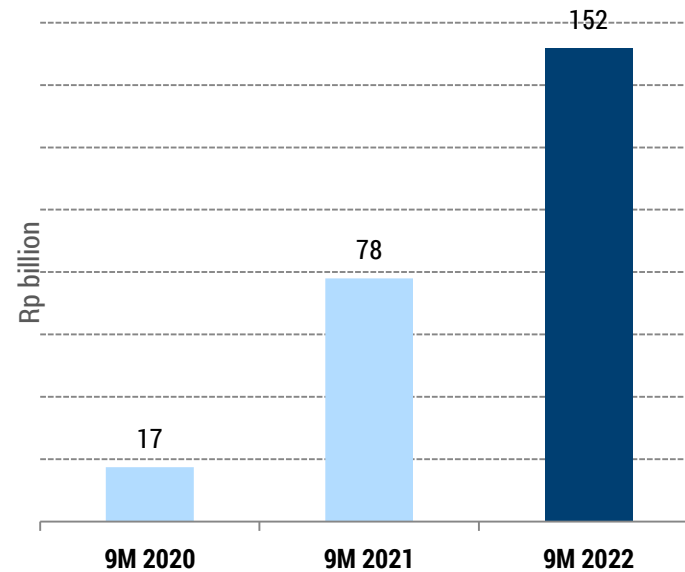
# FINANCIAL UPDATE

# FINANCIAL PERFORMANCE 9M-2022 (1)

Revenue (y-o-y)



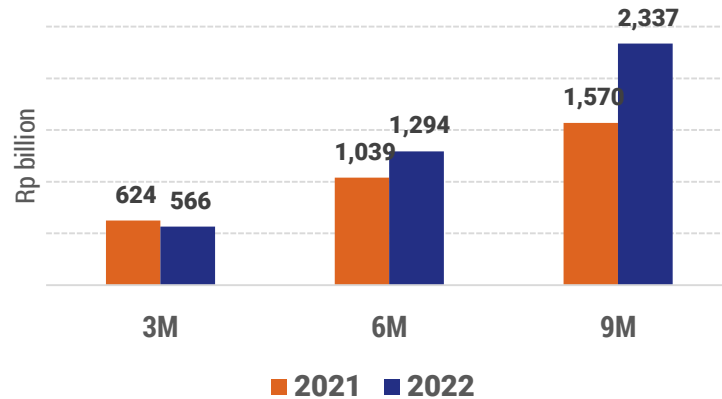
EBITDA (y-o-y)



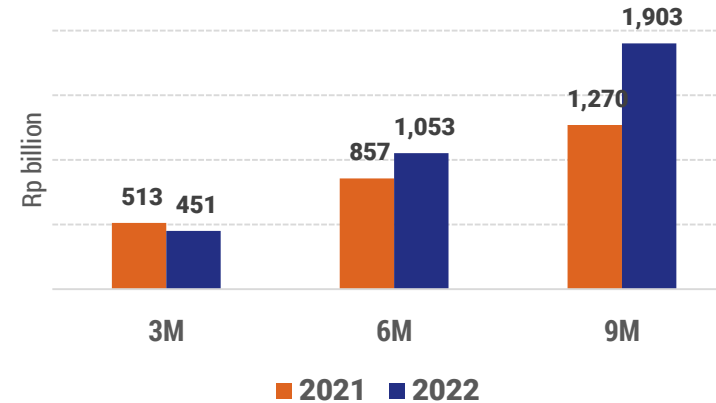
In the first nine months of 2020 and 2021, COVID-19 had quite an impact on Revenue. Recovery conditions are increasingly visible in 2022.

# FINANCIAL PERFORMANCE 9M-2022 (2)

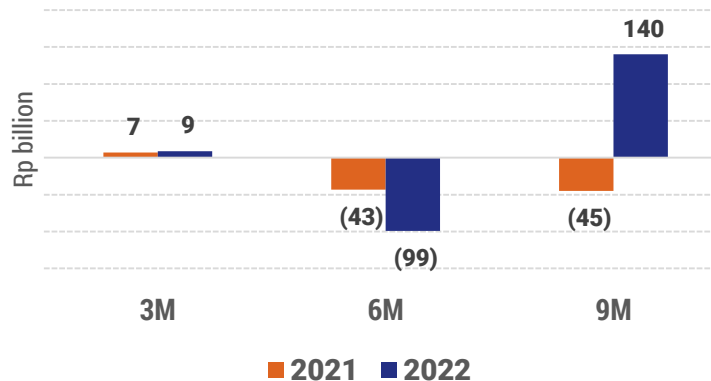
## Revenue



## COGS



## Net Profit

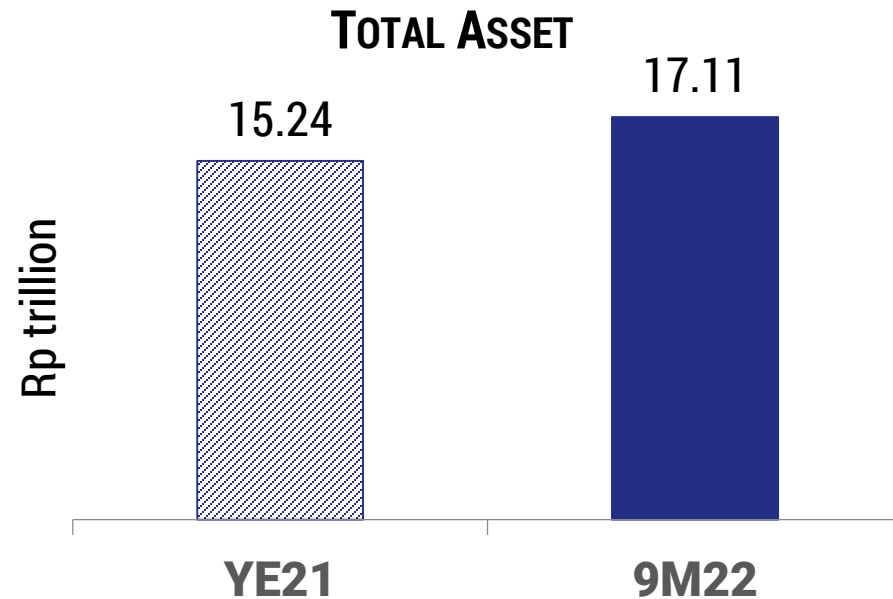


The Company's efforts to implement efficient cost management resulted in recording Net Profit in the first nine months of 2022.

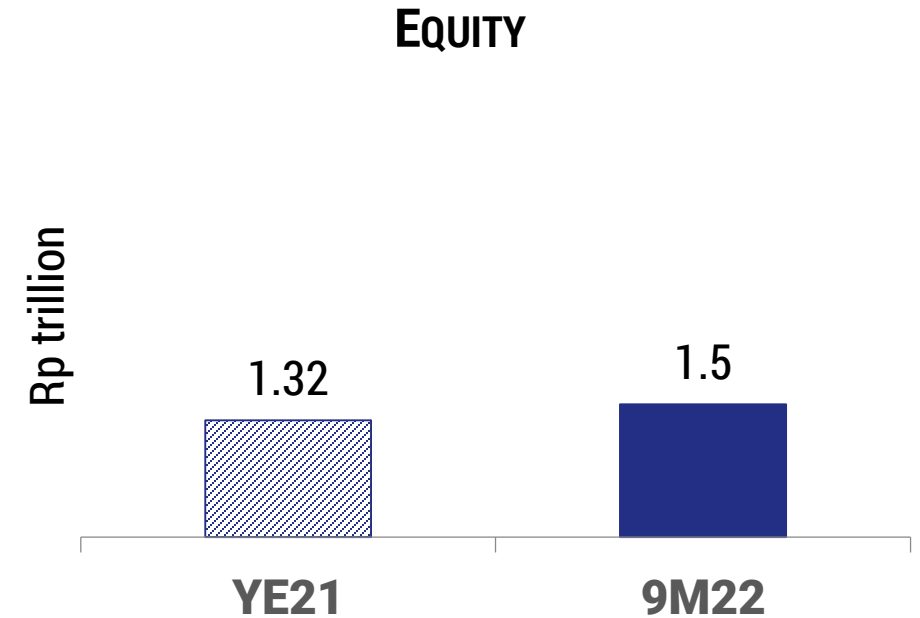


# FINANCIAL PERFORMANCE 9M-2022 (3)

## Balance Sheet



- **Assets** increased in the first nine months of 2022 due to increase of short-term investments and trade receivables of third parties.

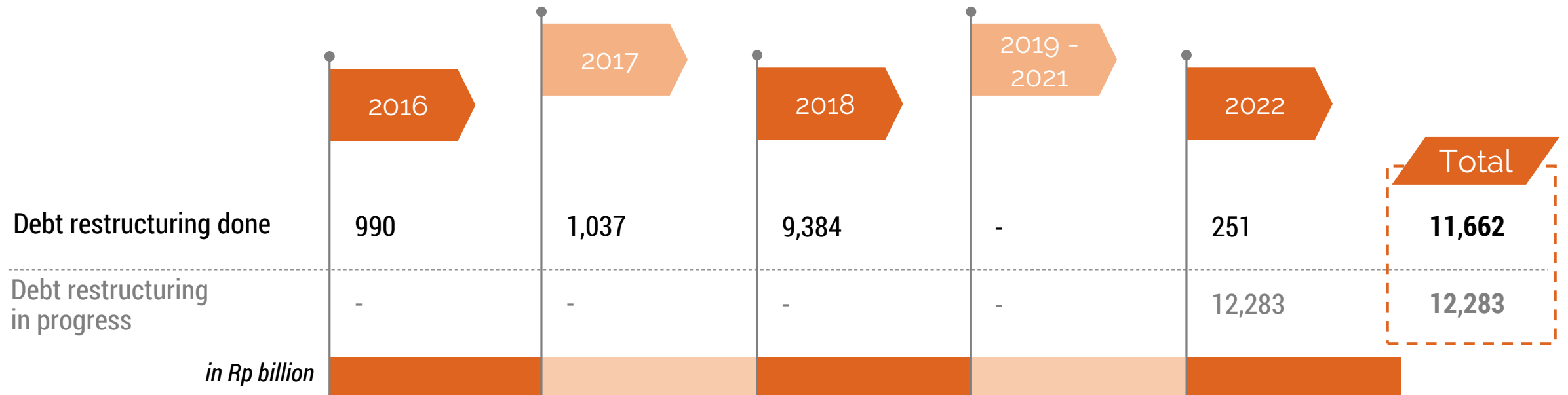


- **Equity** increased 14% in the first nine months of 2022 compared to the end of the previous year.

# DEBT RESTRUCTURING

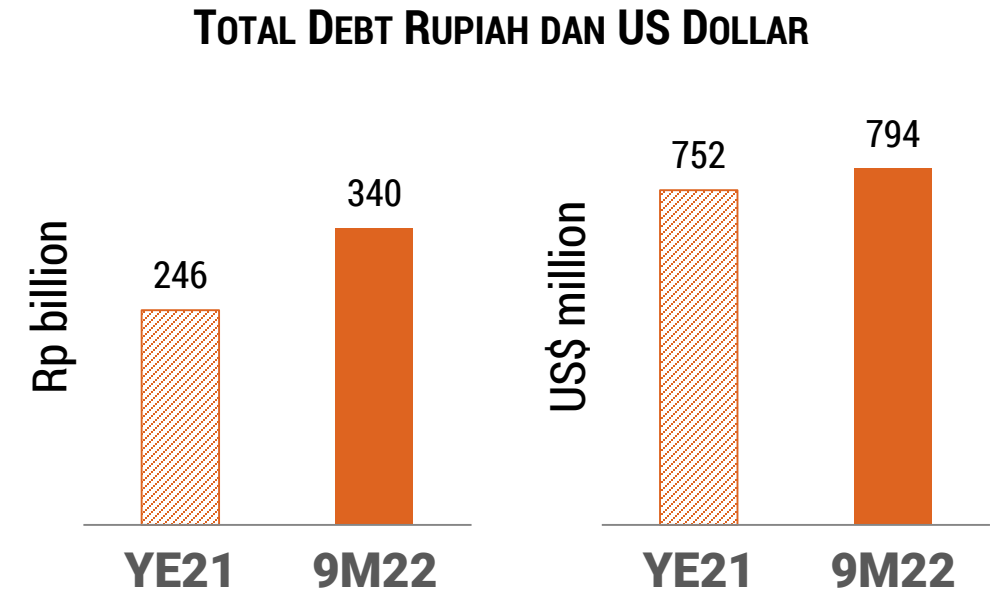
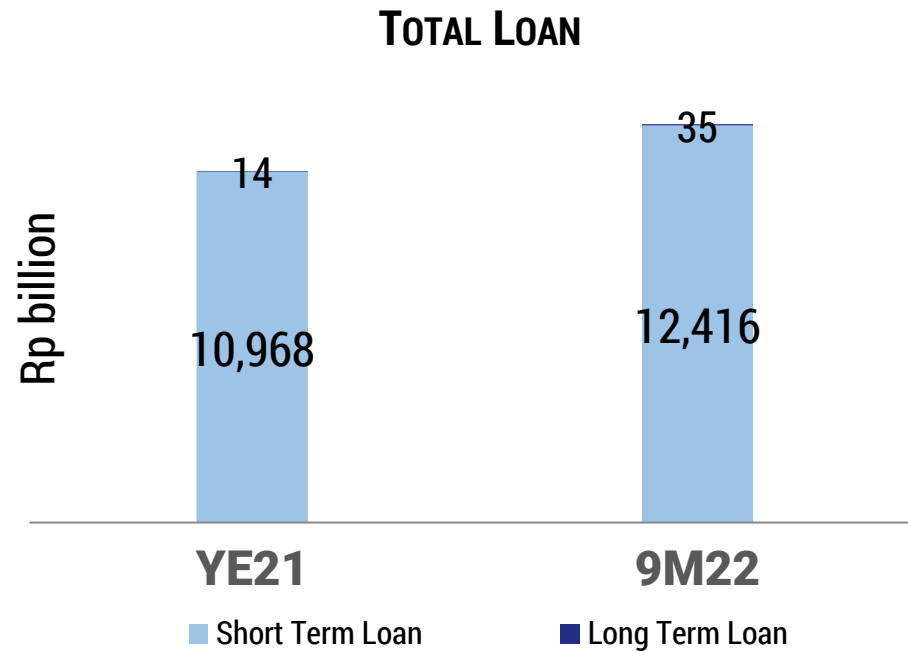
## Parent Only

- Company's effort to revitalize its balance sheet has shown positive signs.
- Company will continue its debt restructuring efforts with remaining creditors



# DEBT POSITION AND COMPOSITION

Parent Only



- The increase in debt is the impact of the weakening of the Rupiah exchange rate against the US Dollar.





# BNBR BUSINESS



# PRIVATELY HELD COMPANIES



- 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.
- In the near future BA plans to tap into passenger vehicle and replacement market to further expand its business.
- BA has also developed electric vehicle business.



- Has extensive experience as producer of fiber-cement products for domestic and export market.
- BBI is has transformed into a prefab housing solution provider as well as distribution and logistic services provider.
- Supporting the resolution of housing backlog issues in Indonesia by adapting the latest technology in the construction sector.
- BBI helps to initiate a business in the field of environmentally friendly 3D printing construction.



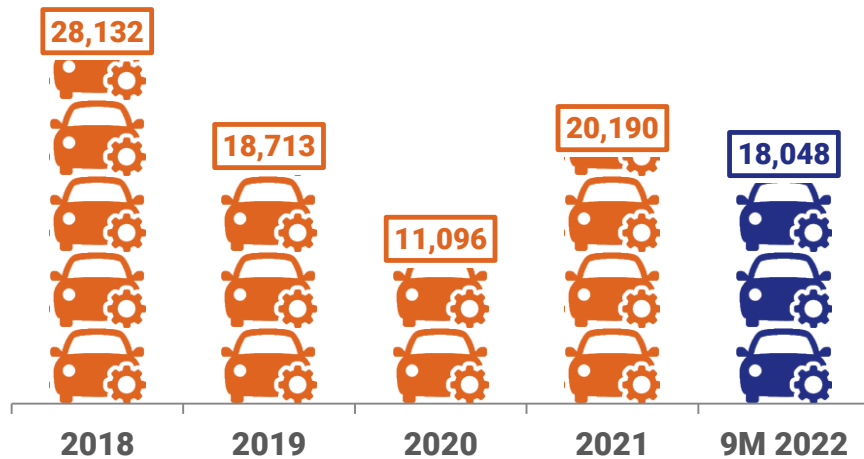
- Specializing in steel fabrication and civil engineering services to diversified sectors, has produced bridges with a total length of over 26 km.
- Extensive experience in handling major EPC projects for offshore and onshore facilities.
- Produces small to large steel pipes for oil & gas distribution, construction and water pipe.
- Held significant portion of local pipe market share with major oil & gas customers. In the 2017 -2020 period, one out of three new electricity poles in Indonesia was produced by a BMI subsidiary.



- Bakrie Power has the capacity of developing power plants, currently developing various power plants with new and renewable energy.
- 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.
- Multi Kontrol Nusantara has the capacity in infrastructure development in the field of information and communication technology.

# BAKRIE AUTOPARTS

SALES VOLUME [METRIC TON]



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

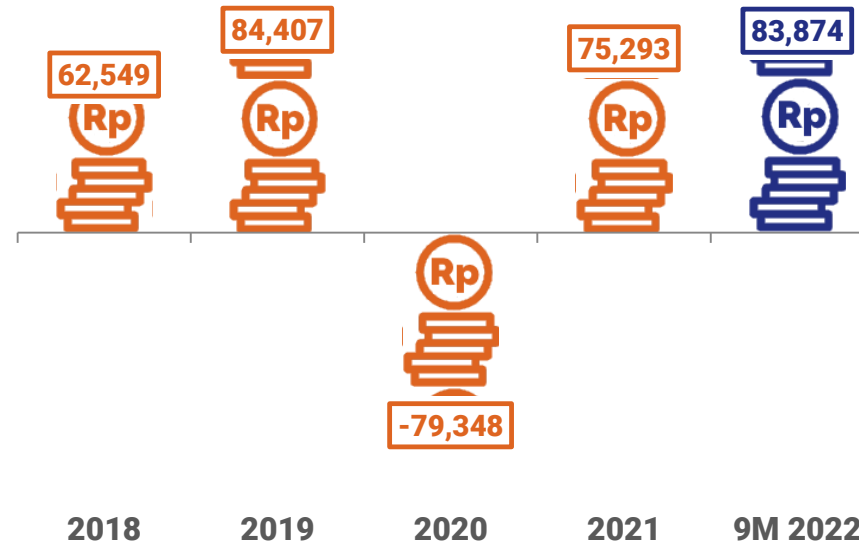
## Product

- OEM supplier for automotive components.
- Sales composition consists of 83% automotive components and 17% general casting.

## Performance

- Sales volumes have increased in 2021 due to improving customer order after the decrease during the COVID-19 pandemic.
- BA continues its effort to increase its product portfolio with higher margin automotive components and continue to develop the general casting market.

EBITDA [MILLION RUPIAH]



## Prospect

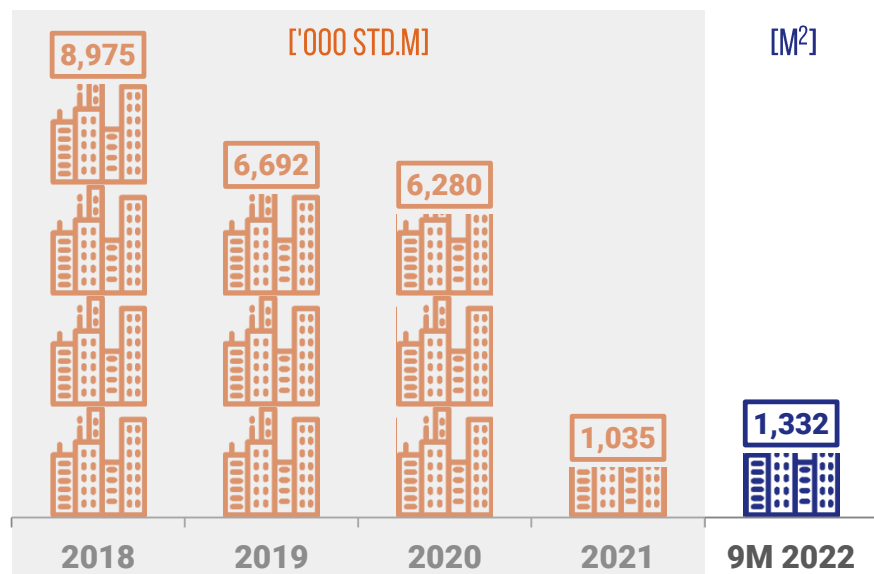
- In 2021 sales of motor vehicles increased by 66.6% thus reaching 887,000 unit. Improvement in sales is expected to continue so that by 2022 sales of motor vehicles are targeted to reach 950,000 unit <sup>(1)</sup>.
- To further improve its performance, BA plans to tap into passenger vehicle market which contributed up to 74% of domestic market share in 2021 <sup>(1)</sup>.

(1) GAIKINDO



# BAKRIE BUILDING INDUSTRIES

## SALES VOLUME



\*not including sales from distribution and logistic services

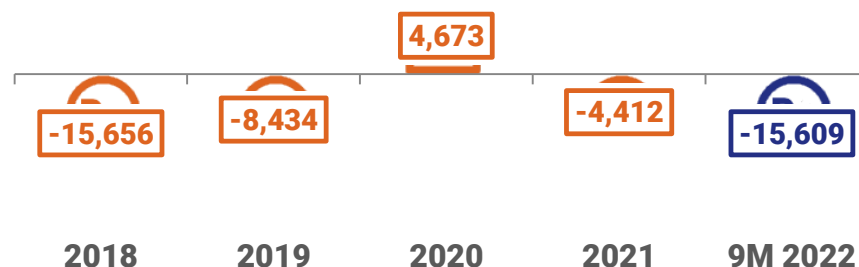
### Product

- Prefabricated house products and distribution and logistics services.
- Both product and service lines were initiated in 2018 in order to transform BBI's business from manufacturing to service provider by adhering to BBI's experience in the building materials industry.

### Performance

- Sales volume has changed units to square meters (m²) as BBI's business shifts from manufacturing to service provider starting in 2022..

## EBITDA [MILLION RUPIAH]



### Prospect

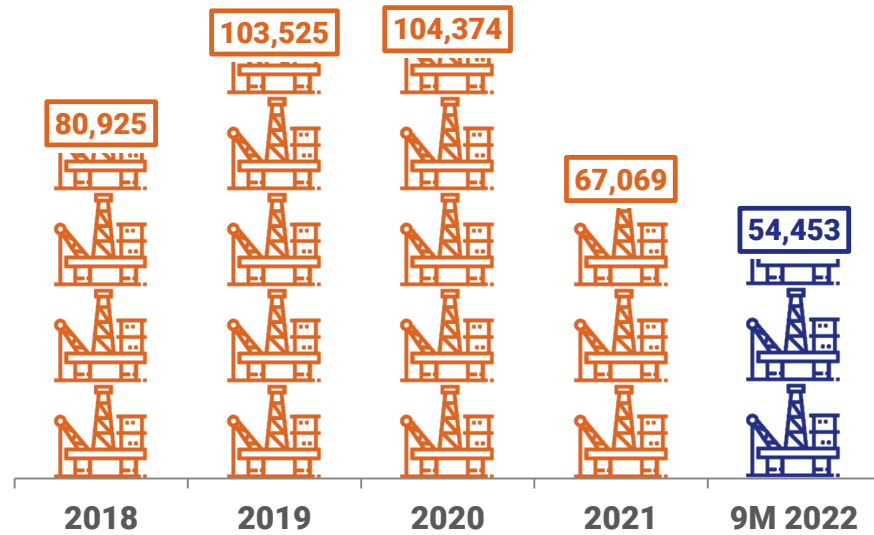
- The need for housing in Indonesia is still high with a growth of 800,000 families per year. In 2020 there is a backlog of housing needs of 12.75 million units with a target of FLPP houses of 4.2 million units which must be completed in the 2020-2024 period.<sup>(1)</sup>
- Disbursement of Housing Loans (KPR) is expected to increase in line with the allocation of the housing finance assistance program of IDR 28 trillion in 2022.

(1) PUPR,2022; Perkim, 2021 Kompas, 6/02/2022,RPJMN 2020-2024

# BAKRIE METAL INDUSTRIES

STEEL STRUCTURE FABRICATION & STEEL PIPES MANUFACTURING

SALES VOLUME [METRIC TON]



*\*does not display the production of steel structures in the oil and gas sector which is calculated in man-hour units*

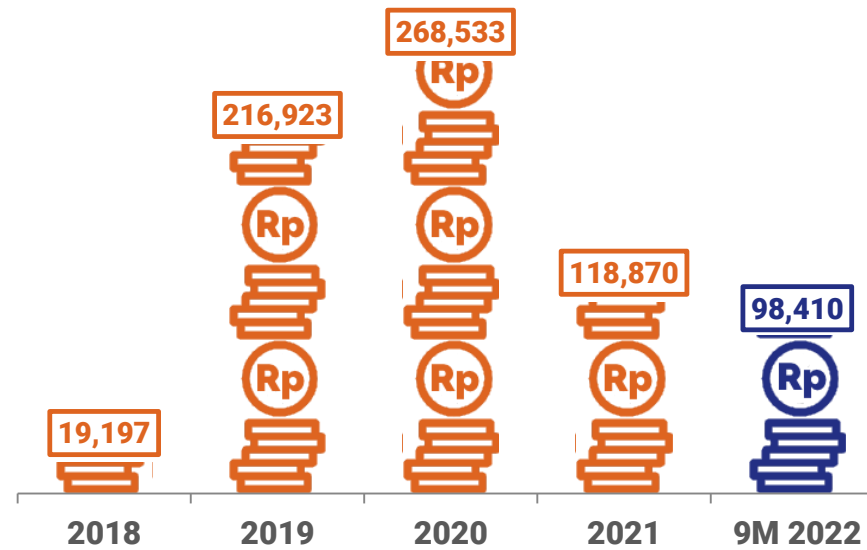
## Product

- Services for steel construction, EPC, and a producer for pipes with diameter ranging from 0,5in to 48in.
- Sales composition of products and services are 40% in oil & gas sector and 60% in non-oil & gas.

## Performance

- Sales volumes decreased in 2021 amidst the pandemic conditions that still put pressure on the oil and gas and construction markets.

EBITDA [MILLION RUPIAH]



## Prospect

- World Bank predicted prices of energy commodities, in particular crude oil and natural gas, will remain stable and gradually increased until 2030.
- Penetrate further to non-OG market given booming infra sector, as well as broadening captive OG market
- Realization of infrastructure expenditure in 2021 reached Rp402.8 trillion from Government's allocation of Rp417.4 trillion. While for 2022 the Government allocated Rp 365.8 trillion for infrastructure expenditure. <sup>(1)</sup>

(1) Kemenkeu RI





# GROWTH STRATEGY



# MANUFACTURING BUSINESS UNITS

## BAKRIE AUTOPARTS

- Increase of production capacity utilization.
- Expand further into production of passenger vehicle components and after sales market.
- Increase of non-automotive segment.
- Development of electric vehicles for usage in DKI Jakarta, Central Java, East Java, and Bali.

## BAKRIE BUILDING INDUSTRIES

- Shifting of business from manufacturing into services provider.
- Business development of prefabricated buildings using new technology.
- Helps to initiate a business in the field of environmentally friendly 3D printing construction.

## BAKRIE METAL INDUSTRIES

- Capacity expansion in EPC segment.
- Increase in non oil & gas steel structure segment, including construction of bridges, sosrobahu, and guardrail.
- Increase of non oil & gas pipes capacity for national construction such as roads and power generator, as well as electricity poles.



# STRATEGIC INITIATIVES



# INFRASTRUCTURE PROJECTS

## Kalija Pipeline Bontang - Banjarmasin

- Feasibility Studies had been conducted for the pipe line between Bontang to Banjarmasin including additional line to new capital city, several industrial estates, and new factories along the route.
- Several MOU has been signed by Shipper and Off-taker.
- The Trans Kalimantan Gas Pipeline Project, in which consists of East Kalimantan – South Kalimantan transmission pipe segment, is included in Perpres no 18 year 2020 concerning National Medium-Term Development Plan (RPJMN) 2020-2024.





# INFRASTRUCTURE PROJECTS

## Cimanggis-Cibitung Toll Road

- Collaborating with PT Waskita Toll Road (a subsidiary of PT Waskita Karya Tbk) and PT Sarana Multi Infrastruktur.
- This toll road has started operating on November 10, 2020, starting with Section I (Junction Cimanggis - On / Off Ramp Jatikarya) and is connected to the Cinere-Jagorawi toll road and Jagorawi toll road. Up until November 30, 2022, average number of vehicles passing through Section I reached 36,398 vehicles per day.
- Phase II has reached 89% land clearance and 72% construction completion, with complete construction targeted on end of 2023.



# INFRASTRUCTURE PROJECTS

## PT Multi Kontrol Nusantara

- Focusing on information technology and telecommunication infrastructure.
- Has been appointed as one of contractors for Palapa Ring project, a project of Government of Indonesia to develop infrastructure network of telecommunication and internet across Indonesia.
- Becoming one of the telecommunications network development contractors who has built fiber optic networks of  $\pm 10,000$  km since 2006.
- Deploying IoT networks in 3 cities: Sangatta, Bontang and Jakarta.







# APPENDIX



# EIGHT DECADES OF BUSINESS

## 1942 – 1962

- Established as a general merchant and commissioner agent.
- Pioneered Indonesia's steel manufacturing industry.

## 1973 – 1989

- Expanding the company's business field to steel structure construction, metal fabrication and other infrastructure projects.
- Establishment of PT Bakrie Building Industries.
- Establishment of PT Bakrie Tosanjaya which later changed its name to PT Bakrie Autoparts (BA)).
- IPO of PT Bakrie & Brothers ("BNBR").

## 1990 – 1996

- Bakrie Pipe Industries became the first Indonesian company to receive an ISO 9002 certificate.
- Obtaining a fixed wireless service operating license.

## 2002 – 2003

- SEAPI's main participation in the gas transmigration pipeline project of PT Perusahaan Gas Negara.

## 2004 – 2006

- Conducting pre-emptive rights (HMETD) or Right issue of Rp 1.9 trillion to restructure debt in pipe companies, invest in tele-communications business, re-acquire Bakrie Sumatera Plantations (BSP) and increase working capital.
- Won the tender for the Kalimantan-Java gas pipeline worth US \$ 1.26 billion.

## 2007 – 2008

- The Plus-Bakrie-Global consortium won the Cimanggis-Cibitung toll road tender worth Rp 3.2 trillion.
- Right issue of Rp. 40.1 trillion, issuance of warrants of Rp. 2.9 trillion.
- Establishment of PT Bakrie Indo Infrastructure (BIIN).
- Transformation of PT Bakrie Corrugated Metal Indonesia (BCMI) into PT Bakrie Metal Industries (BMI).

## 2009 – 2010

- Establishment of Bakrie Energy International, which is engaged in the fuel business, as a cash generating investment.
- SPA signing with Vallar, UK - worth USD844 million.

## 2011 – 2012

- BNBR completed revitalization, including quasi reorganization.
- The Bakrie Group formed a strategic partnership with BORN and reduced debt by US\$ 1 billion.
- The signing of the Gas Transportation Agreement (GTA) for the Kepodang-Tambak Lorok segment.

## 2013 – 2015

- The Kaliya - 1 infrastructure project was completed in 2015 and began operating in 2016.
- The Cimanggis-Cibitung toll road infrastructure project began.

## 2016 – 2017

- The Cimanggis-Cibitung Toll Road Project continues the land acquisition and completes phase 1 construction.
- The first phase of the Kaliya project is fully operational. Gas transportation operates according to the GTA.

## 2018 – 2022

- The signing of a memorandum of understanding with BYD Auto China for the development of the electric vehicle industry in Indonesia.
- Signing of a memorandum of understanding with China Railway International Group.
- Debt restructuring to creditors done through Non Preemptive Rights Issue (NPR).
- The Bakrie - BYD electric bus has passed all tests and started to be operated by Trans Jakarta.
- Invested in 3D printing construction technology by forming a Joint Venture between Bakrie & Brothers (Modula) and COBOD international

# NOTIFICATION AND DISCLAIMER

**Disclaimer:** This presentation has been prepared by PT Bakrie & Brothers Tbk (the "Company") and is only for the information of its investors. None of the information appearing in this presentation may be distributed to the press or other media or reproduced or redistributed in whole or in part in any form at any time.

This presentation is not intended as or forms part of any offer to sell or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, and neither this presentation nor anything contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever.

**Forward-Looking Statements:** This presentation may contain forward-looking statements and estimates with respect to the future operations and performance of the Company and its affiliates.

Investors and security holders are cautioned that forward-looking statements are subject to various assumptions, risks and uncertainties, many of which are difficult to predict and are generally beyond the control of the Company. Such assumptions, risks and uncertainties could cause actual results and developments to differ materially from those expressed in or implied by the forward-looking statements.

Accordingly, no representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in this presentation, nor is it intended to be a complete statement or summary of the resources markets or developments referred to in this presentation. It should not be regarded by recipients as a substitute for the exercise of their own judgement.

Neither the Company or any other person assumes responsibility for the accuracy, reliability and completeness of the forward-looking statements contained in this presentation. The forward-looking statements are made only as of the date of this presentation. The Company is under no duty to update any of the forward-looking statements after this date to conform such statements to actual results or developments or to reflect the occurrence of anticipated results or otherwise.

Any opinions expressed in this presentation are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Company as a result of using different assumptions and criterion.





## FOR FURTHER INFORMATION PLEASE CONTACT INVESTOR RELATIONS DEPARTMENT

Kartini Sally – Chief Investment Officer  
( [kartini.sally@bakrie.co.id](mailto:kartini.sally@bakrie.co.id) )

Andini Aritonang – Investor Relations Senior Manager  
( [andini.aritonang@bakrie.co.id](mailto:andini.aritonang@bakrie.co.id) )