



PT BARITO PACIFIC TBK.

3Q - 2018 Performance Earnings Call

6 November 2018



Agenda

- 3Q-2018 Business Highlights
- 9M-2018 Financial Results
- Petrochemical Business
- Energy Business
- Q & A

➤ **3Q-2018 Business Highlights**

3Q-2018 Business Highlights

- Achieved Consolidated EBITDA of US\$204m for 3Q-2018, bringing 9M-2018 EBITDA to US\$635m with healthy EBITDA margin of 26.9%, a 47.0%⁽¹⁾ increase on a year-on-year basis.
- Maintained high operating rates for Star Energy >95% and petrochemical plants >90%, except Butadiene plant, Styrene Monomer Plant and Star Energy Darajat Unit 1⁽²⁾.
- In June, CAP restarted Butadiene Plant at its new expanded production capacity.
- Achieved mechanical completion of PT Synthetic Rubber Indonesia, joint venture with Michelin.
- Repaid loan principal totalling US\$134.4m in 9M-2018 (CAP: US\$81.9m ; Star Energy US\$52.5m) and issued US\$580m Green Bond at Star Energy and IDR500bn bond at CAP, which were used to refinance existing debt. Total debt⁽³⁾ reduced by US\$147m from US\$2,629m as of 31 December 2017 to US\$2,482 as of 30 September 2018.

(1) To better understand geothermal contribution to BRPT 9M-2018, management is using the comparison between the 9M-2018 vs 9M-2017 As Previously Reported (Note 5 of the consolidated FS).

(2) Darajat Unit 1 power plant is operated by PT Indonesia Power, a subsidiary of PLN. Shutdown since 18 March 2018 due to high vibration and back to normal operation on 30 September 2018.

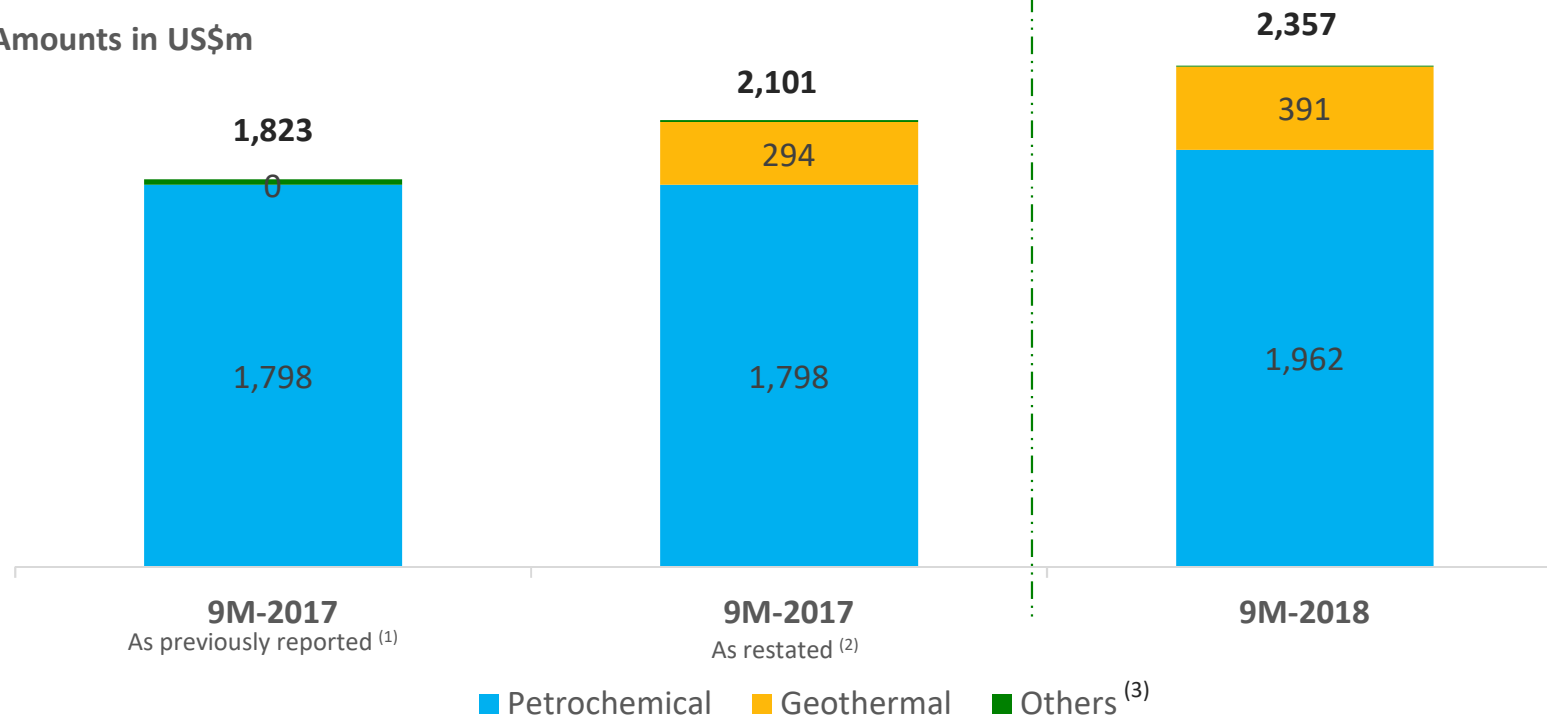
(3) Total debt, net of unamortized deferred financing cost

➤ **9M-2018 Financial Results**

9M-2018 Financial Results - Segmented Net Revenue

29.3% higher revenues in 9M-2018 vs 9M-2017 (based on previously reported) reflecting contribution from geothermal operations and higher average sales prices from petrochemical, partly offset by lower sales volume due to several planned and scheduled operational activities.

Amounts in US\$m



| In US\$mio | 9M-2017 ⁽¹⁾ | % Changed | 9M-2017 ⁽²⁾ | % Changed | 9M-2018 |
|--------------|------------------------|-----------|------------------------|-----------|---------|
| Net Revenues | 1,823 | 29.3% | 2,101 | 12.2% | 2,357 |

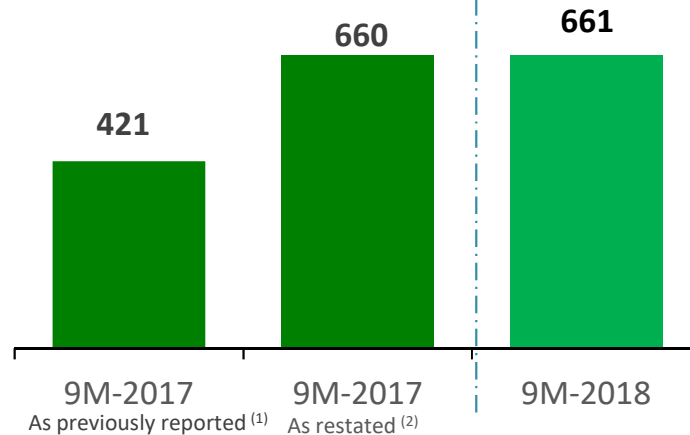
Notes:

- (1) Refers to Financials as previously reported (excluding the 2017 geothermal revenues)
- (2) Under Indonesian GAAP, our acquisition of Star Energy was considered as a business combination under common control. Therefore, our prior year financials were restated to include Star Energy
- (3) Other Revenues represent revenues from woodworking industry, rental income from property and hotel, and plantation (for previously represented only).

9M-2018 Financial Results

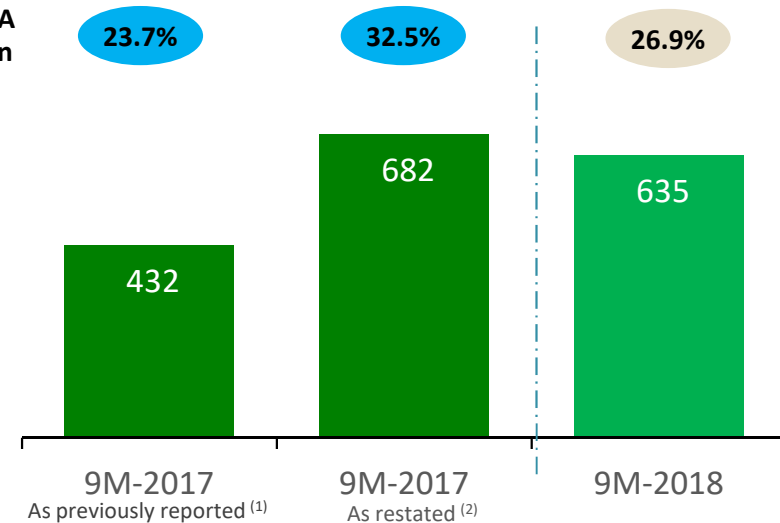
Amounts in US\$m

GROSS PROFIT

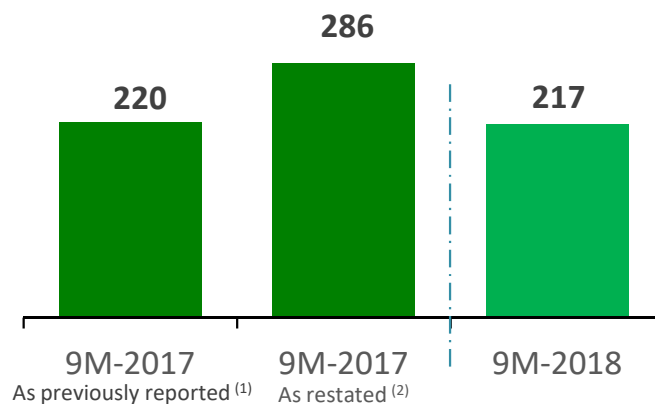


EBITDA

EBITDA margin



NET INCOME



| In US\$mio | 9M-2017 ⁽¹⁾ | % Changed | 9M-2017 ⁽²⁾ | % Changed | 9M-2018 |
|----------------------|------------------------|-----------|------------------------|-----------|---------|
| Gross Profit | 421 | 57.0% | 660 | 0.2% | 661 |
| EBITDA | 432 | 47.0% | 682 | -6.9% | 635 |
| EBITDA Margin | 23.7% | 13.5% | 32.5% | -17.2% | 26.9% |
| Net Income After Tax | 220 | -1.3% | 286 | -24.1% | 217 |

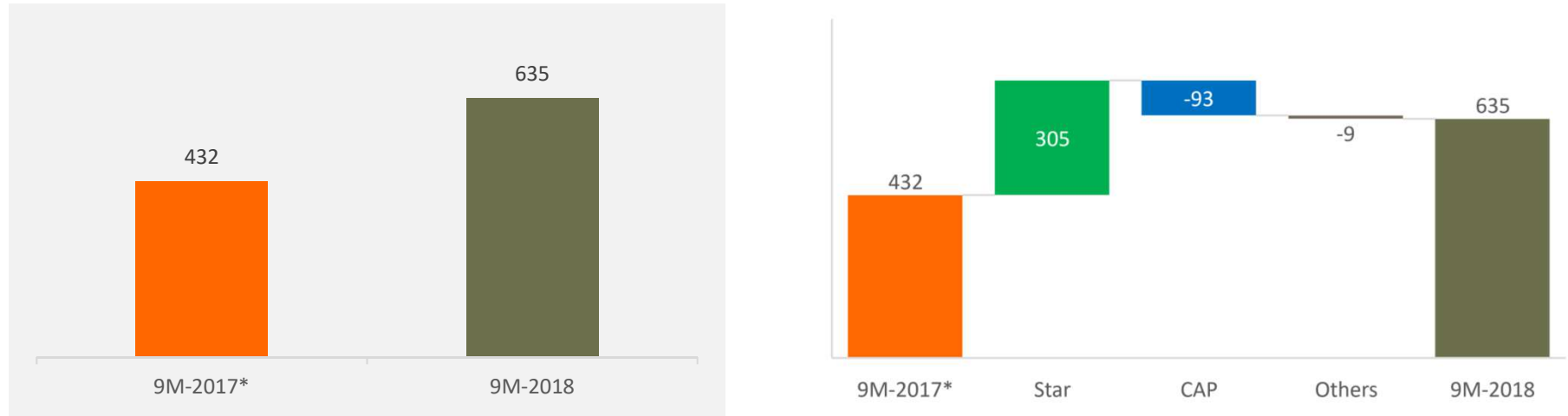
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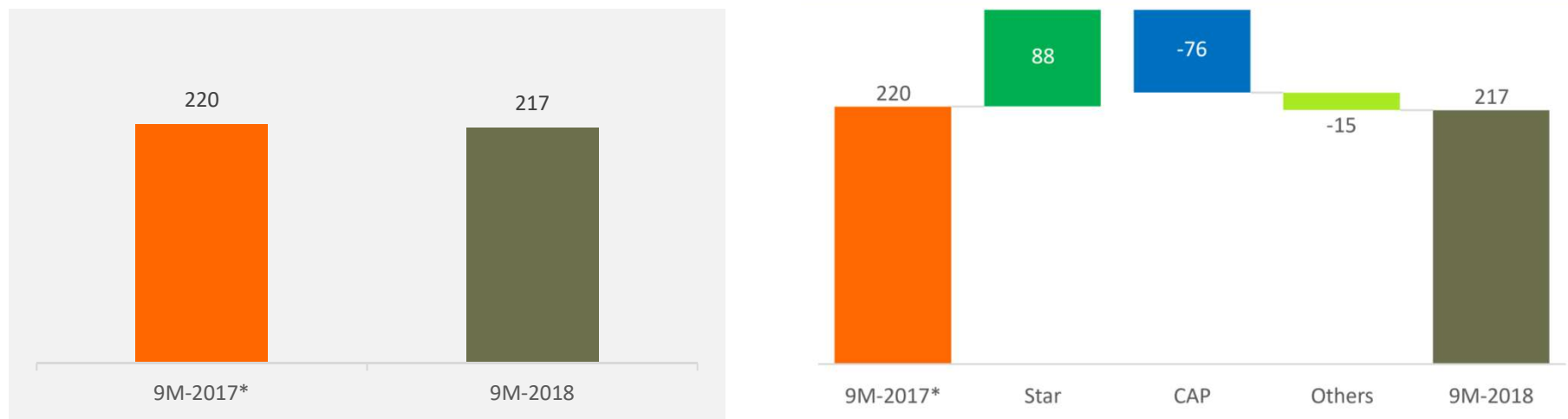
9M-2018 Financial Results

Amounts in US\$m

Consolidated EBITDA (US\$ Million)



Consolidated Net Income (US\$ Million)



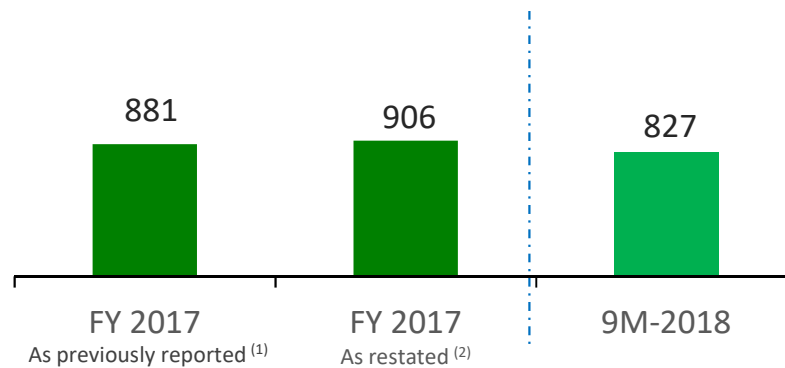
* 9M-2017 relates to financials as previously reported (excluding geothermal financials)

9M-2018 Financial Profile

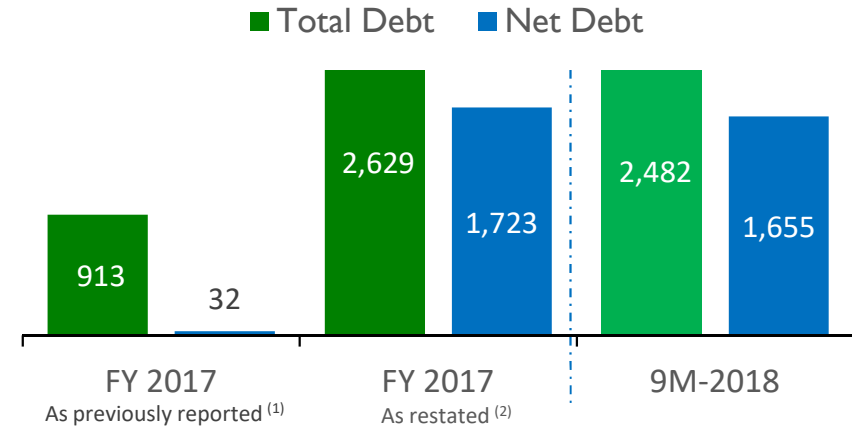
Amounts in US\$m

Strong Balance Sheet supported by financial profile strengthening

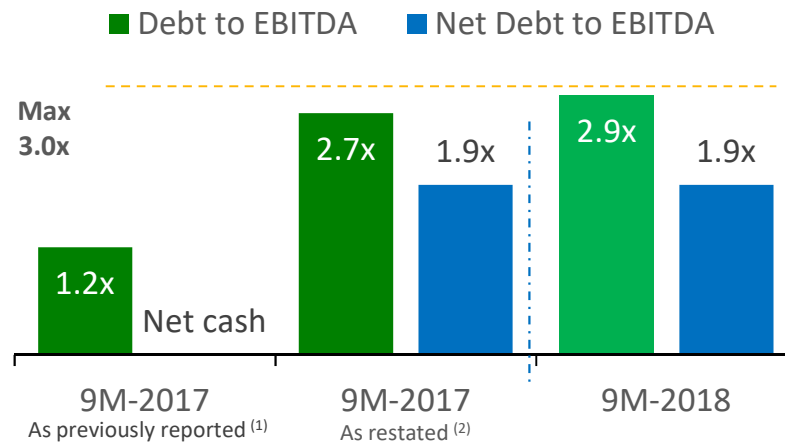
CASH BALANCE



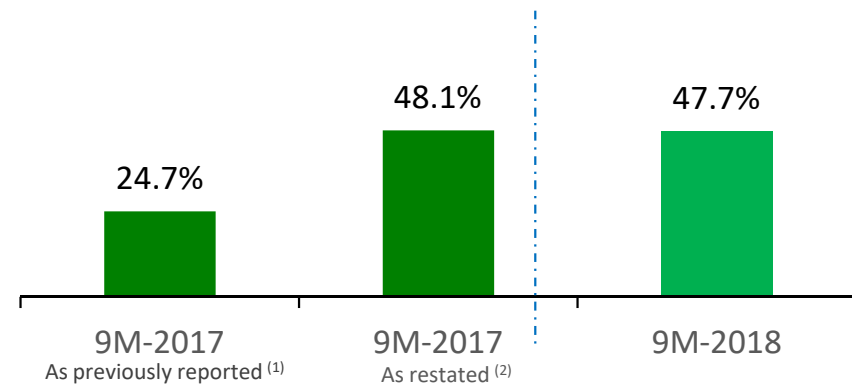
TOTAL DEBT & NET DEBT



DEBT TO EBITDA



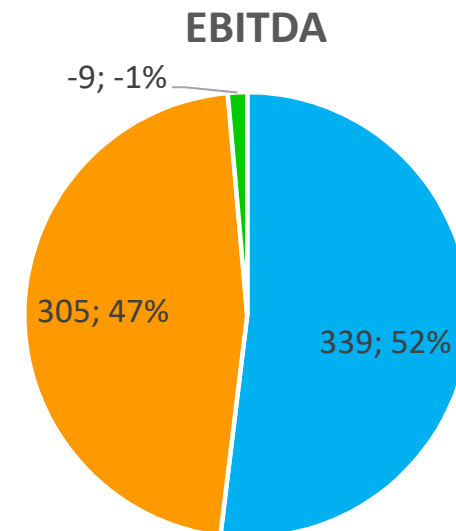
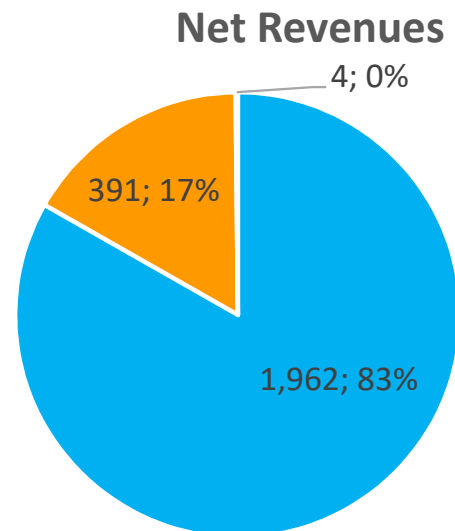
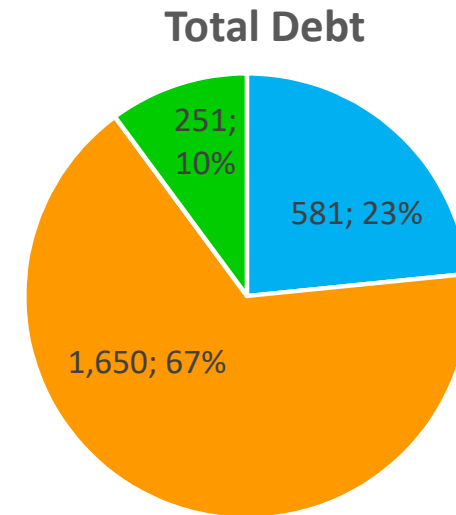
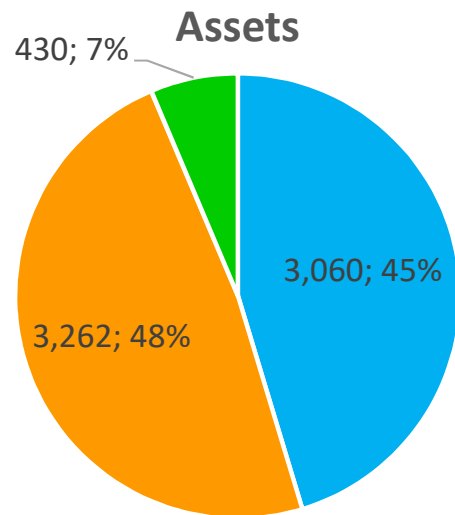
DEBT TO CAPITAL



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Financial Profile By Subsidiary (Per 30 September 2018)



Amounts in US\$m

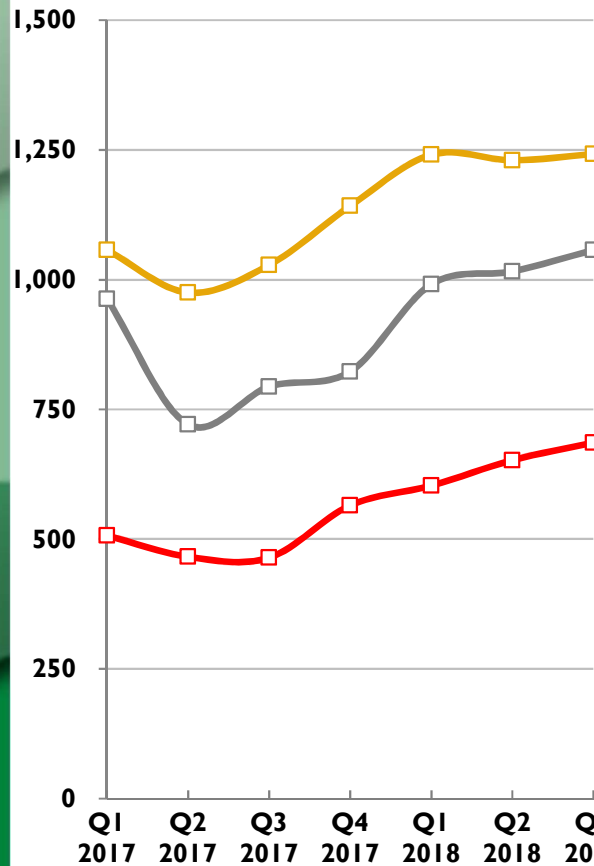
■ CAP ■ Star Energy ■ Barito & Others

➤ **Petrochemical Business**

Petrochemical Product Spread

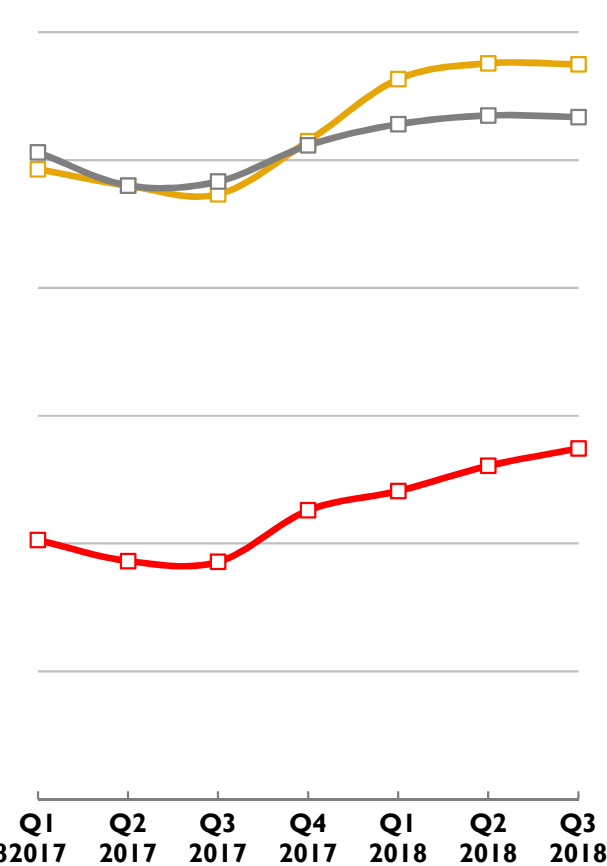
Continuing healthy product spreads, despite increasing feedstock price reflecting higher crude oil...

Olefins



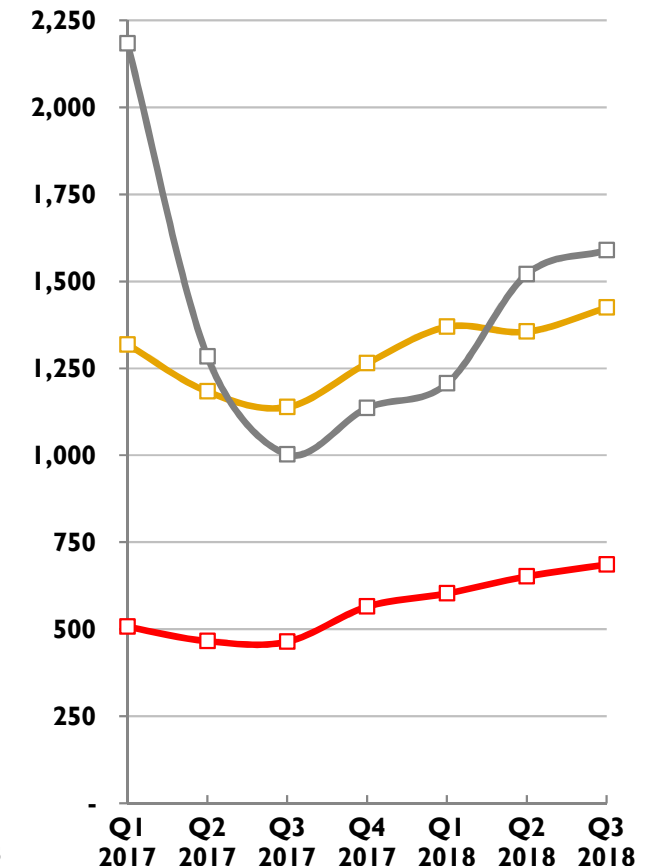
■ Ethylene ■ Propylene
■ Naphtha

Polyolefins



■ Polyethylene ■ Polypropylene
■ Naphtha

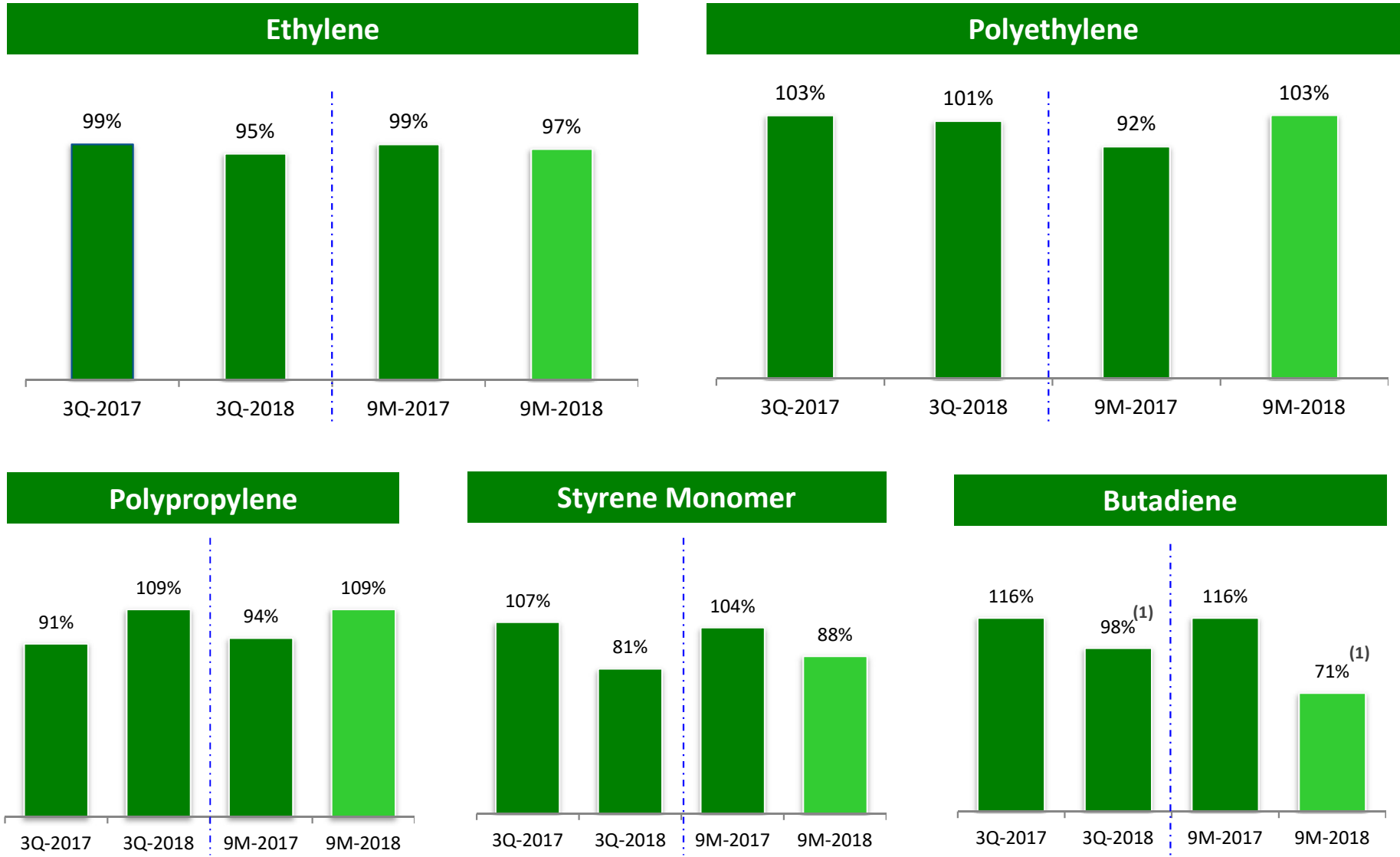
Others



■ SM ■ Butadiene ■ Naphtha

Petrochemical Operating Rates

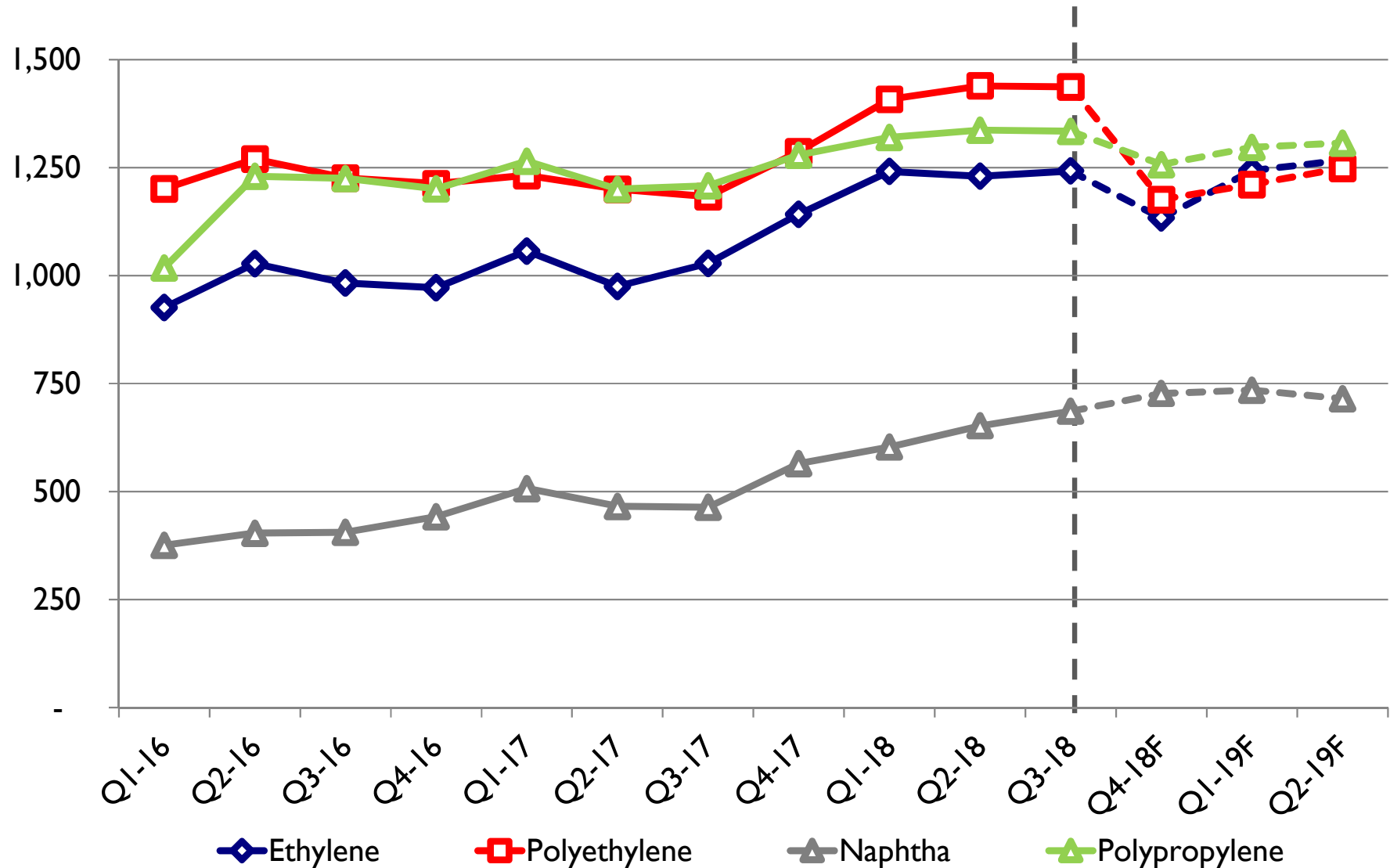
Maintained high operating rates for all plants ...



(1) Due to planned shutdown for 95 days Starting 1 March 2018 to increase Butadiene capacity by 37% to 137ktpa. Butadiene plant resumed operation on 3 June 2018.

2018 Outlook - Petrochemical

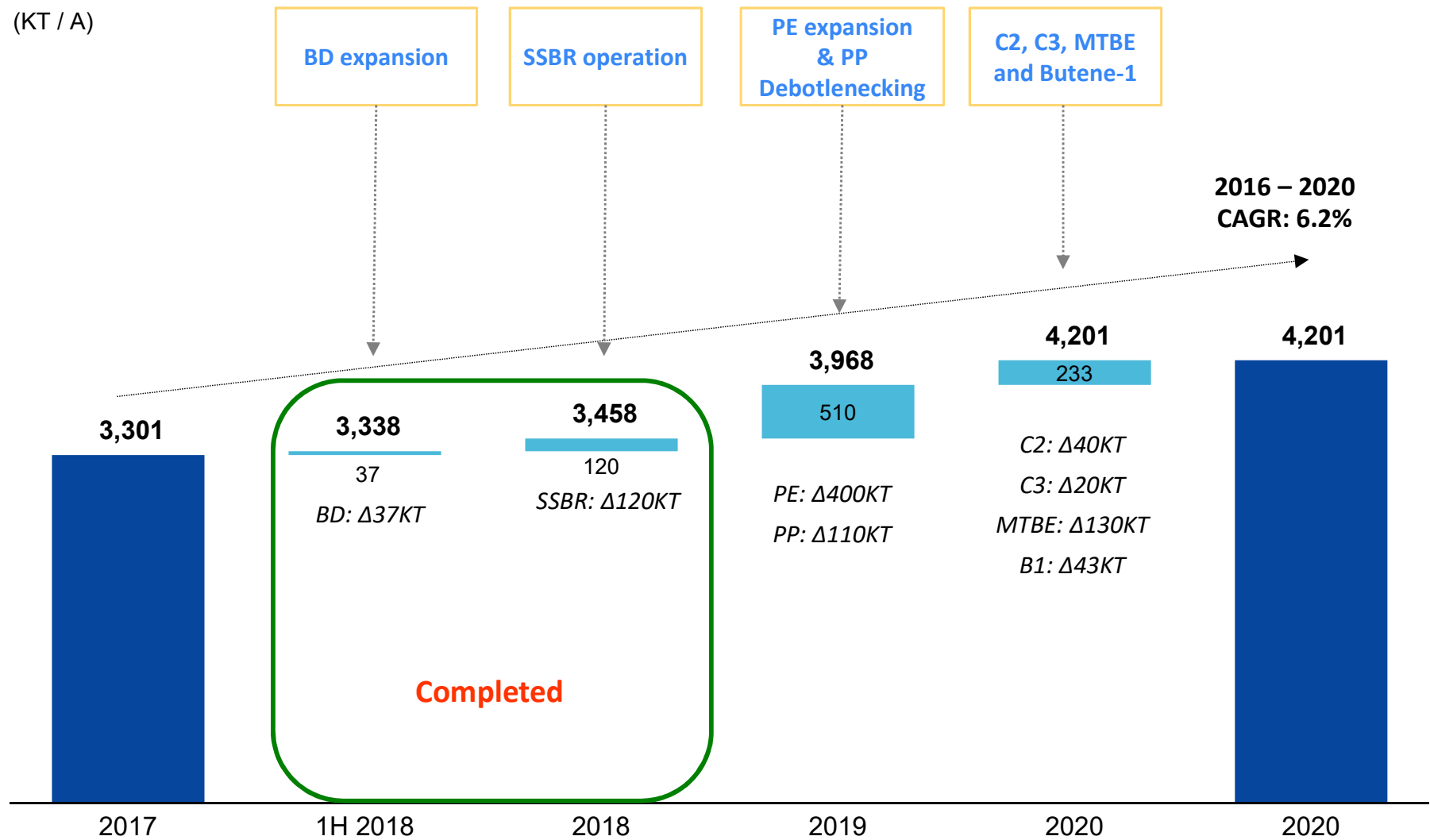
Continuing healthy product spreads despite increasing feedstock price...



Note: Forecasted price based on IHS 31 October 2018

Strategic Growth via Expansion and Debottlenecking (Excluding 2nd Petrochem Complex)

(KT / A)



After doubling the size of production capacity over historical 10 years, the expected further growth in the next 5 years will come from several expansion & debottlenecking initiatives.

Note:

SSBR – Solution Styrene Butadiene Rubber
BD Expansion - Butadiene Plant Expansion

PE - Polyethylene MTBE - Methyl tert-butyl ether
PP – Polypropylene C2 / C3 – Refers to furnace revamp

Strategic Growth via Expansion and Debottlenecking

| Project Description | Schedule | | CAPEX (US\$m) | Funding Status | Capacity Increase | Cumulative Capacity |
|---|--------------------|----------------------|------------------|-------------------|------------------------------|------------------------|
| | Start | Proposed Start up | | | | |
| Current Production Capacity | | | | | | 3,301 KT/A |
| Butadiene Plant Expansion | 2Q – 2017 | 2Q – 2018 | 42.0 | Fully Funded | 37 KT/A | 37 KT/A |
| Synthetic Rubber Project (through SRI JV) | 4Q – 2015 | 3Q – 2018 | 570.0 | Fully Funded | 120 KT/A | 120 KT/A |
| Production Capacity at the end of 2018 | | | | | | 3,458 KT/A |
| PP Debottlenecking | 4Q - 17 | 3Q – 2019 | 39.5 | Fully Funded | 110 KT/A | 110 KT/A |
| New Polyethylene Plant | 1Q – 2018 | 4Q – 2019 | 380.0 | Fully Funded | 400 KT/A | 400 KT/A |
| Production Capacity at the end of 2019 | | | | | | 3,968 KT/A |
| Furnace Revamp | 3Q – 2018 | 1Q – 2020 | 48.0 | Fully Funded | 40 KT/A C2; 20 KT/A C3 | 60 KT/A |
| MTBE and Butene – 1 Plant | Not yet started | 3Q – 2020 | 114.0 | Fully Funded | 130 KT/A MTBE; 43 KT/A B1 | 173 KT/A |
| Production Capacity at the end of 2020 | | | | | | 4,201 KT/A |

Completed

4Q-2018 Planned Activities Affecting Plant Performance

- Ethylene Cracker
 - 1 Furnace revamp for capacity creep (estimated time: 45 days) will be conducted in 4Q-2018
 - Estimated time/ production loss: 45 days/ 7Kt per shutdown

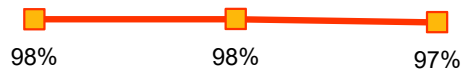
- Overall impact is estimated to reduce full year 2018 production volume by 5% y-o-y, including Butadiene TAM/tie-in works in 1H-2018.

➤ **Energy Business**

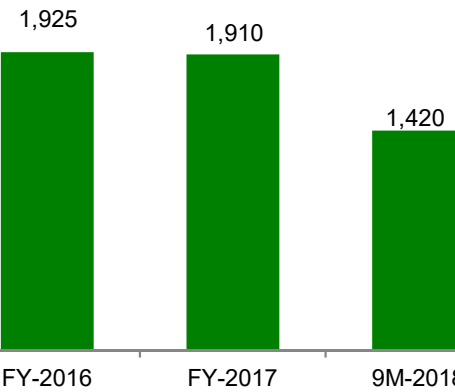
Operational and Financial Performance

Wayang Windu

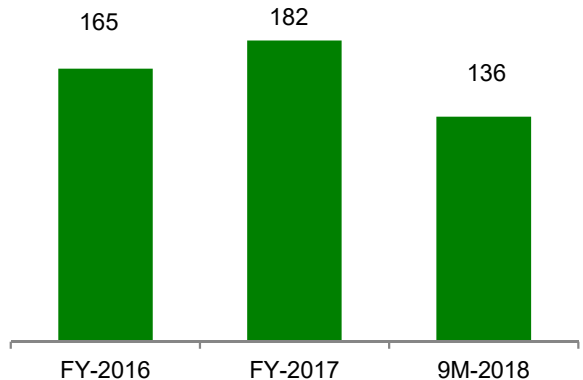
Average Net Capacity Factor ⁽¹⁾



Net Dispatch (GWh) ⁽²⁾

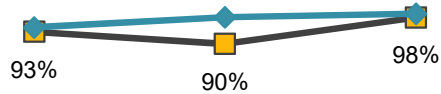


Revenue (US\$m)

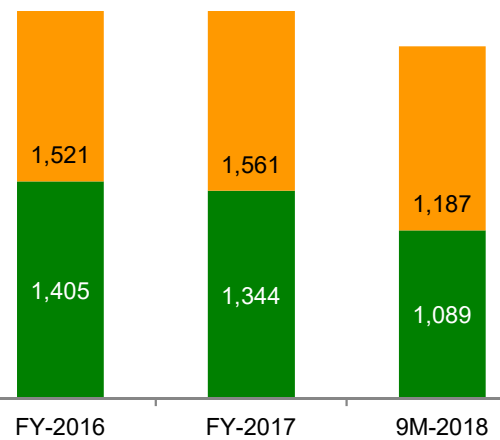


Salak

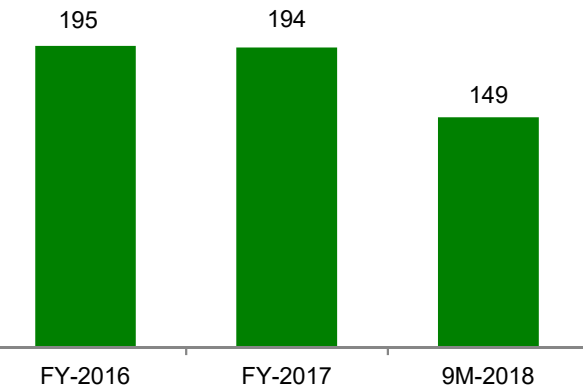
Average Net Capacity Factor ⁽¹⁾



Net Dispatch (GWh) ⁽²⁾



Revenue (US\$m)



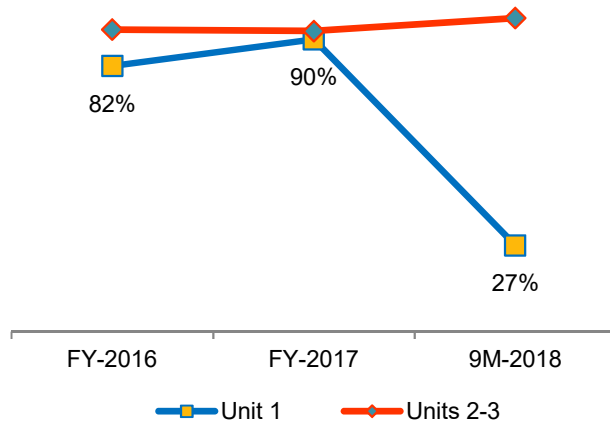
Units 1-3 Units 4-6

Units 1-3 Units 4-6

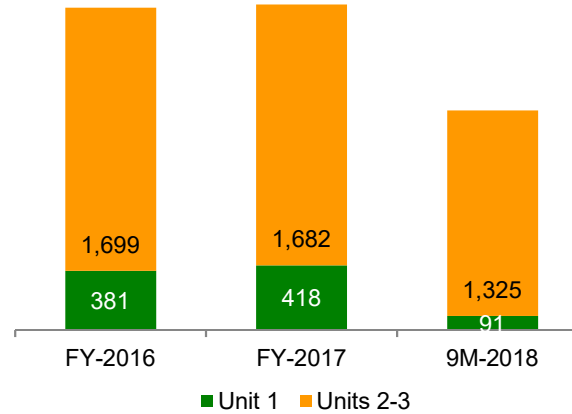
Operational and Financial Performance

Darajat

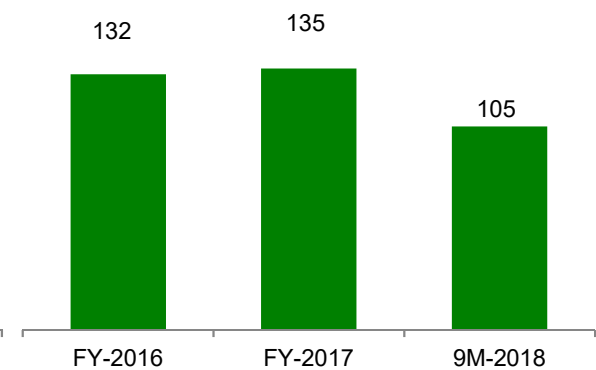
Average Net Capacity Factor ⁽¹⁾



Net Dispatch (GWh) ⁽²⁾



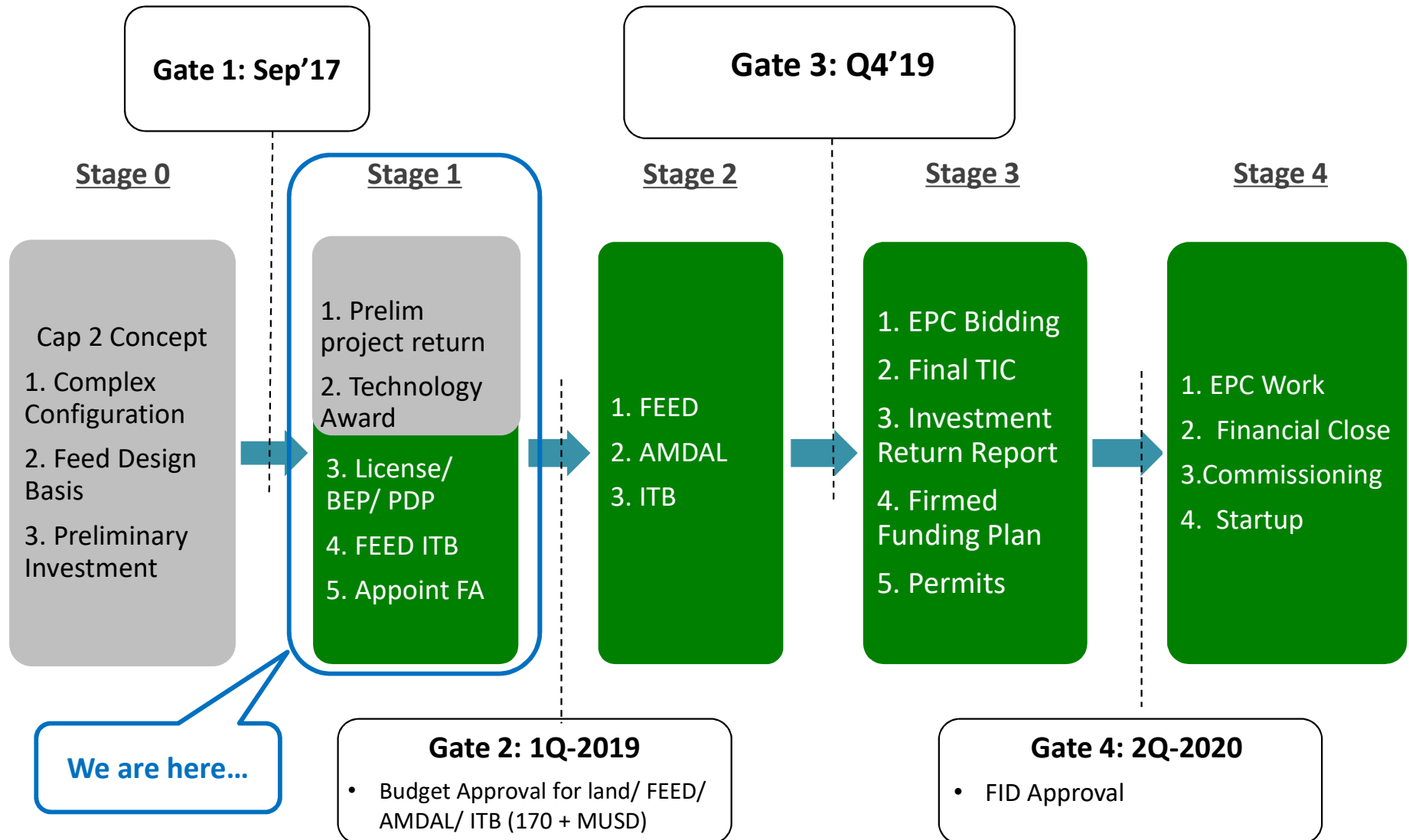
Revenue (US\$m)



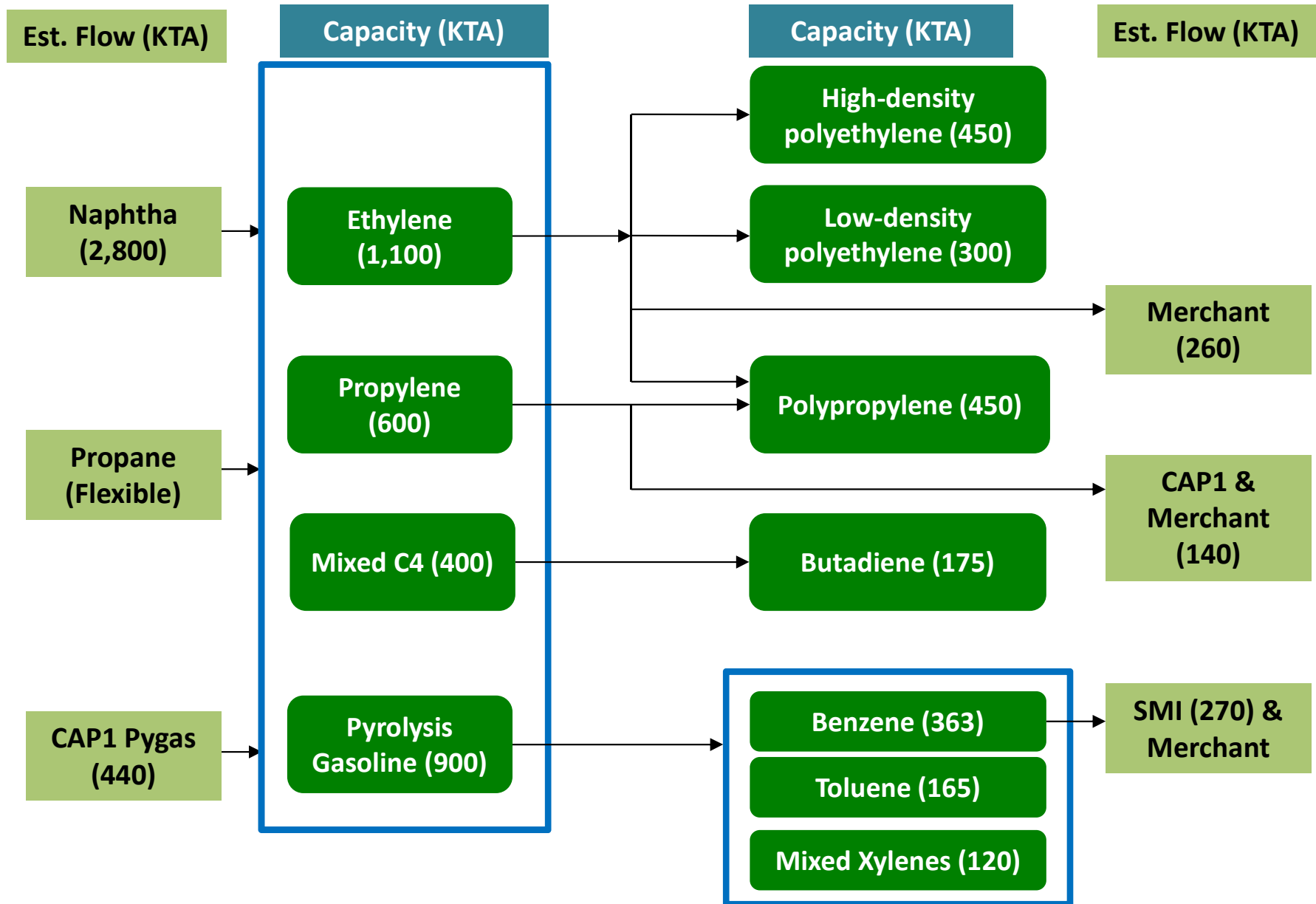
- (1) Net capacity factor means the ratio of the actual output of the relevant geothermal turbine-generator unit to the theoretical output assuming full capacity usage (excluding planned maintenance)
- (2) Darajat Unit 1 power plant is operated by PT Indonesia Power, a subsidiary of PLN. There were 3.5 days unplanned shutdown in January 2018 and has been shutdown since 18 March 2018 due to high vibration and back to commercial operation on 30 September 2018.

➤ **Appendix**

CAP 2 Project Master Schedule



CAP 2 Product flows and production capacities



CAP 2 Progress...

Awarded Technology Licensors and Basic Design Package in April 2018

| Production Plant | Licensor | Production Plant | Licensor |
|---|-------------|--------------------------|------------------|
| Olefins (1.1 MMTA C2) | • CB&I | HDPE (450KTA) | • Texplore |
| Butadiene (175 KTA) | • BASF/CB&I | LDPE (300 KTA) | • LyondellBasell |
| Aromatics (363 KTA BZ, 165 KTA TL, 120 KTA MX) | • GTC | PP (450 KTA) | • LyondellBasell |