



PT BARITO PACIFIC TBK

1H-2021 Performance Earnings Call

10 Aug 2021

Impact Beyond Returns



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Agenda

- 1H- 2021 Highlights
- Our Businesses
 - ✓ Petrochemical
 - ✓ Energy
- 1H-2021 Financial Results
- Project Updates
- ESG
- Q & A

1H-2021 Highlights



1H-2021 Highlights

PT Barito Pacific Tbk (BRPT)

- Achieved consolidated **EBITDA of US\$490mn for 1Q-2021**, versus **1H2020 EBITDA of US\$205mn** and 1Q-2021 EBITDA of US\$249mn. 1H-2021 EBITDA margin of 31.5% (versus 1H-2020: 18.6% and 1Q2021: 34.3%).
- Delivered consolidated **Net Profit of US\$237mn for 1H-2021**, versus **1H2020 Net profit of US\$13mn** and 1Q-2021 Net profit of US\$116mn.
- Leverage levels remain healthy with 1H-2021 **Total Debt at US\$2,928mn** slightly higher than US\$2,880mn at end of FY2020.
- Leverage ratios saw an improvement with **LTM Debt-to-EBITDA 3.4x** and **Net-Debt-to-EBITDA 2.2x**, versus 5.4x and 3.9x at the end of FY2020, respectively.
- Completed issuance of Rp750bn (US\$51mn) Rupiah bond with 100% fully subscribed. The issuance offered coupons of 8.8% 3yr series A and 9.5%, 5 years series B.
- Bond rating outlook improved from Pefindo A (negative) to **Pefindo A (stable)**.

1Q-2021 Highlights

PT Chandra Asri Petrochemical Tbk (CAP)

- Solid execution to maintain operating rates at 93% vs 89% in 1H2020.
- Continued profitability improvement with **1H-2021 EBITDA of US\$275mn** vs Q1-2021 of US\$147mn, and EBITDA of US\$5mn in 1H-2020.
- Delivered **Net Profit of \$165mn in 1H2021** versus net loss of \$40mn in 1H2020.
- Annualized cost savings of **US\$30mn** and with an additional \$4.5mn reduced in 2Q by partnership with Ecolabs - SPEED
- Liquidity Pool of US\$1.2bln. Lower leverage with Net Debt-to-EBITDA at 0.3X. Increased Cash Position to US\$762m (vs US\$649m in 1H 2020). Reduced Total Debt to US\$899m (vs US\$945m in 1H 2020).
- Production volume at 1,933KT grew by 8.9% from 1H-2020 while sales volume at 1,101KT, increased by 1.7% from an year ago.

Star Energy

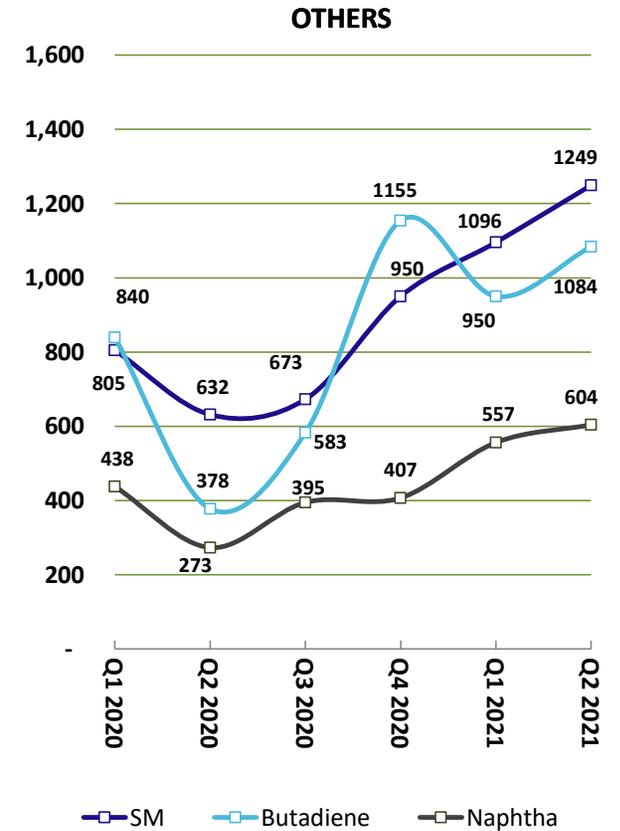
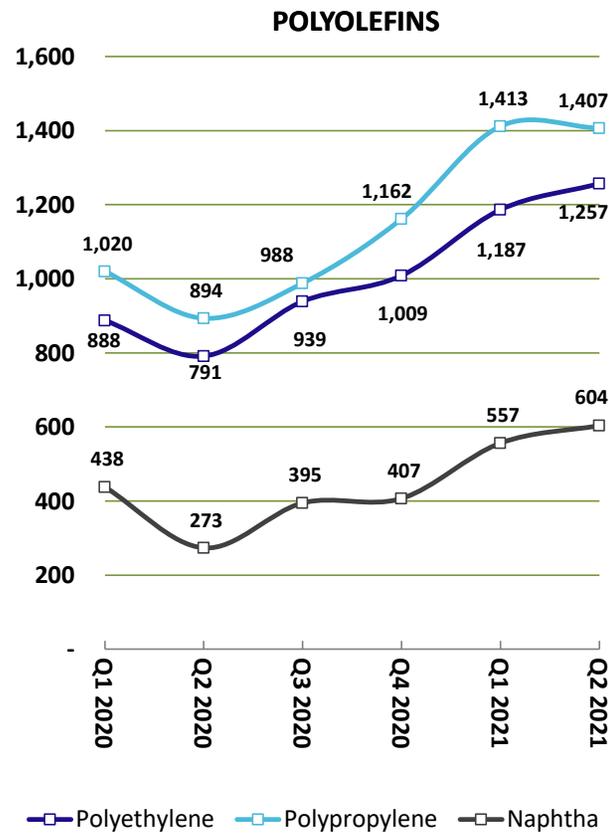
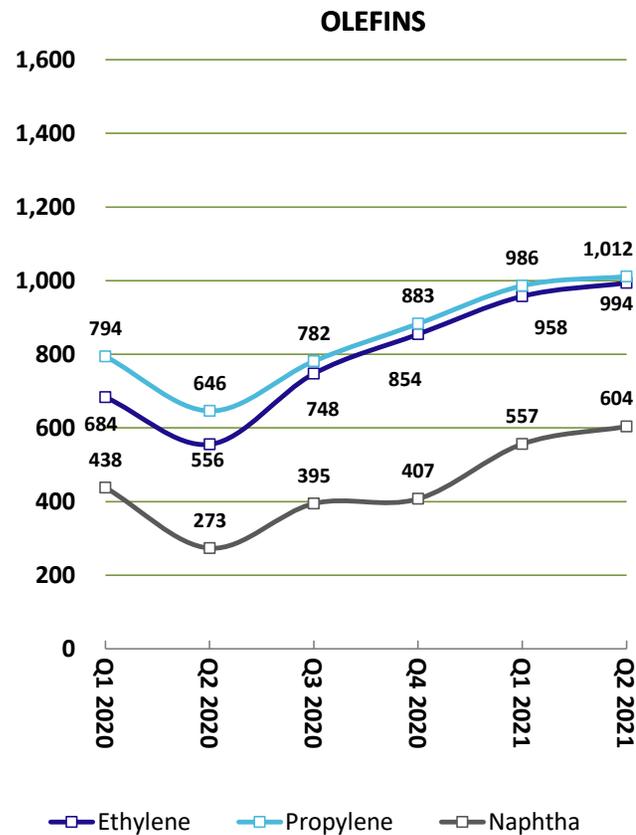
- Maintained high capacity factor for all units > 95%, with the exception of units selling steam to PLN owned turbines on account of scheduled plant maintenance at those units.

Petrochemical Business



Firm Spreads with Regional and Domestic Economic Rebound

(all figures in US\$/T)

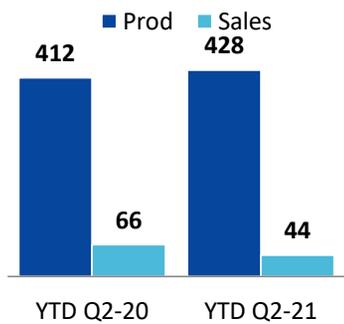


Note: Market data from ICIS

Barito Pacific  **Production and Sales**
Higher Output with Capacity Growth

(all figures in KT)

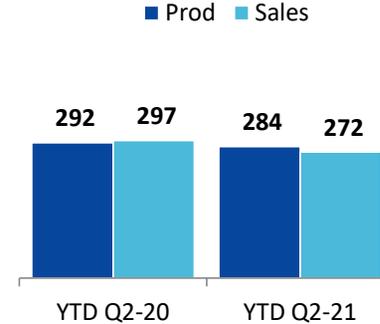
Ethylene⁽¹⁾



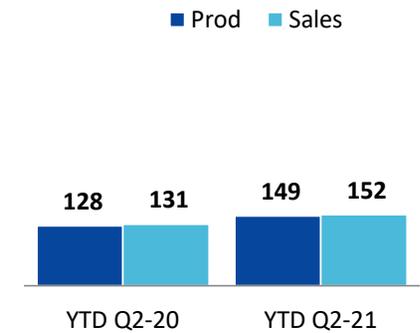
Polyethylene Plant



Polypropylene Plant



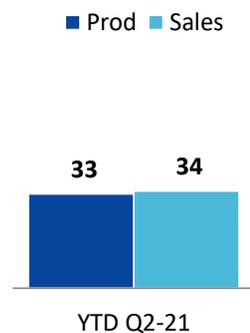
Styrene Monomer Plant



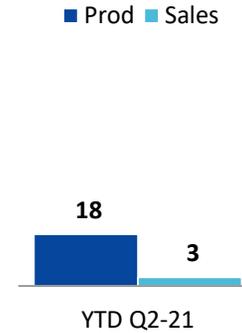
Butadiene Plant



MTBE Plant⁽²⁾



Butene-1 Plant⁽²⁾



Total Production & Sales Volume



(1) Ethylene is used as a feedstock for our Polyethylene and Styrene Monomer plant according to its capacity while the remaining of Ethylene production is sold to merchant sales. Since New Polyethylene plant 400KTA operates in Q4 2019, Ethylene is mostly self consumed as feedstock for Polyethylene plant.

(2) New plants started-up in Q3 2020.

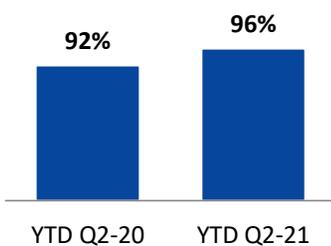


Operating Rates

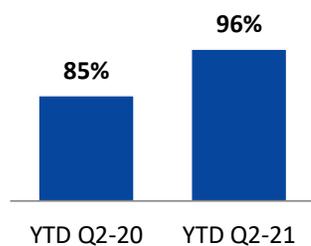
Improved Productivity with Safe and Stable Operations

(all figures in %)

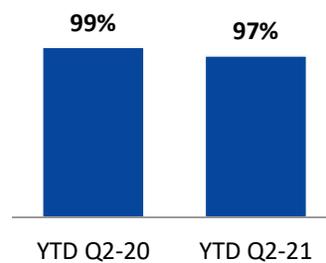
Naphtha Cracker



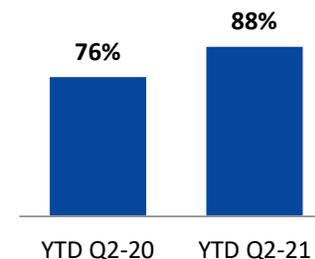
Polyethylene Plant



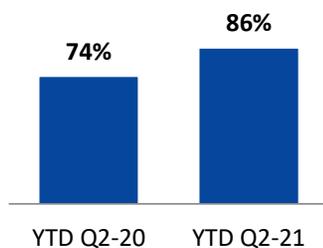
Polypropylene Plant



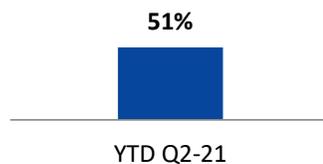
Styrene Monomer Plant



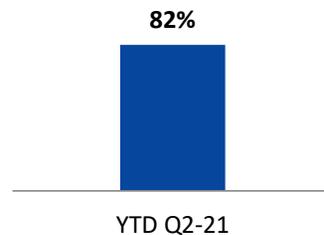
Butadiene Plant



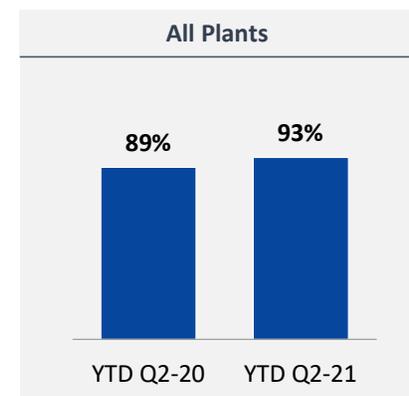
MTBE Plant



Butene-1 Plant



All Plants



(1) New B1-MTBE plants on stream since September 2020. Whilst the plants are already fully operational meeting full specifications, the operating rates are subject to fulfilling long-term raffinate off-take agreements that will run until 2023. This was considered as part of the Final Investment Decision approval process.

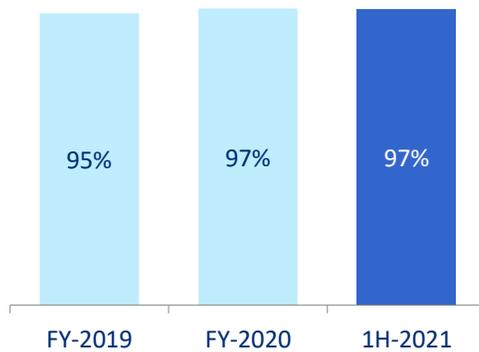
Energy Business



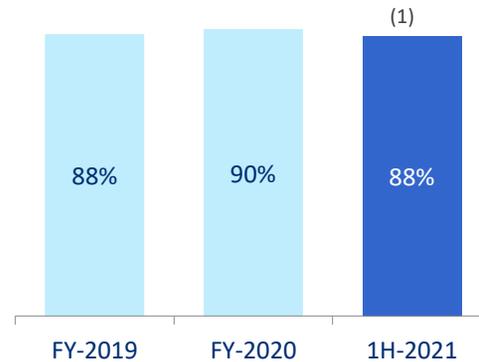
Energy Operating Performance

Star Energy Geothermal Operating Assets – Average Net Capacity Factor

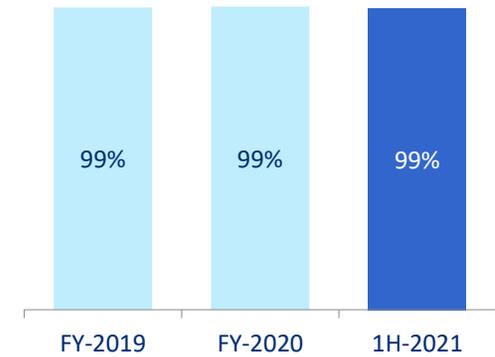
Wayang Windu



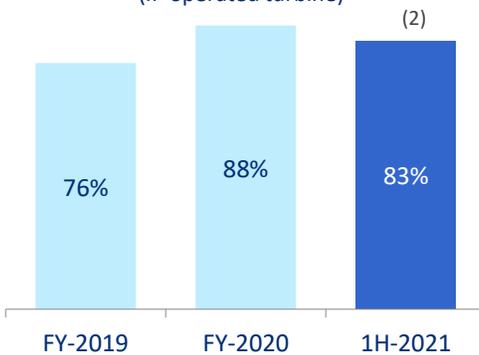
Salak Units 1 to 3
(IP operated turbine)



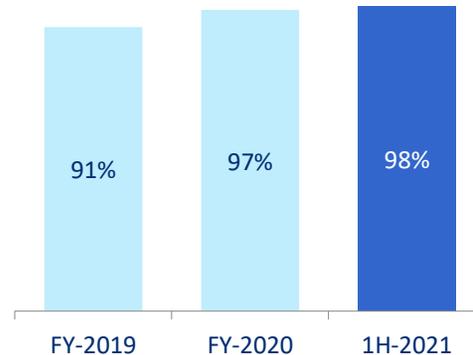
Salak Units 4 to 6



Darajat Unit 1
(IP operated turbine)



Darajat Units 2 & 3



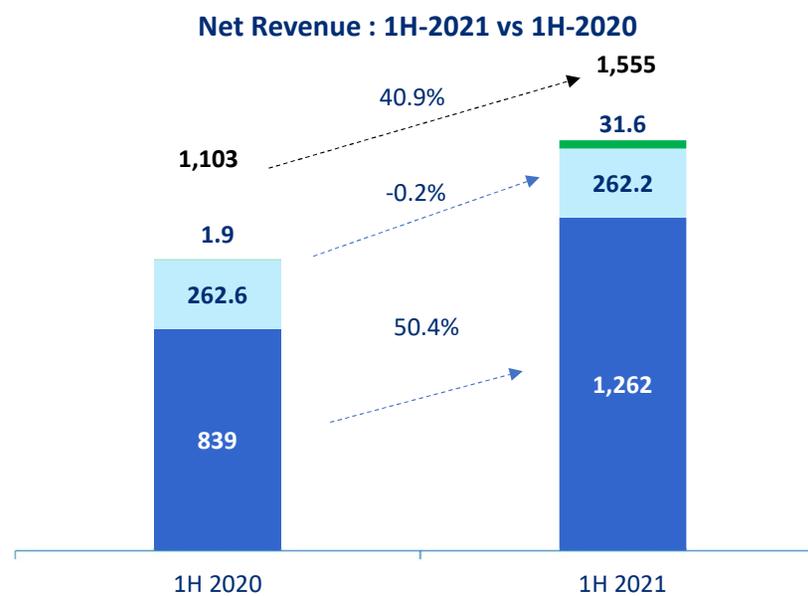
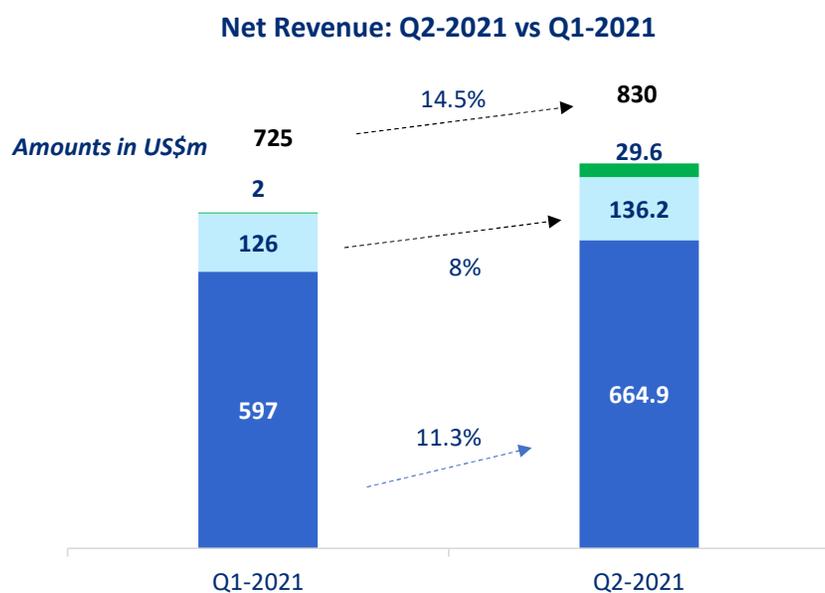
(1) Scheduled maintenance of PLN owned turbine.
(2) Scheduled maintenance of PLN owned turbine.

1Q-2021 Financial Results



1Q-2021 Financial Results

1H 2021 revenues up by 41% vs 1H-2020 mainly due to higher net revenue from our petrochemical business reflecting higher average selling prices across all products as spreads improved across the board, while sales volume increased slightly by 1.7% from 1,082KT in 1H-2020 to 1,101KT in 1H-2021.

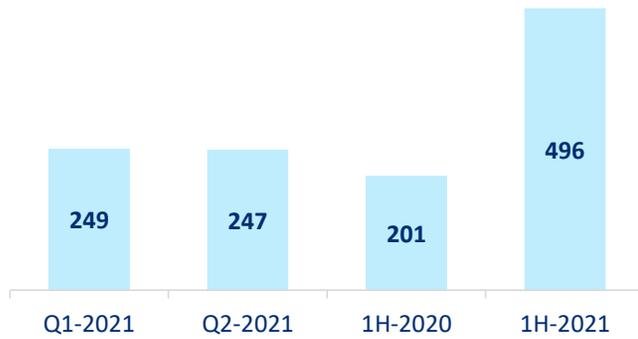


■ Petrochem ■ Energy ■ Others

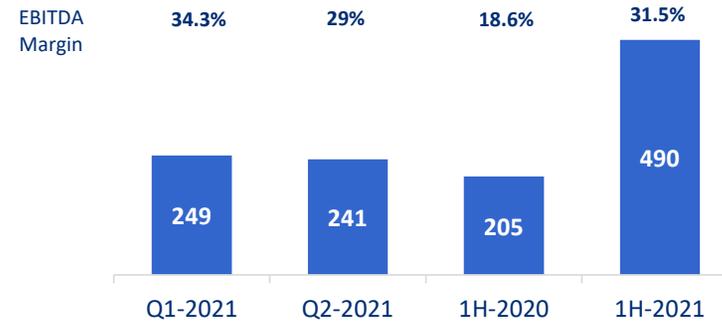
1Q-2021 Financial Results

Amounts in US\$m

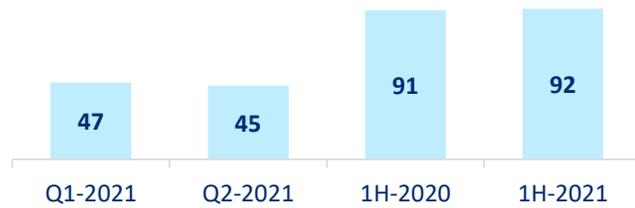
Gross Profit



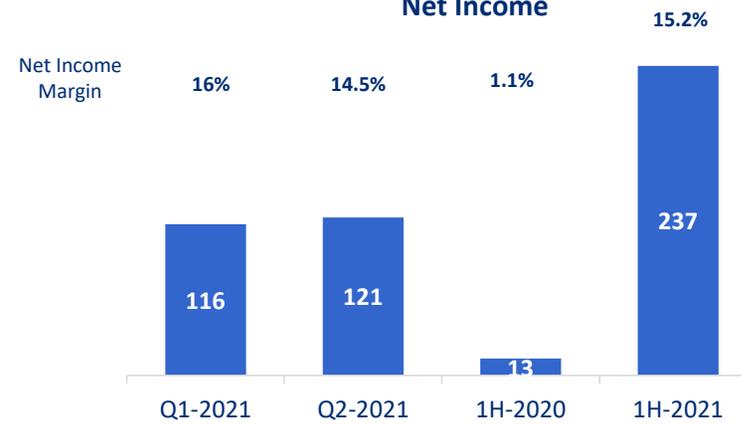
EBITDA



Finance Cost



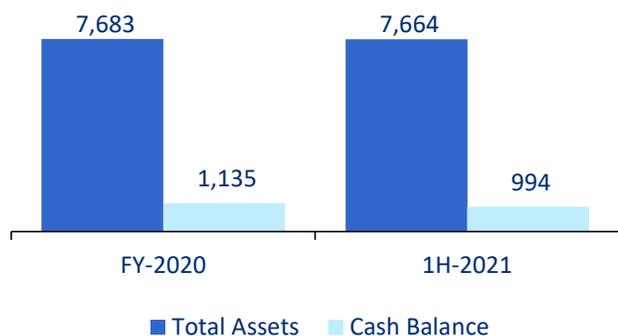
Net Income



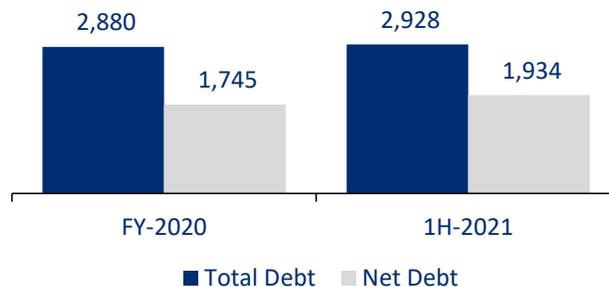
1Q-2021 Financial Profile

Amounts in US\$m

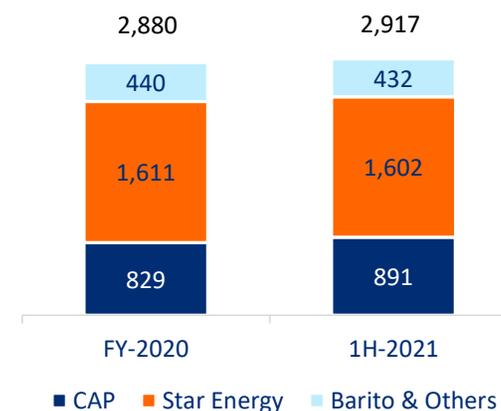
Total Assets and Cash Balance



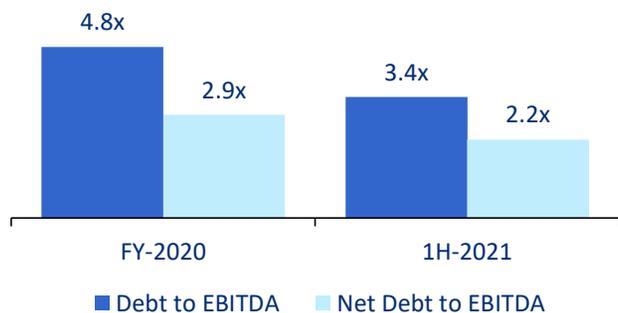
Total Debt and Net Debt



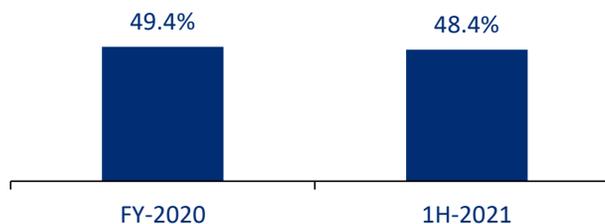
Total Debt by Entity



Debt to EBITDA / Net Debt to EBITDA

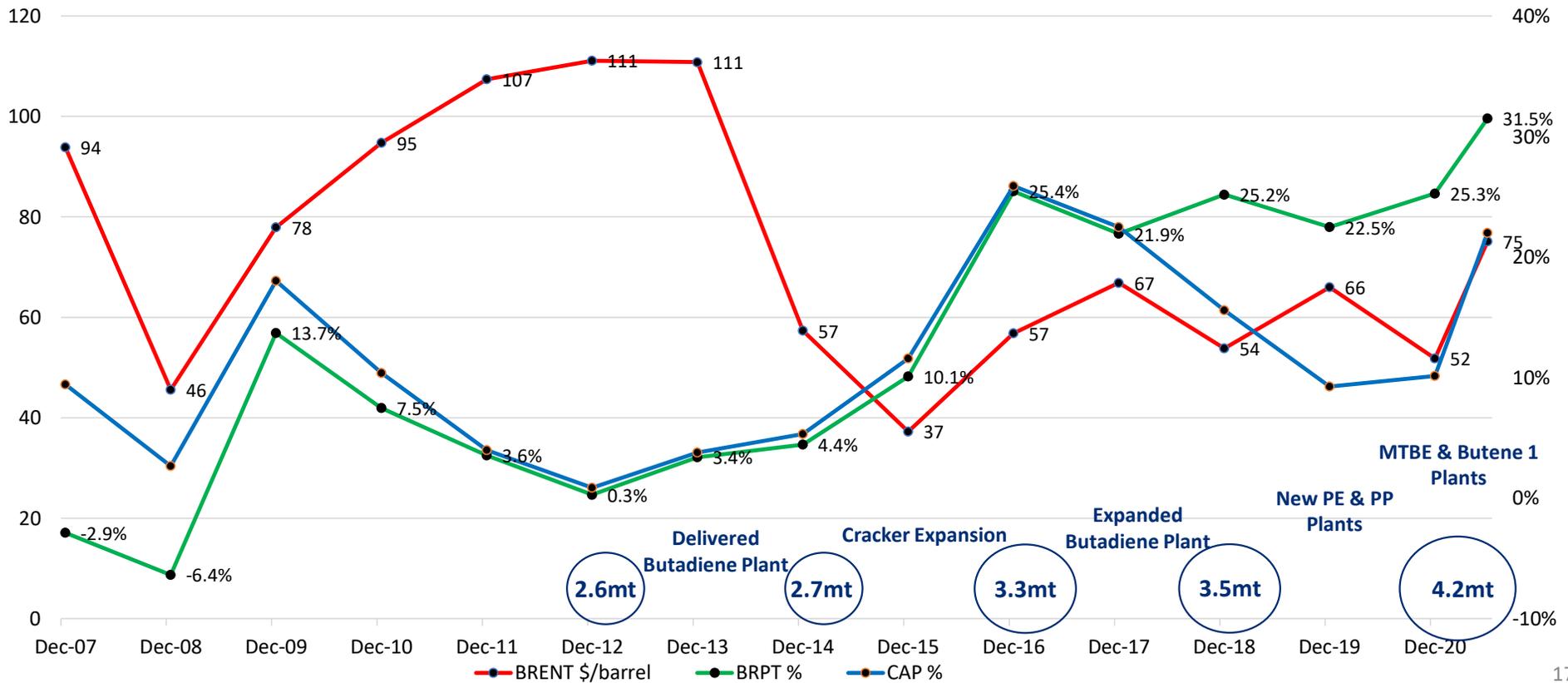


Debt to Capital Ratio



Brent versus EBITDA margin - Greater stability with greater upside

- As CAP is more integrated and larger and thus more resilient to crude price moves.
- Barito is more stable with Star Energy in our group, but still enjoying upside from Petchem business.



Project Updates

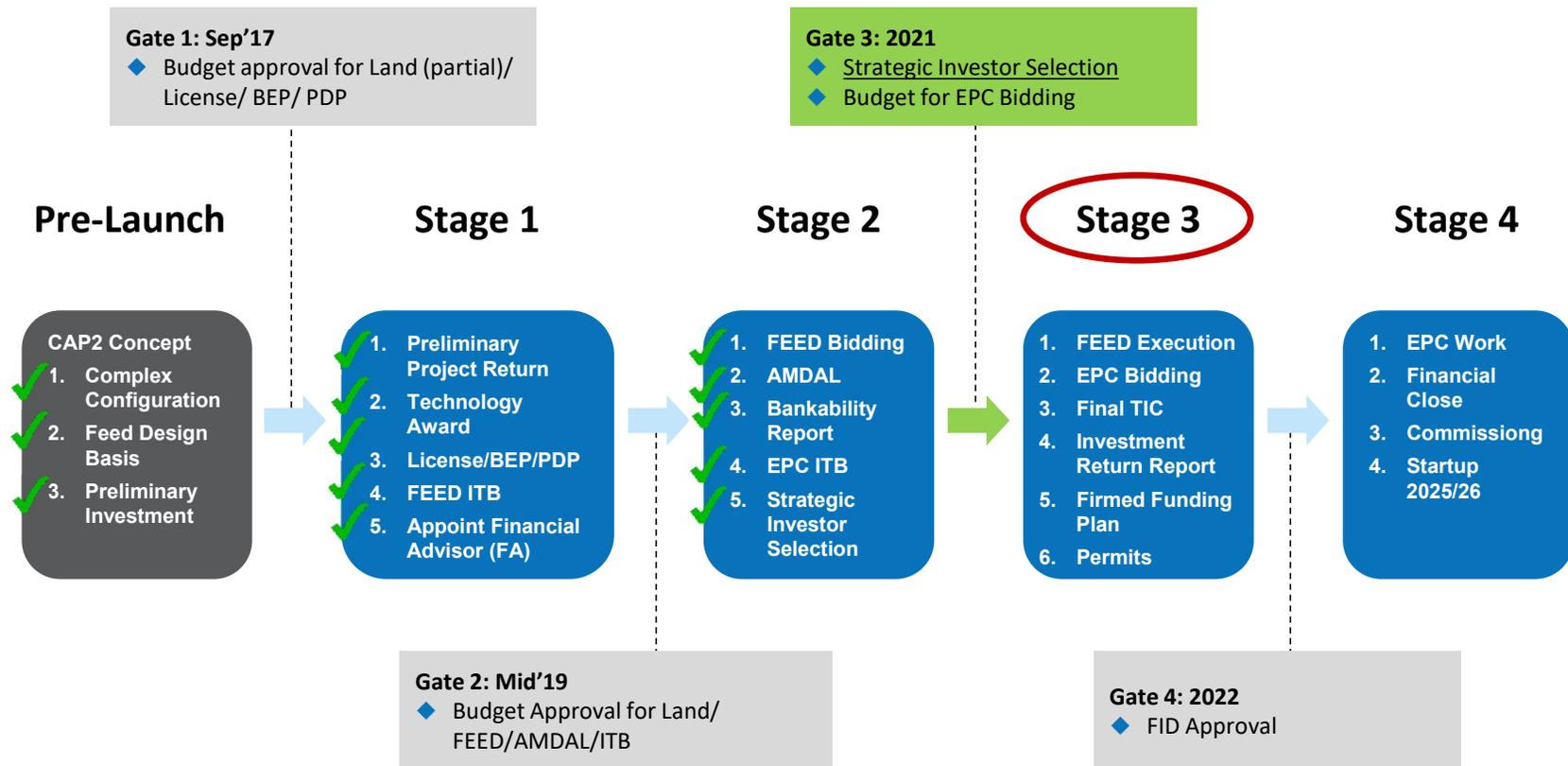


Track record of deploying significant capital and delivering meaningful projects

Completed Major Projects	Capex (U\$m)	Year	
CAP: Cracker expansion project and TAM	380	2015	
STAR ENERGY: Acquired Salak/Darajat Geothermal	2,103	2017	
CAP: Formed JV with Michelin, SBR Plant and Butadiene Plan Expansion	477	2018	
BRPT: Acquisition of Star Energy Geothermal	755	2018	
CAP: New Polyethylene Plant, PP Debottlenecking and Furnace Revamp	468	2019	
CAP: MTBE and Butene – 1 Plant	131	2020	} Delivered during Covid-19 Pandemic
CAP: Enclosed Ground Flare	14	2020	
Total Capex (completed projects)	4,328		
Major Project under Construction Phase	3,325		} Entered construction phase during Covid-19 Pandemic
Indo Raya Tenaga: Java 9&10 (2 x 1,000 MW USC technology)	3,280	2023-24	
STAR ENERGY: Salak Binary	45	2022	
Major Projects Pre-FID			
CAP: Second Petrochemical complex	5,000	2025-26	
Grand Total	12,653		

CAP 2 Stage-Gate Process and Timeline

Strategic Investor Finalization Unlocks Stage 3 with Target FID in 2022



Well On Track with Achievement of Key Milestones

- 1 Sufficient Landbank achieved for plot plan
- 2 Tax Holiday for 20+2 years obtained
- 3 Licenses and Technology selected
- 4 FEED contracts ready to go
- 5 Capex plan and design firmed up +/- 30%
- 6 Clear financing plan with strong bank support
- 7 Consistent and solid government support
- 8 Environmental permit approved
- 9 LOI signed with utility partner
- 10 Strategic Investor Chosen - Thaioil



President of Indonesia, HE Joko Widodo:
“The development of Chandra Asri’s new CAP2 plant is a concrete step that is needed by our country”

6 December 2019 at the Inauguration of CAP’s 400KTA New Polyethylene Plant

Win-Win-Win Strategic Alignment and Partnership Synergies



CAP Strategic Alignment

- **Leading operator of petrochemical complex** in Indonesia
- Track record of **sustainable and profitable growth**
- Highly visible **growth opportunity from development of CAP2**
- **Sponsored by Barito Group**

SCG Strategic Alignment

- **CAP's long-term partner**
- **Long track record and expertise in PetChem**
- Recent **experience in mega project** development, i.e. Longson PetChem project in Vietnam
- **Equity funding** for development of CAP2

TOP Strategic Alignment

- **Long-term feedstock supply security**
- Expertise in **margin improvement program** and **operational excellence program**
- Recent **experience in mega project** development, i.e. Clean Fuel Project
- **Equity funding** for development of CAP2

Partnership Synergies



Planning, development and construction of **CAP2**



Feedstock supply by TOP to enhance feedstock security for CAP



Product distribution by TOP to further expand CAP distribution network



Knowledge / expertise transfer between both organizations



Future additional collaborations between CAP, SCG Chemicals and TOP

Notes:

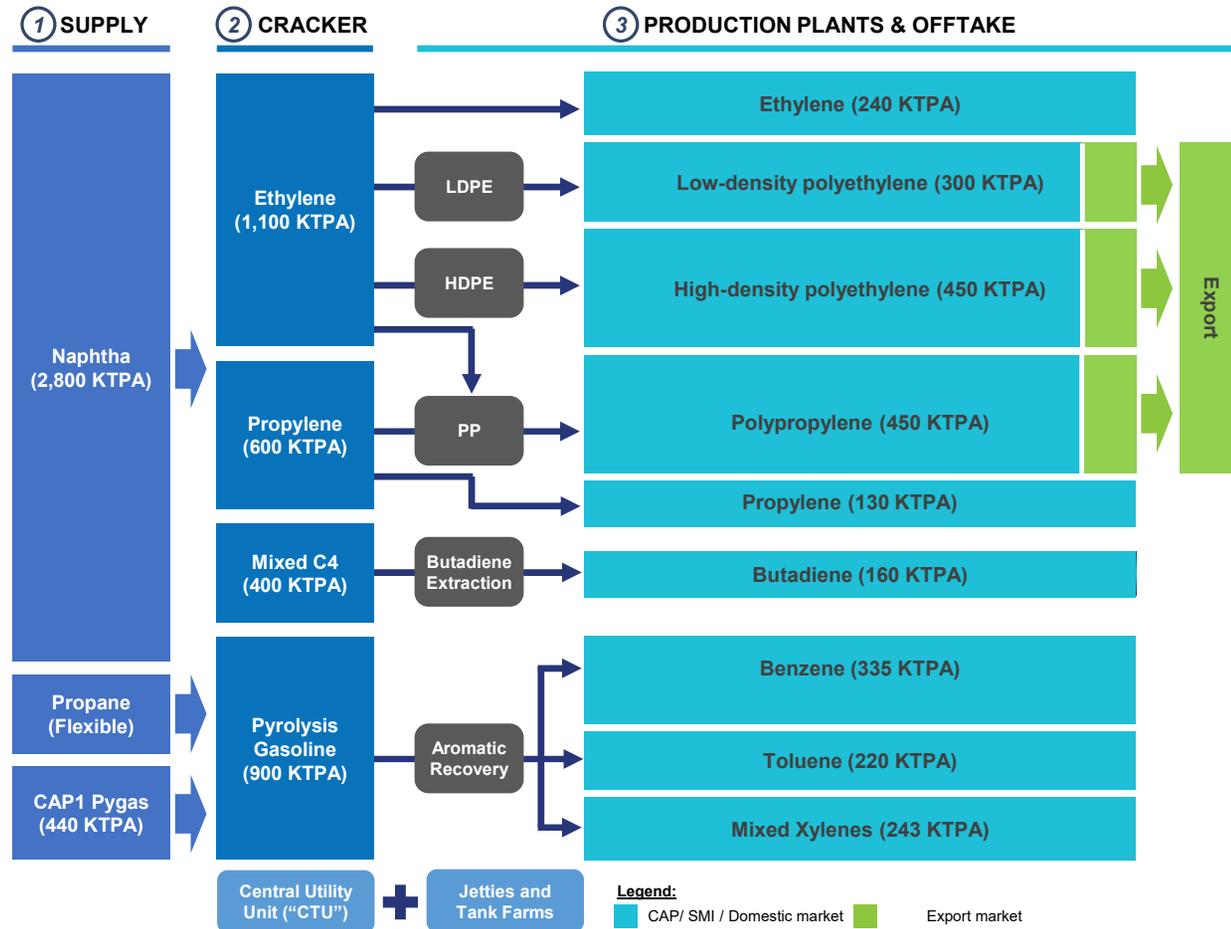
- (1) Long Son petrochemicals complex is an integrated petrochemical complex being constructed in Long Son Commune of Ba Ria-Vung Tau Province, Vietnam by SCG Chemicals.
 (2) The Clean Fuel Project (CFP) is the increase in refining capacity by Thaioil at its Thaioil Refinery in Sriracha, Chonbur, Thailand.

CAP 2 Plant Configuration

World-Scale Integrated Petrochemical Plant to double total capacity to >8 MTPA

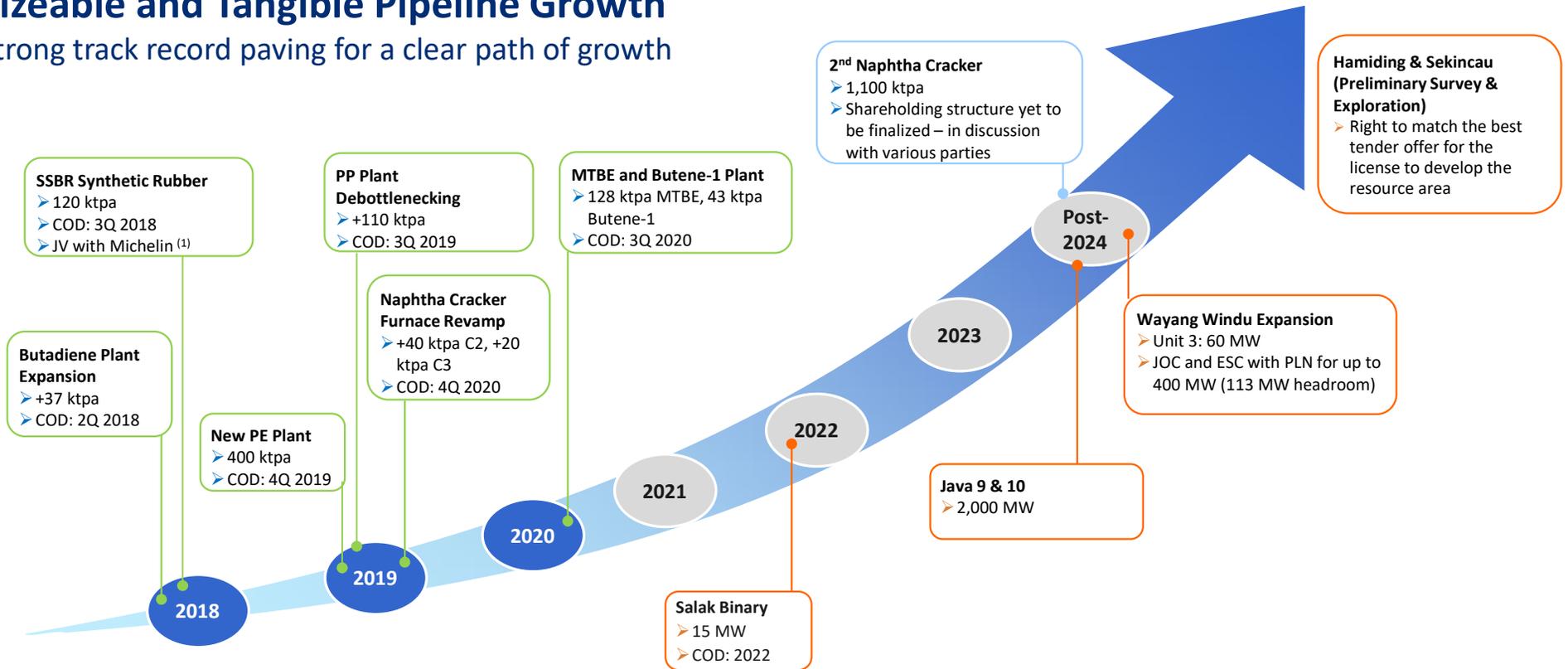
Summary (Full configuration)	
Location:	Java, Indonesia
Land size:	c. 200 ha
Plants:	Naphtha cracker LDPE HDPE PP Butadiene extraction Aromatic recovery
EPC:	Reputable EPC contractors subject to Front End Engineering and Design

- Naphtha to be the main feedstock to be supplied by Thairoil and other traders/IOC/NOC. Pygas will be sourced from CAP1 to reduce logistics and transportation cost.
- The flexible-feed cracker will be able to consume a mix of naphtha and LPG as feedstock.
- CAP2 has been designed to primarily meet the growing domestic demand in olefins and aromatics in Indonesia. CAP2's design configuration combines proven technologies to ensure high product quality and cost competitiveness.



Sizeable and Tangible Pipeline Growth

Strong track record paving for a clear path of growth



(1) 55% held by Michelin and 45% held by CAP (indirectly, through wholly-owned subsidiary PT Styrimo Mono Indonesia)

 Petrochemical, Completed

Environmental
Social
Governance



Current ESG rating of Barito Pacific.. On the path of continuous improvement.

Rating Provider	Current Score	Target
MSCI ESG LEADERS ✓	BB	A
Sustainalytics	34.1 (High Risk)	25-27 (Medium Risk)
FTSE ESG	Under review	

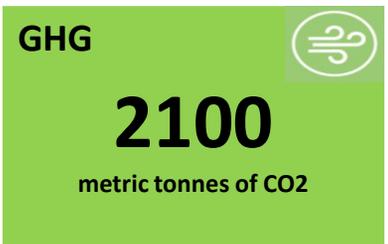
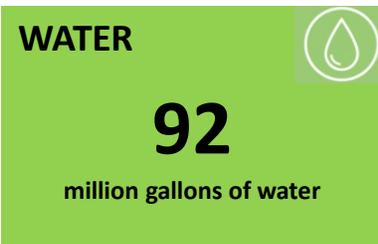
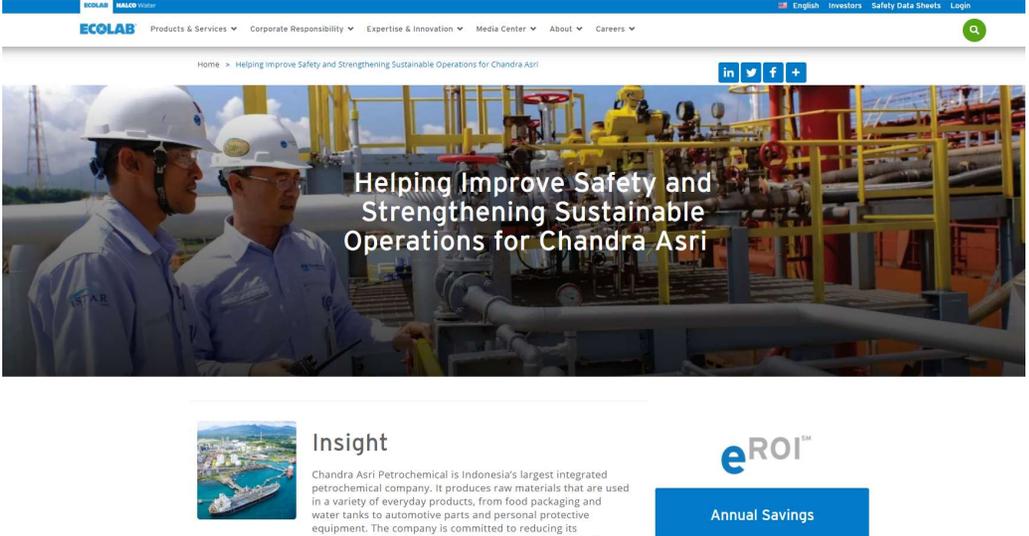
- ESG ratings are a relatively new phenomena but catching up fast.
- Barito acknowledges that our ratings can improve by better disclosure and by targeting the addressable areas. This remains the **key focus** for senior management.
- **MSCI ESG rating under review. Sustainalytics review scheduled in Nov 2021.**
- Star Energy has issued two global green bonds – the first two green bonds by an Indonesian corporate. Our operating assets already comply with those covenants. We are working to ensure that ESG ratings providers also credit Barito Pacific for these endeavors.

Cost Reduction with SPEED – Ecolab Partnership on Water Footprint

Further US\$4.5m/year Value Delivered with Positive Sustainability Impacts

“We are pleased to partner with Ecolab, in line with our ethos of being a growth partner, to mark another key milestone for Chandra Asri’s sustainability journey. We believe if we all act as responsible stewards for the environment, we will all benefit in the long run. Chandra Asri is fully committed towards delivering improvements that reduce our environmental footprint, as we actively seek to balance environmental, economic and social goals via transparent and proactive engagement with the community and key stakeholders around us.”

– **Erwin Ciputra**, President Director and Chief Executive Officer, Chandra Asri



Go To: <https://www.ecolab.com/stories/helping-improve-safety-and-strengthening-sustainable-operations-for-chandra-asri>
 SPEED: Chandra Asri’s Structural Cost Reduction Program with 5 Key Levers of Scale, Process, ESG, E2E Procurement, Digital Transformation

What to expect next in 2021

- Longer term Emission and GHG reduction targets.
- Aspire to CARBON NEUTRALITY by using Carbon Credits of Star Energy.
- Continue to work with all stakeholders:
 - PRODUCERS (product composition and disposal),
 - CUSTOMERS (product design and end of life disposal)
 - CONSUMERS (education and disposal)
 - GOVERNMENT (creating policy and implementation).

Sustainability - a path, not just a goal

THANK YOU

Office Address:

PT Barito Pacific Tbk

Wisma Barito Pacific Tower B, Fl. 8

Jl. Letjen. S. Parman Kav. 62-63

Jakarta 11410

Contact:

Investor Relations /Corporate Secretary

Email: investor.relations@barito.co.id

corpsec@barito.co.id

Telp: +62 21 530 6711

Visit our website at www.barito-pacific.com