

PT Barito Pacific Tbk

March 2023

FY2022 Earnings Call

Presentation to Analysts and Investors



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Latest Key Updates

01 FY22 results summary

02 Operational metrics

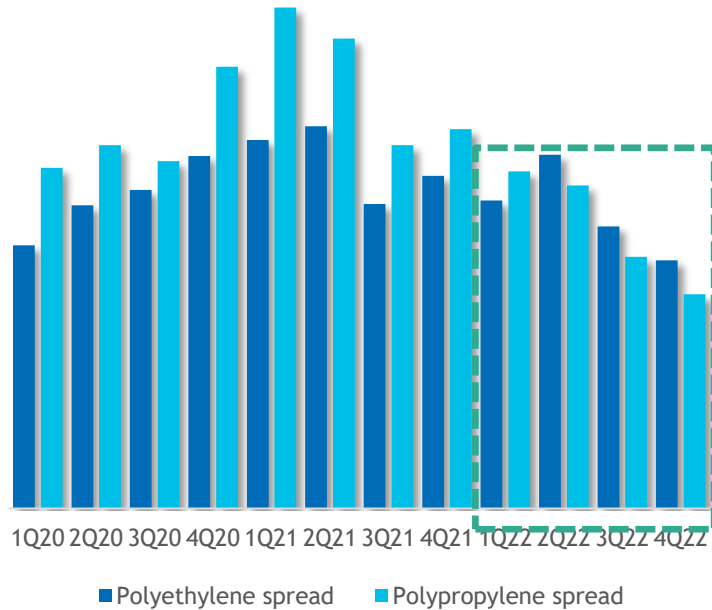
03 Business Updates & Growth Strategy

01 **FY22 Results Summary**

Key Dynamic Factors

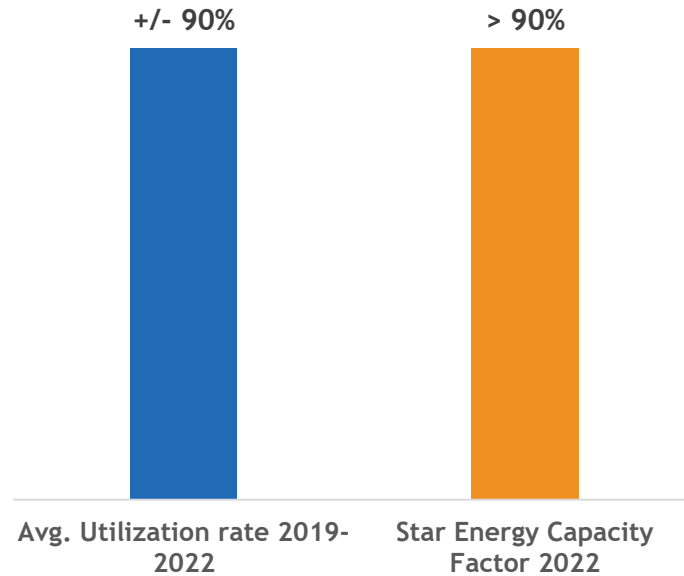
Having endured significant volatility in the petrochemical industry in the past, the addition of an energy business pillar provides a balancing act to our consolidated performance

Petrochemical Spread



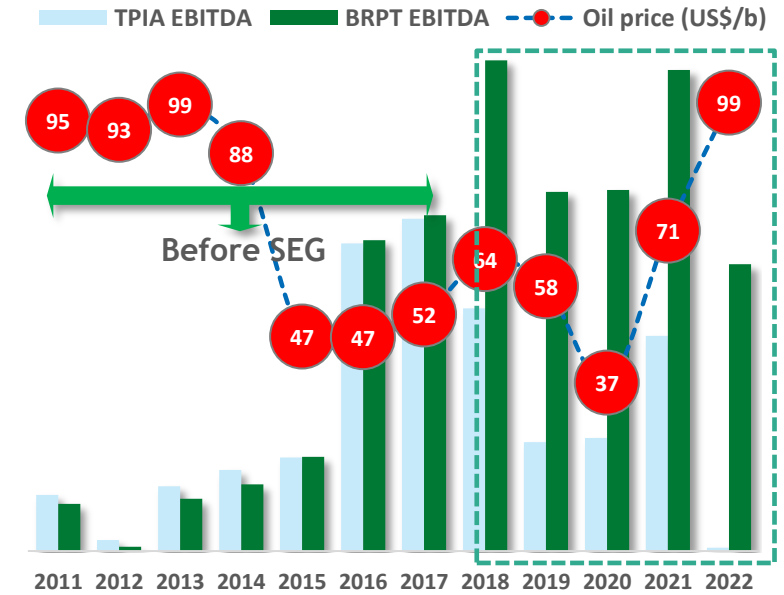
Absence of resuscitation in petrochemical margin on unseen demand recovery in China, resulting in weak product prices

Run rates & Capacity Factor



On the back of healthy domestic demand, operational activity remained healthy

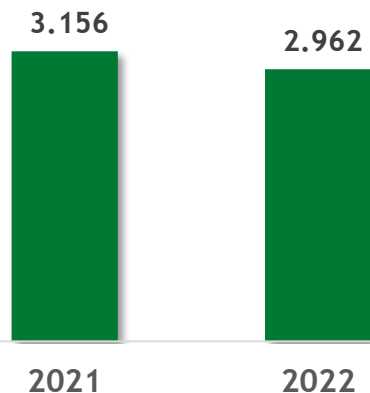
Oil Price & EBITDA



Energy portfolio provides EBITDA stability despite volatility in the petrochemical sector

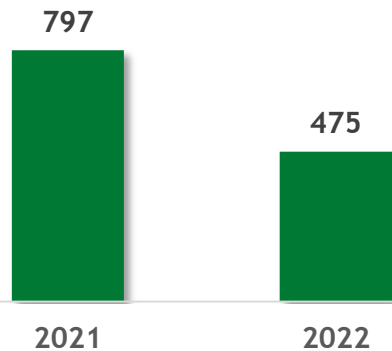
Revenue

US\$2,962m
-6.1%



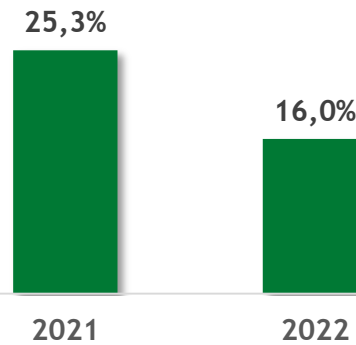
EBITDA

US\$475m
-40%



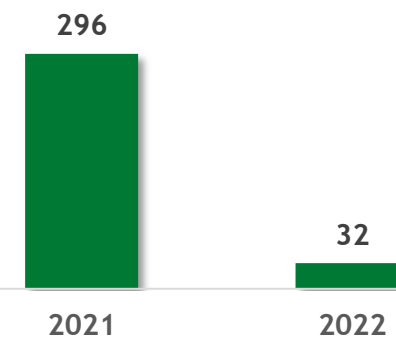
EBITDA Margin

16.05%
-9.2pp



Net profit after tax

US\$32mn
-89%



1



Challenging global macro environment: Continued geopolitical risk, inflation, and looming recession risk

2



Petrochemical: supply-demand disruption led to low product prices and tight petrochemical margin; Focus on maintaining robust liquidity

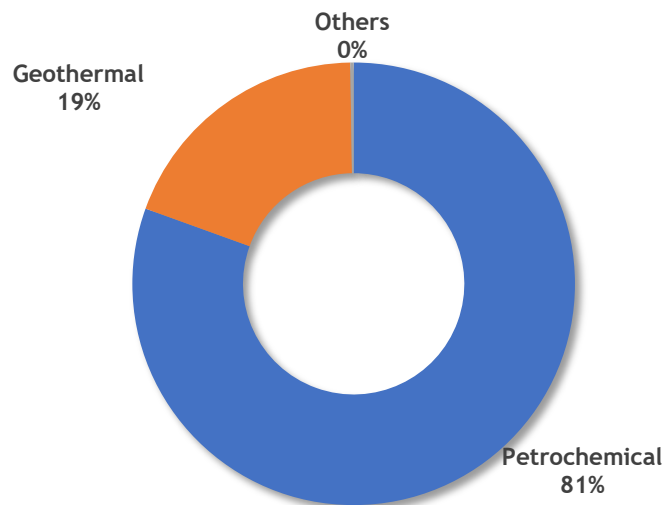
3



Geothermal: “Stable at its best”
A living testament to the successful transformation of our Group profile

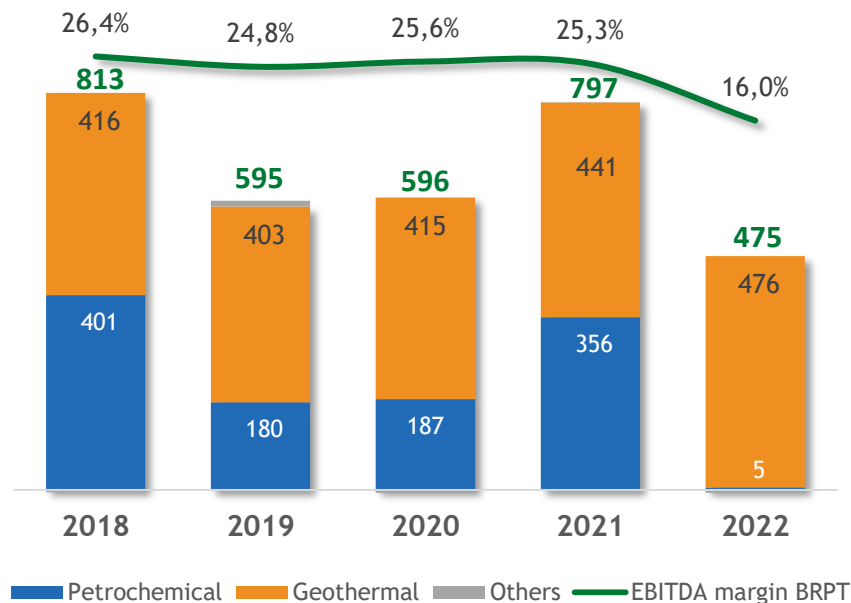
Stronger blend of income with shielding factor from Geothermal

Revenue contribution



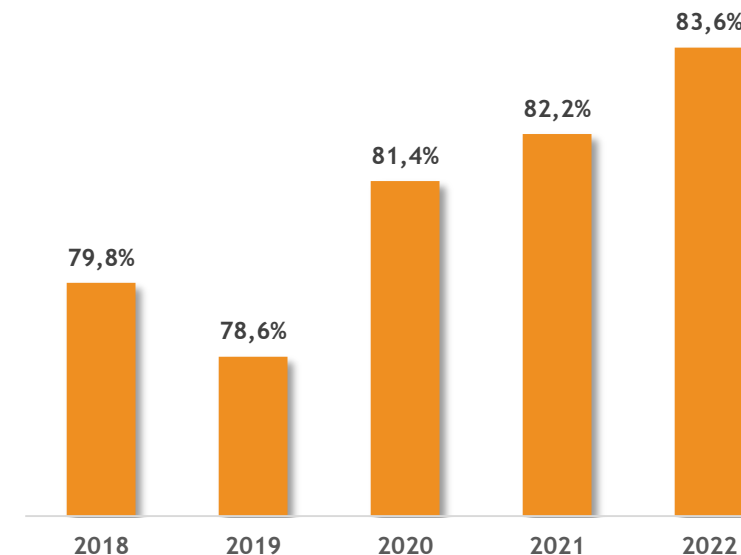
Revenue generation stems from petrochemical

EBITDA contribution



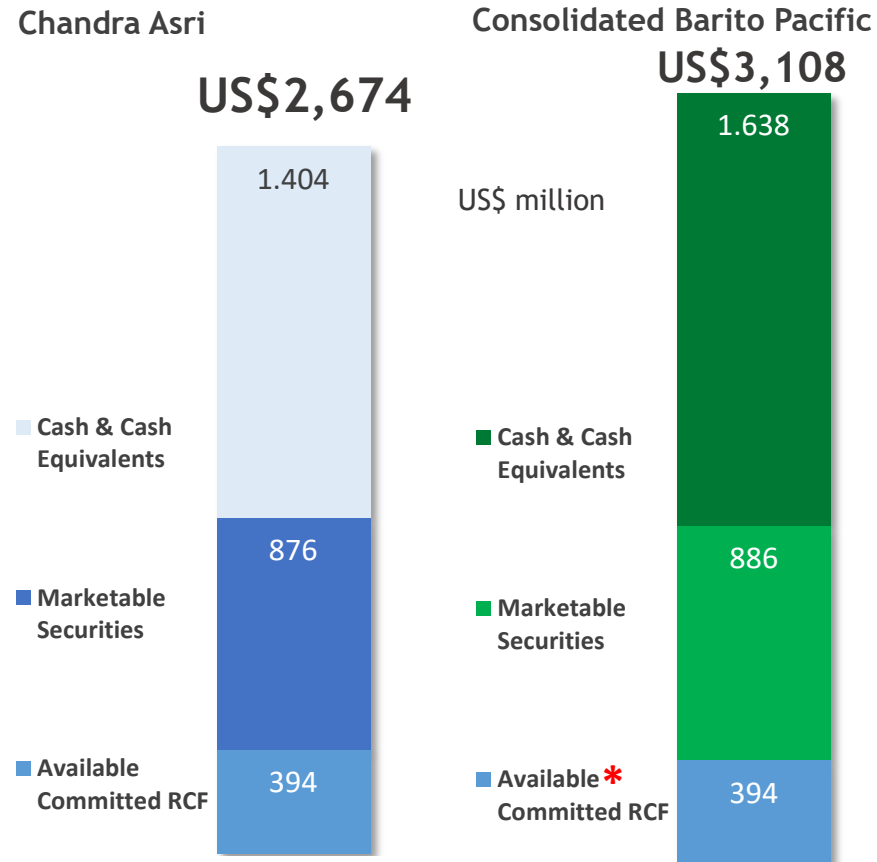
Rising geothermal contribution partially offset weak petrochemical

SEG EBITDA margin



Strong EBITDA margin of above 80%

Robust Liquidity Pool in 2022



*CAP only

Ample Liquidity as cushion; Organic expansions

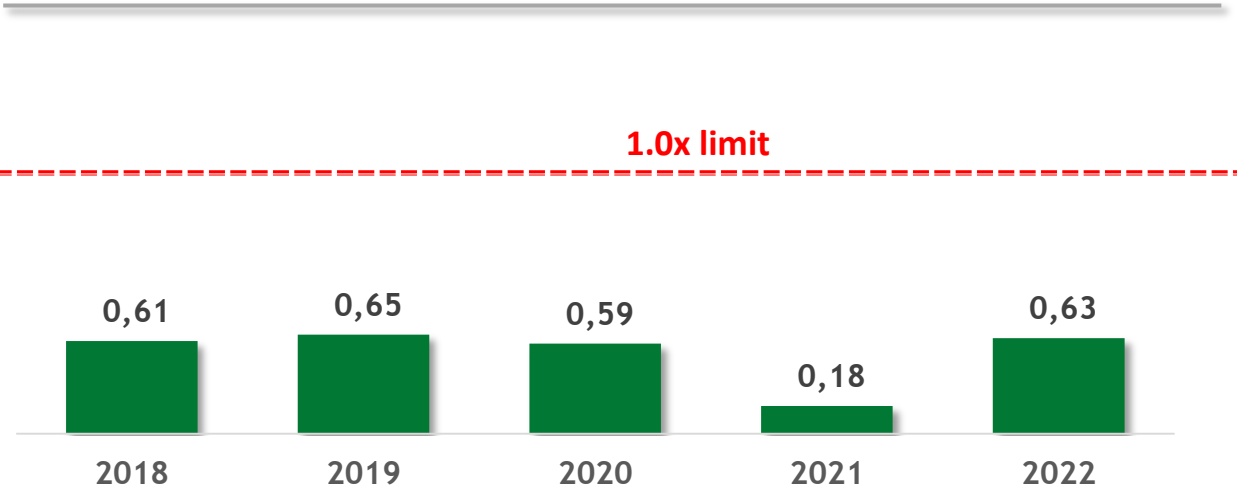
- Strong liquidity provide buffer against uncertain times
- Well-prepared for full-throttle recovery mode in the petrochemical sector
- Secured equity commitment to progress CAP2, in light of the observed volatility

Inorganic Opportunity

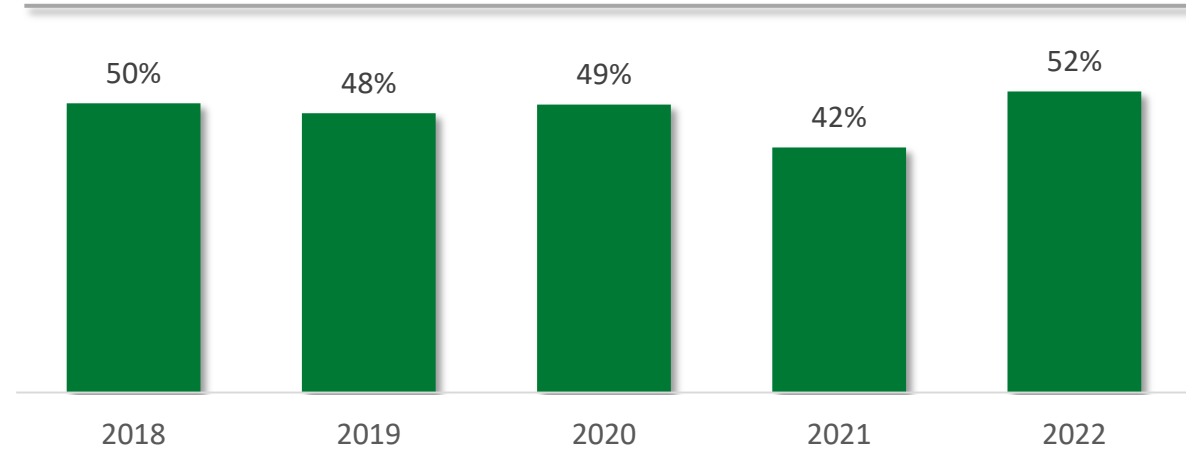
CAP signed Share Purchase agreement to acquire PT Krakatau Daya Listrik & PT Krakatau Tirta Industri

- Bolt-on acquisition supported by stable and resilient cash flow
- Further enhancement of business fundamentals, and unlocks many attractive synergies
- Diversifying revenue toward supporting infrastructure utilities
- Fully synced with the expansions plans for 2nd petrochemical Complex

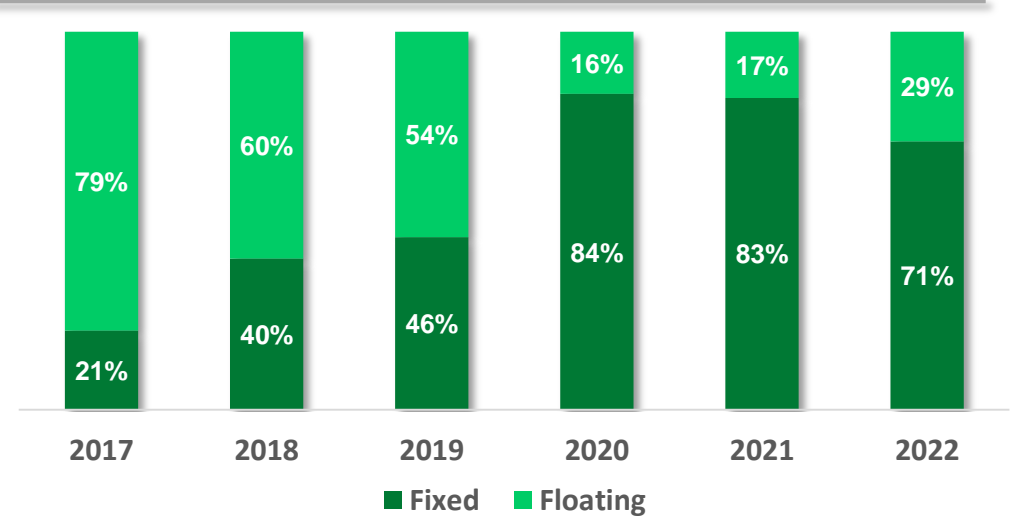
Net Debt to Equity (x)



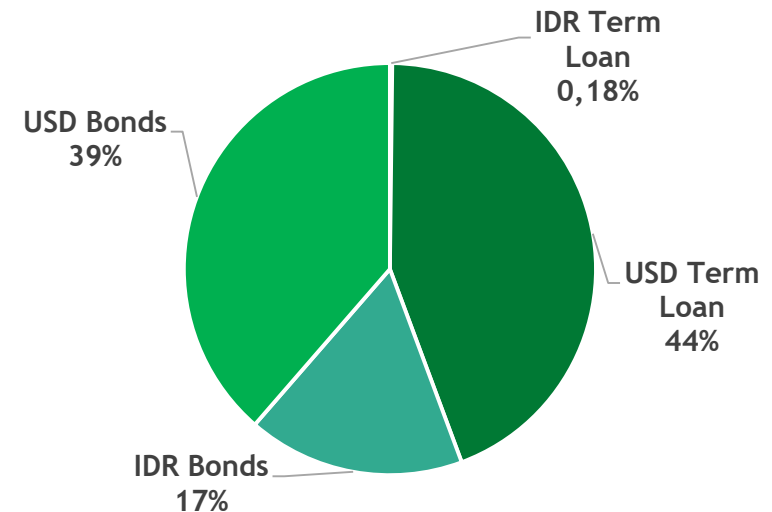
Debt to Capital (%)



Fixed vs. Floating (%)



Debt composition 2022

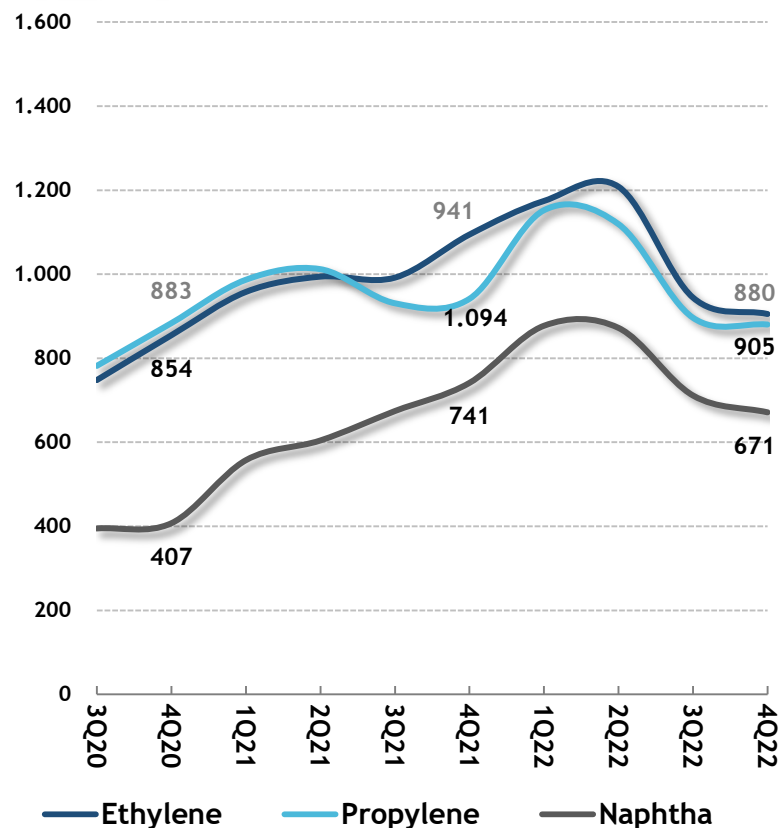


02

Key operational updates
Utilization rate & Capacity factor

Exceptionally challenging global macro conditions

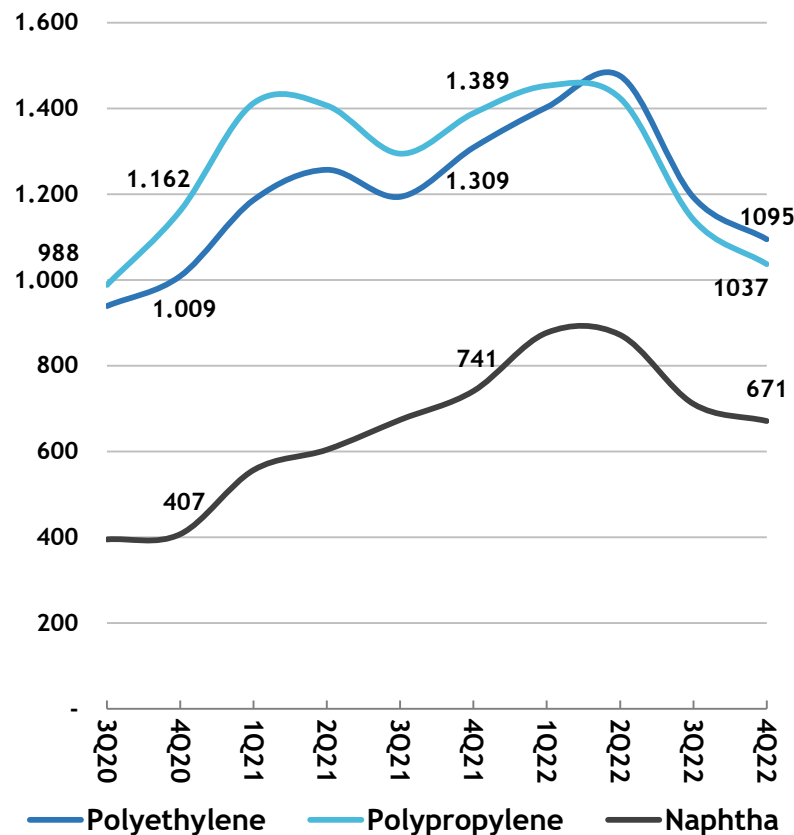
OLEFINS



Naptha Price: weaker oil price & ample supplies pressured Asian Market

Ethylene: lower demand as customers aimed to minimize inventories by year-end

POLYOLEFINS

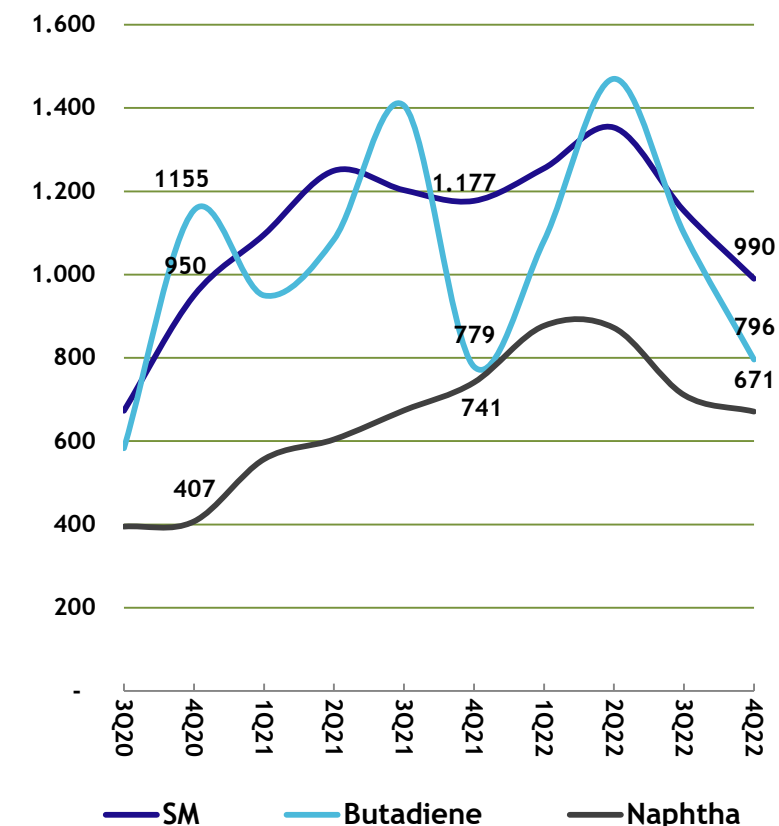


Polyethylene: seasonal demand lull during festive season & persistent Covid restriction

PP price: poor economic outlook & softer consumer appetite curbed PP Demand

OTHERS

(all figures in US\$/T)

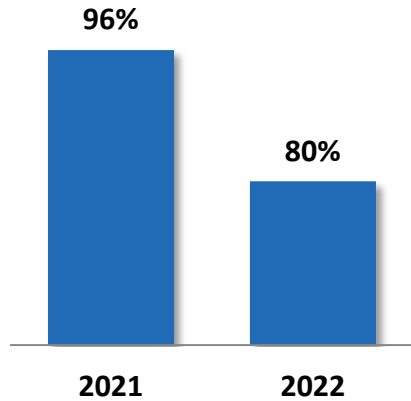


SM: deceleration of Chinese economy and slower downstream demand remained as constraints to consumption

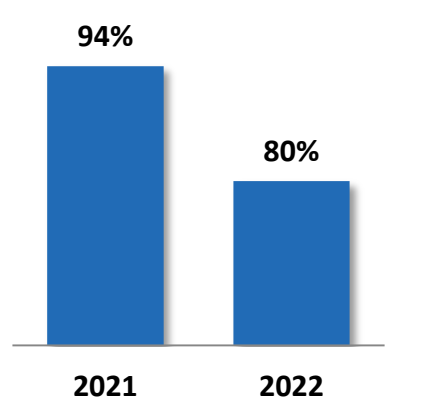
Butadiene: tepid demand as most buyers curtailed Butadiene offtake and took wait-and-see stance

Operating rates driven by economics of prevailing price spreads

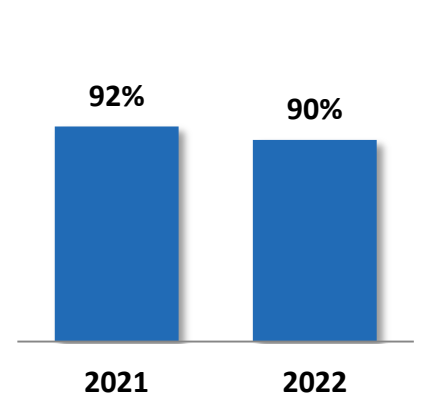
Naphtha Cracker



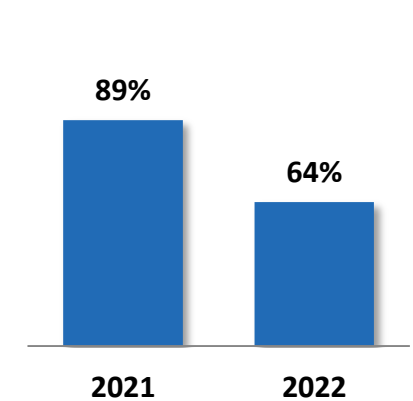
Polyethylene Plant



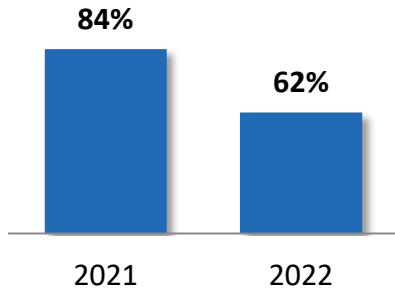
Polypropylene Plant



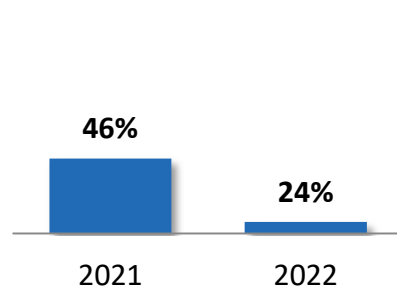
Styrene Monomer Plant



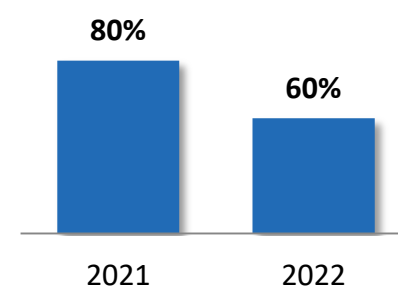
Butadiene Plant



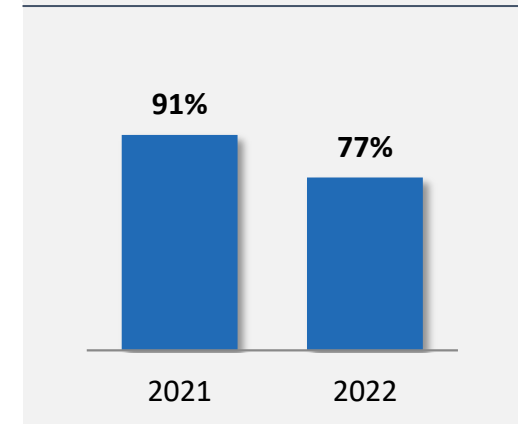
MTBE Plant ⁽¹⁾



Butene-1 Plant



All Plants



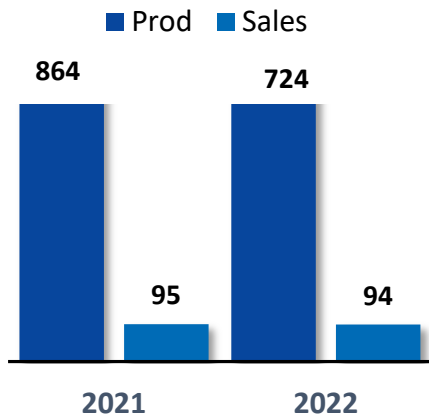
(1) Whilst B1-MTBE plants are already fully operational meeting full specifications, the operating rates are subject to fulfilling long-term raffinate off-take agreements that will run until mid 2023. This was considered as part of the Final Investment Decision approval process.

Production and Sales

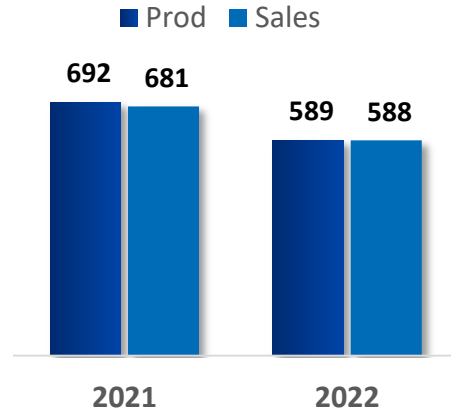
Full volume sales achieved with sustained domestic leadership to meet Indonesia shortage

(all figures in KT)

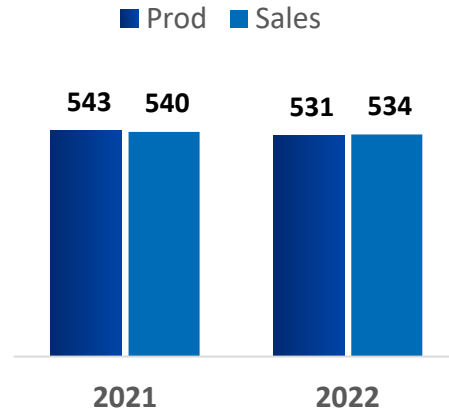
Ethylene⁽¹⁾



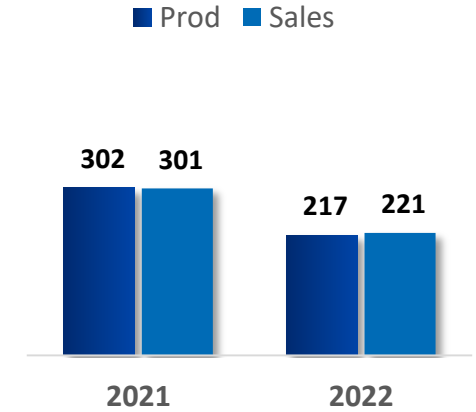
Polyethylene Plant



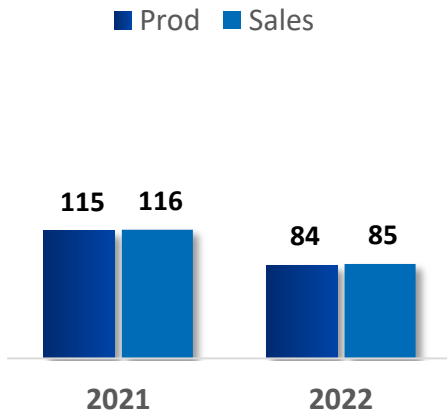
Polypropylene Plant



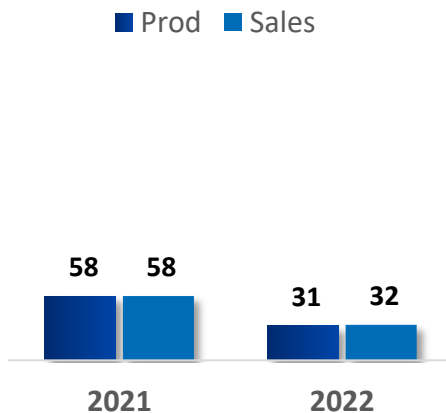
Styrene Monomer Plant



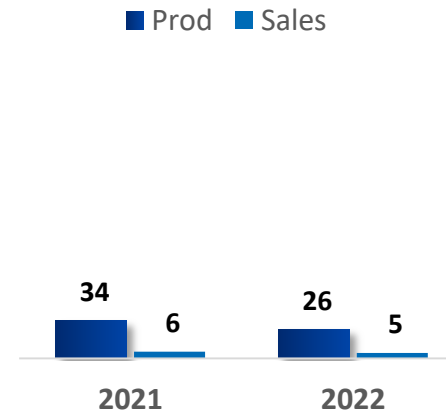
Butadiene Plant



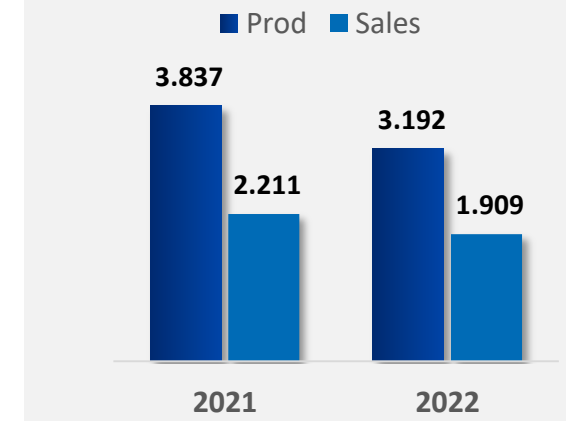
MTBE Plant



Butene-1 Plant⁽²⁾



Total Production & Sales Volume

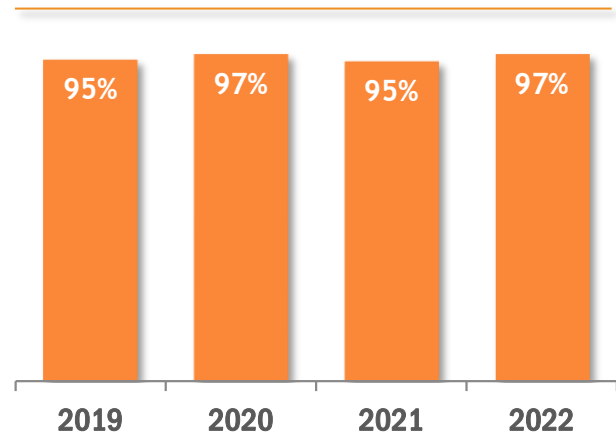


(1) Ethylene is used as a feedstock for our Polyethylene and Styrene Monomer plant according to its capacity while the remaining of Ethylene production is sold to merchant sales. Since New Polyethylene plant 400KTA operates in Q4 2019, Ethylene is mostly self consumed as feedstock for Polyethylene plant.

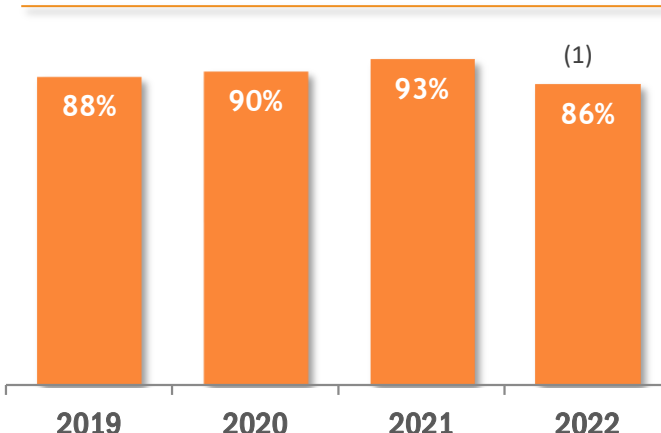
(2) B1 is mainly used for internal use as co-monomer in Polyethylene production process

Star Energy Geothermal Operating Assets - Average Net Capacity Factor

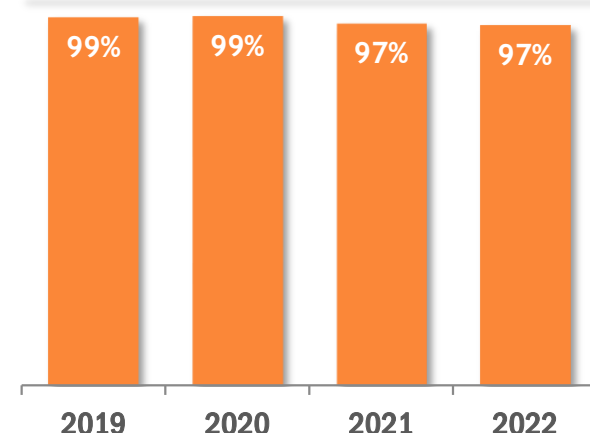
Wayang Windu



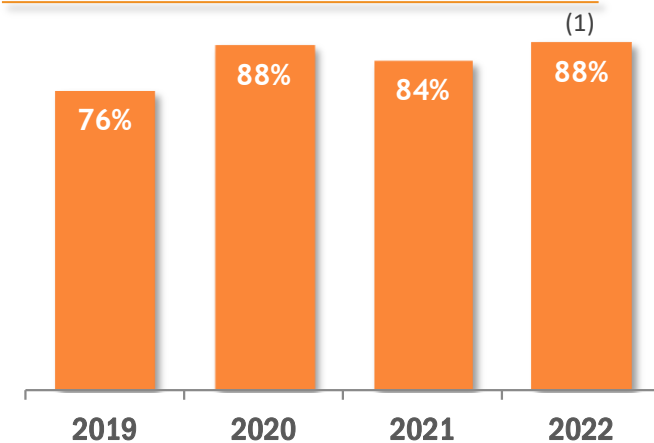
Salak Units 1 to 3 (IP operated turbine)



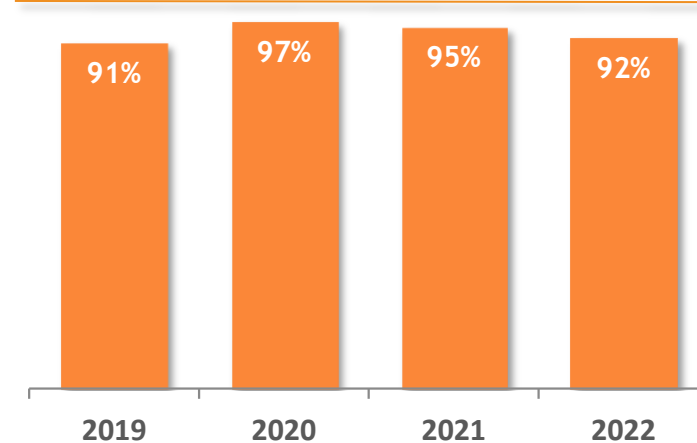
Salak Units 4 to 6



Darajat Unit 1 (IP operated turbine)



Darajat Units 2 & 3



(1) Scheduled maintenance of PLN owned turbine on unit 1

03

Business Updates & Growth Strategy
Expansions plan & Asset consolidation

Growth initiatives (2013-2022)

Petrochemical

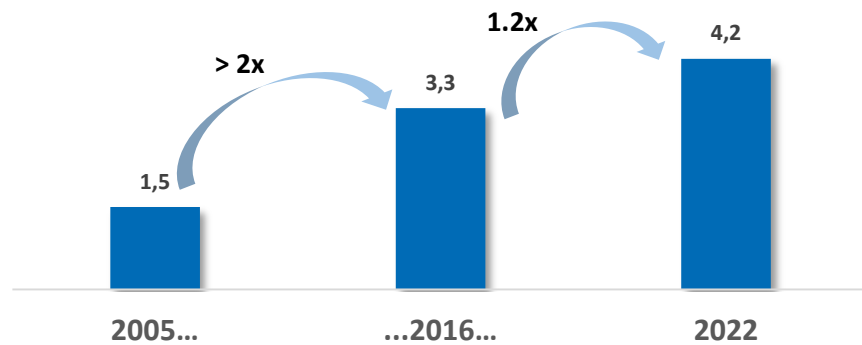
Strategic growth via downstream integration & capacity expansions

| | | Capex | Completion | |
|------|--|----------|------------|---------------------------|
| 2013 | Cracker Expansion | US\$380m | 2016 | |
| 2013 | Formed JV with Michelin | US\$477m | 2018 | |
| 2013 | New PE plant, PP debottlenecking, Furnace revamp | US\$468m | 2019 | |
| 2018 | MTBE & Butane -1 Plant | US\$131m | 2020 | Delivered during pandemic |
| 2018 | Enclosed ground flare | US\$14m | 2020 | Delivered during pandemic |

Total capex

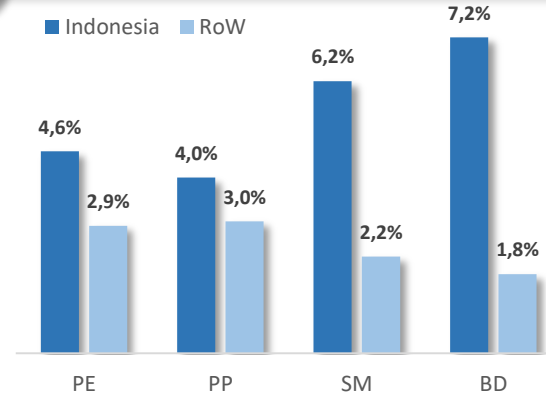
USD1.5b

Historical Capacity Expansions (Mtpa)

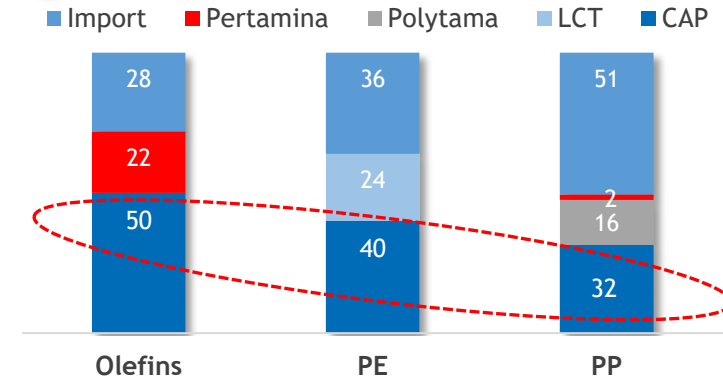


Well-positioned to benefit from attractive industry outlook

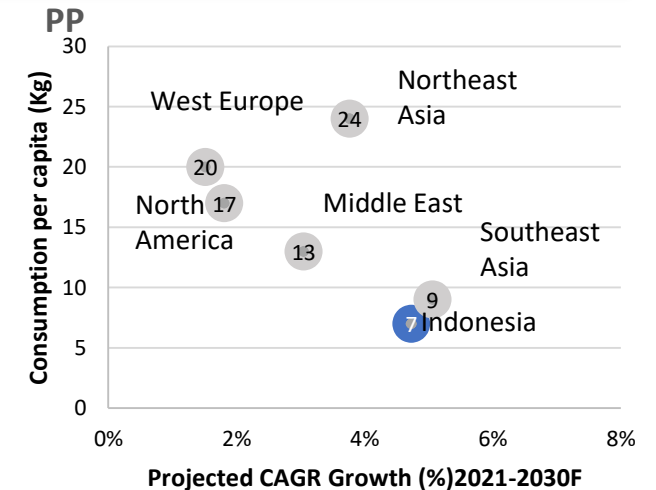
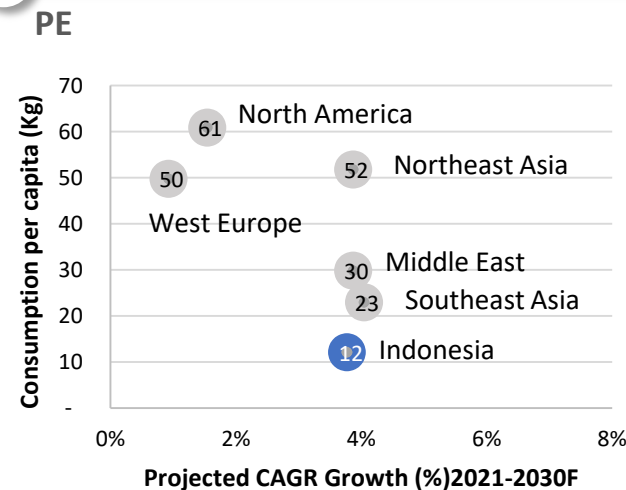
1 Attractive growth fundamentals



2 Market Leader



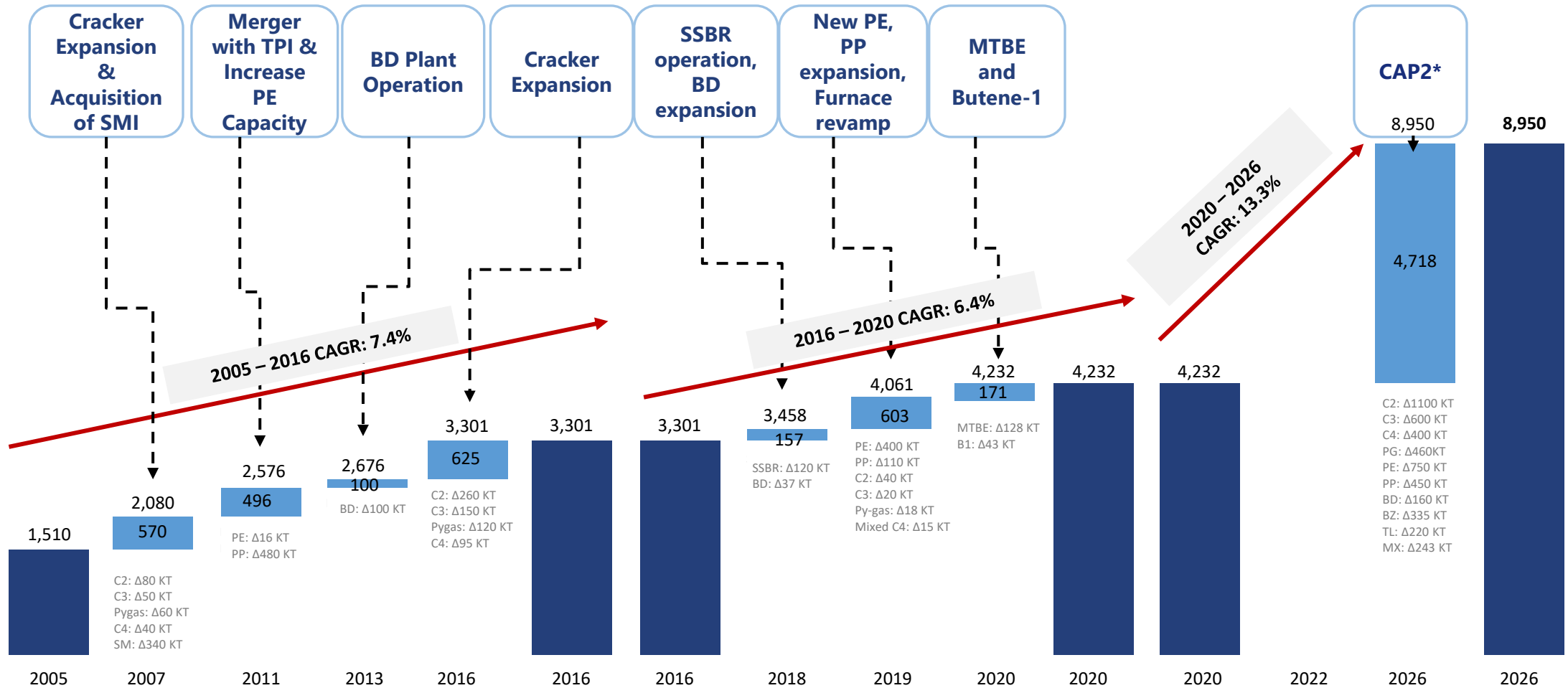
3 Low PE & PP consumption per capita



Source: Company, Nexant 2022

Petrochemical Growth Roadmap

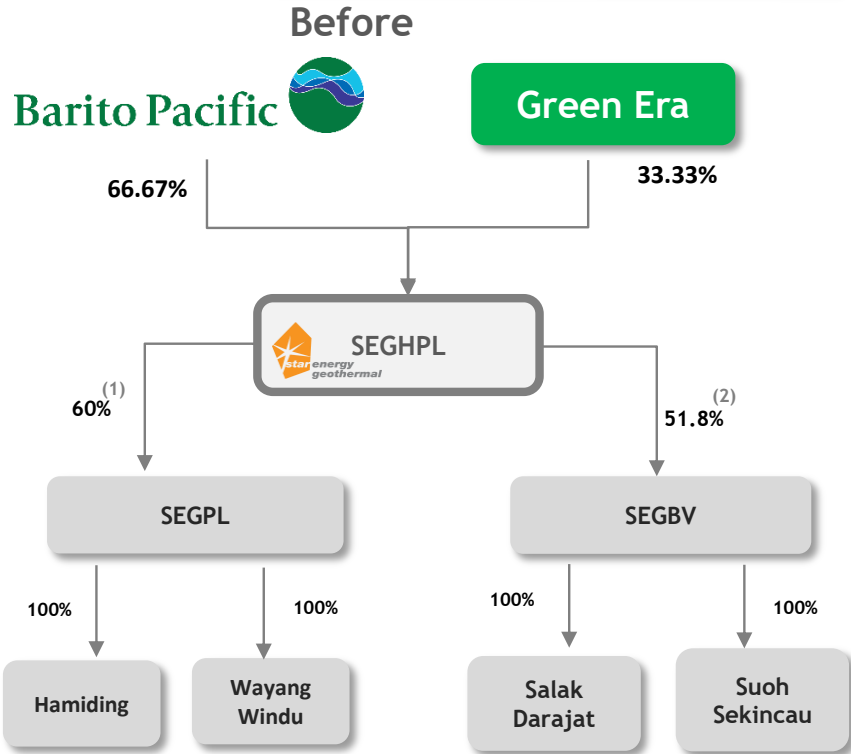
Expanding capacity to deliver sustainable growth ahead



* Subject to FID

A New Milestone Achieved through Group Consolidation

Corporate structure (simplified)

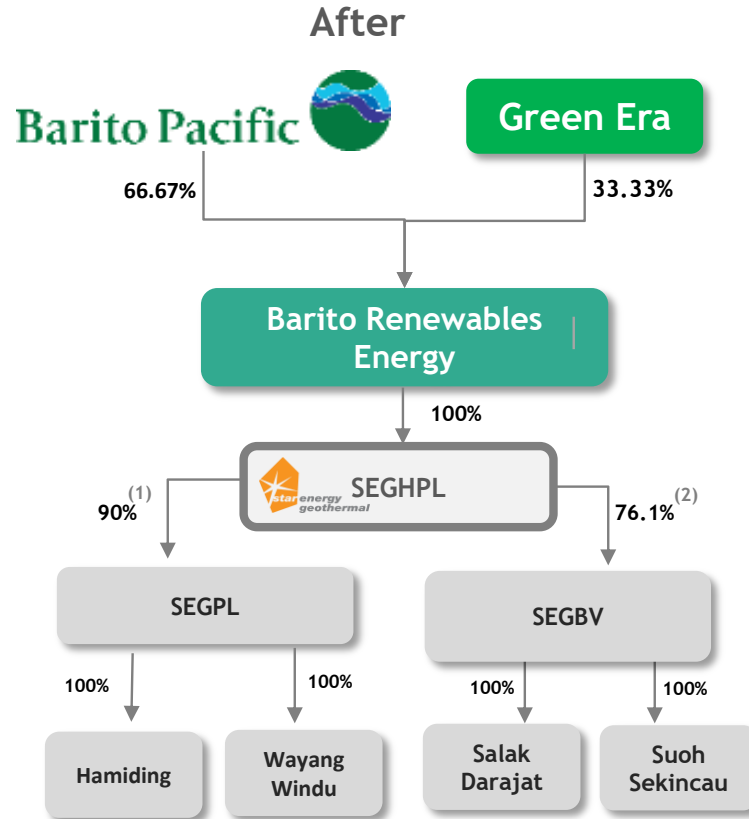


SEGHPL: Star Energy Group Holdings Pte. Ltd
 SEGPL: Star Energy Geothermal Pte. Ltd
 SEGBV: Star Energy Geothermal (Salak Darajat) BV

(1): Mitsubishi owned 20% of SEGPL & ECGO owned 20% of SEGPL
 (2): Mitsubishi owned 8.2%, Ayala owned 19.8% of SEGBV, and ECGO owned 20.1%



Corporate structure (simplified)



SEGHPL: Star Energy Group Holdings Pte. Ltd
 SEGPL: Star Energy Geothermal Pte. Ltd
 SEGBV: Star Energy Geothermal (Salak Darajat) BV

(1): Mitsubishi owned 10% of SEGPL,
 (2): Mitsubishi owned 4% and Ayala owned 19.8% of SEGBV

Restructuring & Consolidation

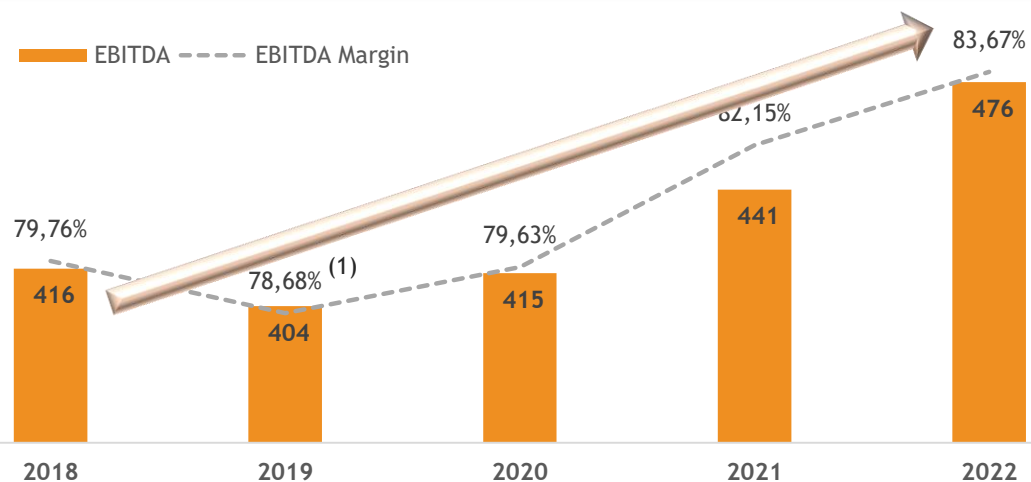
Barito Renewables Energy (BREN)

- BREN to strengthen BRPT's position as leading domestic integrated energy player
- Group restructuring through share swap of BREN & SEGHPL
- Expand business portfolios and funding access

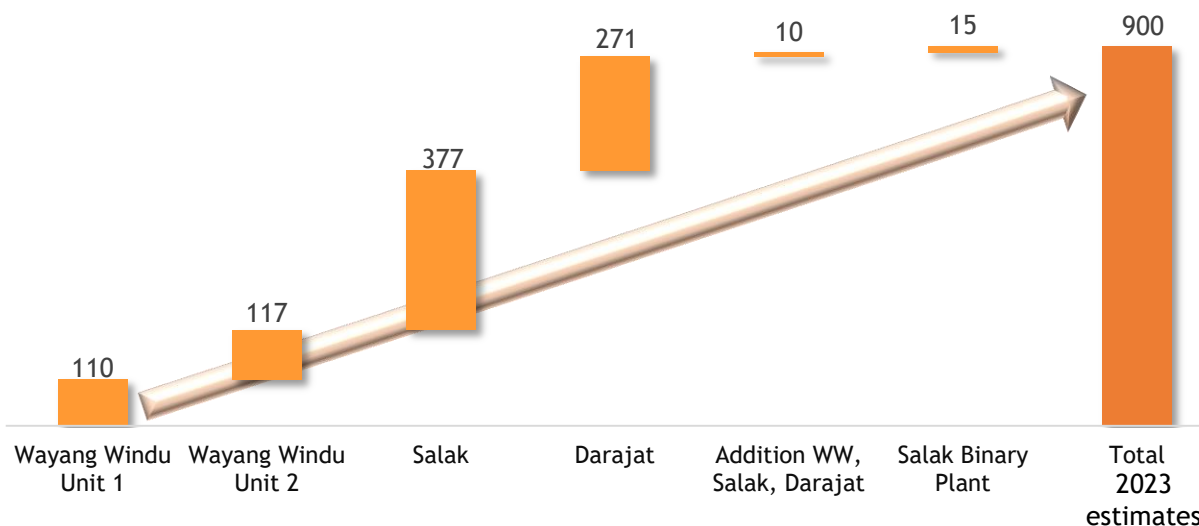
Geothermal asset consolidation

- Concluded series of transactions, increasing effective ownership on three geothermal assets
- In line with focus on the renewable energy and to strengthen position as one of the leading energy companies in Indonesia

EBITDA & Margin



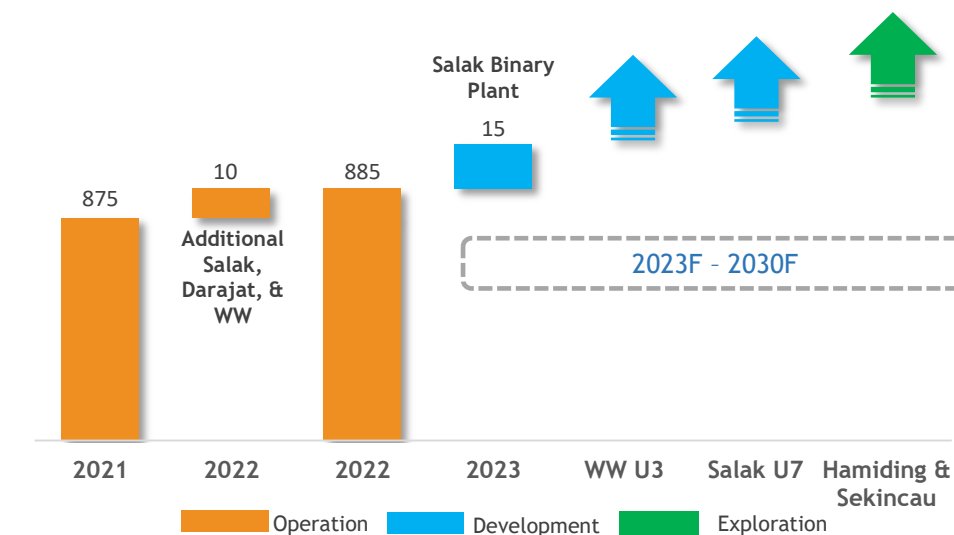
Star Energy Capacity Build-up (MW)



Reaching Critical Mass

- Ability to grow geothermal assets portfolio via brownfield & greenfield developments, and acquisitions
- Highly experienced technical team with strong capabilities across steam field
- Progressing toward the next level of efficiency curve


Capacity expansions (MW)



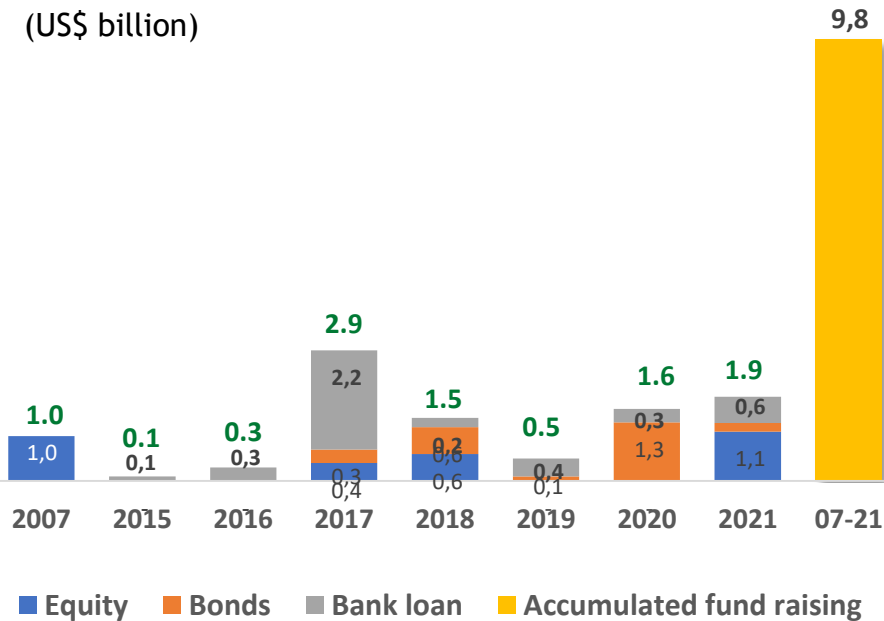
(1) Unplanned downtime on Darajat's PLN Turbine & Turnaround Maintenance on Salak Unit 1-3

Strong Funding Capability Track Record

Funding activities

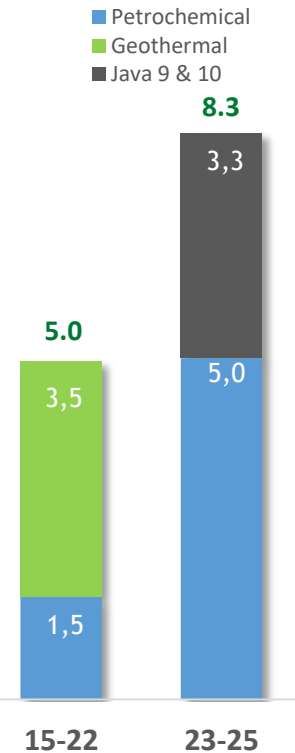
- Successful raised series of funding to support expansions
- Heavy green capex spending over the period of 2015-2022 (70% of accumulated)
- **Geared toward more green investment ahead** 

(US\$ billion)



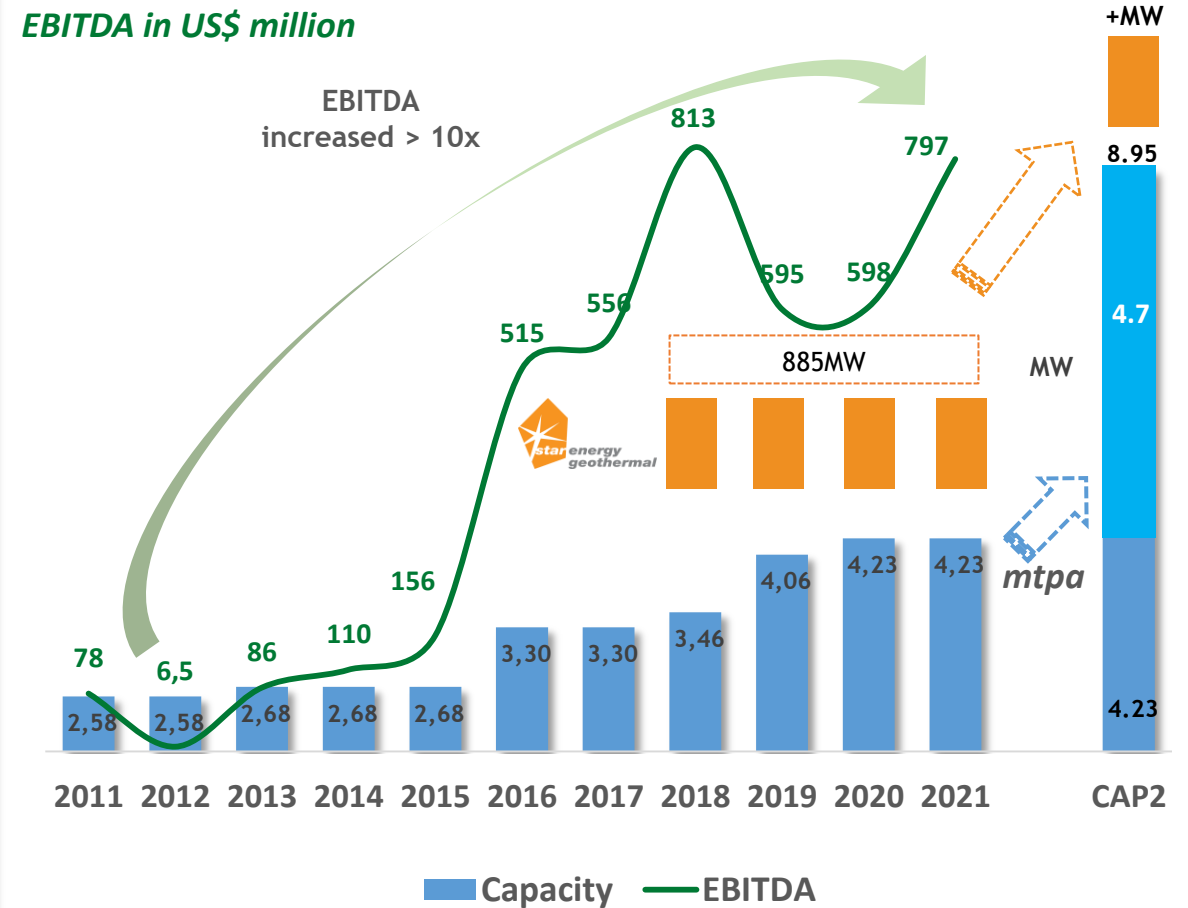
*From 2007-2021

Capex (US\$ billion)



Clear path to greater EBITDA

EBITDA in US\$ million



ESG - On the path of continuous improvement

| Rating Provider | 2020 Score | 2021 Score | 2022 Score | Target |
|-----------------------|------------------|--------------------|--------------------|--------------------|
| MSCI ESG LEADERS ✓ | BB | BBB | A | Maintain |
| Sustainalytics (BRPT) | 34.1 (High Risk) | 27.2 (Medium Risk) | 24.7 (Medium Risk) | 15 - 20 (Low Risk) |
| Sustainalytics (TPIA) | Not rated | Not rated | 17.7 (Low Risk) | Maintain |

- Chandra Asri received an overall ESG Risk rating Score of 17.7 “Low Risk” from Sustainalytics.
- Barito Pacific: upgrade of MSCI ESG Leaders rating from BBB to A in 2022 & Sustainalytics Score improved to 24.7



Four Pillars of Yayasan Bakti Barito :



Education

- Teacher training
- Scholarship
- Vocational education
- Early childhood education
- Smart Kiosk



Environment

- Reforestation and green corridor development
- Waste management
- Springs water revitalization



Social

- Health program
- Infrastructure development
- Supporting and empowering local communities



Economy

- Integrated farming
- Integrated coffee plantation
- Urban farming



Q&A

2022 Financial Summary

| (US\$ million, unless otherwise stated) | 12M-2022 | 12M-2021 | % Change |
|---|----------|----------|----------|
| Net Revenues | 2,962 | 3,156 | (6.1%) |
| <i>Petrochemical</i> | 2,385 | 2,580 | (7.6%) |
| <i>Energy</i> | 570 | 537 | 6.1% |
| <i>Others</i> | 7 | 38 | (81.6%) |
| Cost of Revenues | 2,516 | 2,371 | 6.1% |
| Gross Profit | 446 | 785 | (43.2%) |
| Finance costs | 203 | 183 | 10.9% |
| Net Profit after Tax | 32 | 296 | (89.2%) |
| Attributable to: | | | |
| Owners of the Company | 2 | 109 | (98.2%) |
| Non-controlling Interests | 30 | 187 | (84.0%) |
| EBITDA | 475 | 797 | (40%) |
| Gross Profit Margin (%) | 15.05 | 24.87 | (18pp) |
| EBITDA Margin (%) | 16.05 | 25.26 | (15pp) |
| Debt to Capital (%) | 51.62 | 42.03 | (2pp) |
| Net Debt to Equity (x) | 0.63x | 0.18x | |
| Total Assets | 9,248 | 9,242 | 0.07% |
| Total Liabilities | 5,526 | 4,970 | 11.20% |
| Total Equity | 3,722 | 4,272 | -12.87% |
| Total Debt | 3,970 | 3,097 | 28.20% |
| Net Debt | 2,332 | 780 | 199.12% |

Thank you

Barito Pacific



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