

PT. BARITO PACIFIC
TBK

PT BARITO PACIFIC TBK (IDX: BRPT) ANNOUNCED ITS FINANCIAL PERFORMANCE FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

Barito Pacific (IDX: BRPT) is an integrated energy company based in Indonesia with multiple power and industrial assets. Through Star Energy, BRPT operates the largest geothermal company in Indonesia, which is also the third largest geothermal company in the world. Along with Indonesia Power, a wholly-owned subsidiary of PLN, BRPT is developing Java 9 & 10, a 2 x 1,000MW ultra super-critical class power plant with enhanced efficiencies and environmental performances.

BRPT also owns a controlling share and consolidates PT Chandra Asri Petrochemical Tbk (IDX: TPIA), Indonesia's largest and only integrated petrochemical company.

Jakarta, 26 December 2019 - PT Barito Pacific Tbk. ("Barito Pacific", "BRPT" or the "Company") today released its audited consolidated financial statements for the nine months period ended 30 September 2019. BRPT recorded net revenue of US\$1,772 million, EBITDA of US\$450 million and net profit after tax of US\$92 million.

David Kosasih, the Company's Director states that:

"Our 9M 2019 financial results reflects the impact of continuing global economic and political uncertainties weighing on global growth and trade, as well as impact from planned shutdown for Turn Around Maintenance at TPIA over August and September 2019 to tie in with the new PE and PP capacities addition.

We are pleased with TPIA's successful completion of its planned Turn-Around Maintenance (TAM) as well as the completion of new 400KTA Polyethylene plant and debottlenecking of Polypropylene plant (110KTA additional capacity). These expansions will further enhance TPIA's economies of scale and flexibility to extract value from products with most optimal margins.

Meanwhile, our geothermal business continues to provide stability at the EBITDA level and an increasing trend of net profit due to declining trend of interest expense overtime. On a consolidated basis, we continue to generate healthy EBITDA margin of 25.4% and balance sheet position with net debt/EBITDA at 3.1x.

Going forward, we remain committed to the Indonesian market and are focussed on our next major expansion - the second petrochemical complex which is continue to progress as per schedule."

9M -2019 Highlights:

- 9M-2019 Net Revenues decreased by 24.8% from US\$2,357 million in 9M-2018 to US\$1,772 million mainly due to the planned Turn-Around Maintenance (TAM) during the 3rd quarter of 2019 and lower average sales prices for all petrochemical products, primarily Ethylene and Polyethylene.
- Cost of Revenues decreased by 23.1% from US\$1,696 million in 9M-2018 to US\$1,305 million in 9M-2019 largely due to lower feedstock costs on our petrochemical business, primarily naphtha which fell to an average of US\$543/MT from US\$646/MT in 9M-2018.
- EBITDA decreased by 29.5% from US\$638 million in 9M-2018 to US\$450 million in 9M-2019 primarily due to lower EBITDA from petrochemical business mainly due to the moderating petrochemical margin.
- Net Profit After Tax amounted to US\$92 million compared to US\$218 million in 9M-2018 mainly as a result of lower Gross Profit.

For more information,
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Financial Performance:

(US\$ million, unless otherwise stated)	9M-2019	9M-2018	% Change
Net Revenues	1,772	2,357	(24.8%)
Petrochemical	1,388	1,962	(29.3%)
Energy	378	391	(3.3%)
Others	6	4	50.0%
Cost of Revenues	1,305	1,696	(23.1%)
Gross Profit	467	661	(29.3%)
Finance costs	142	159	(10.7%)
Net Profit after Tax	92	218	(57.8%)
Attributable to:			
Owners of the Company	12	57	(78.9%)
Non-controlling Interests	80	161	(50.3%)
EBITDA	450	638	(29.5%)
Gross Profit Margin (%)	26.4	28.0	(1.6%)
EBITDA Margin (%)	25.4	27.1	(1.7%)
Debt to Capital (%)	48.4	47.7	0.7%
Debt to EBITDA (x) - LTM	4.16x	2.88x	
Net Debt to EBITDA (x) - LTM	3.10x	1.92x	

(US\$ million, unless otherwise stated)	9M-2019	FY-2018	% Change
Total Assets	6,915	7,042	(1.8%)
Total Liabilities	4,149	4,340	(4.4%)
Total Equity	2,766	2,702	2.4%
Total Debt	2,596	2,654	(2.2%)
Net Debt	1,934	1,604	20.6%

FINANCIAL PERFORMANCE ANALYSIS:

Consolidated net revenues decreased by 24.8% y-o-y from US\$2,357 million in 9M-2018 to US\$1,772 million in 9M-2019 mainly attributable to:

- Net Revenue from our petrochemical business decreased by 29.3% from US\$1,962 million in 9M-2018 to US\$1,388 million in 9M-2019 reflecting lower realized average sales prices, primarily for Ethylene and Polyethylene, and limited operating activities as a result of 51 days shutdown for planned TAM. Overall sales volumes down by 14% to 1,394KT in 9M-2019 against 1,619KT in 9M-2018.
- SEG revenue decreased by 3.3% compared to the same period in 2018 mainly due to lower steam generation from Salak operations and lower electricity generation from Darajat operations and Wayang Windu Unit 1 operations due to its planned shutdown for scheduled Turn Around Maintenance

Cost of revenues decreased by 23.1% from US\$1,696 million in 9M-2018 to US\$1,305 million in 9M-2019.

The decrease was primarily due to lower feedstock costs, primarily Naphtha, which decreased by some 16% (US\$646/ton in 9M-2018 to US\$543/ton in 9M-2019) on the back of lower Brent crude oil prices by 11% year-on-year.

Due to the effects of the above, gross profit decreased to US\$467 million or 29.3% lower than 9M-2018.

Finance Costs decreased by 10.7% from US\$159 million in 9M-2018 to US\$142 million in 9M-2019

Primarily due to impact of Star Energy's bond refinancing in 2018, the effect of refinancing of BRPT US\$250 million loan with a US\$200 million loan and the decrease of Star Energy's outstanding amortizing loan principal, netted off with proceed from bank loans- export credit facility from JBIC and IDR bonds issued by TPIA in 2019.

Net Profit After Tax decreased by 57.8% from US\$218 million in 9M-2018 to US\$92 million in 9M-2019

As a result of the foregoing factors, we recorded a net profit after tax of US\$92 million in 9M-2019, compared to US\$218 million the same period in 2018, largely affected by lower gross profit for the period from our petrochemical business.

Total Assets and Total Liabilities

Both Total Assets and Total Liabilities as of 30 September 2019 are amounting to US\$6,915 million and US\$4,340 million respectively, relatively stable compared to US\$7,042 million and US\$ 4,340 million for FY-2018.