

PT BARITO PACIFIC TBK (IDX: BRPT) ANNOUNCED ITS FINANCIAL PERFORMANCE FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

Key Highlights:

- Solid financial turnaround in Q3-2020 mainly due to the continues improvement in the petrochemical sector in which TPIA recorded Q3-2020 EBITDA of US\$61 million vs US\$18 million in Q2-2020.
- Barito Pacific recorded Net Profit attributable to Company of US\$11.3 million for the 9M-2020, from a Net Loss of US\$ 8.9 million for the 6M-2020, and a Consolidated Net Profit of US\$ 76 million for 9M-2020.
- Amidst Covid-19 pandemic, TPIA successfully completed MTBE and Butene-1 plants, the first one in Indonesia, within budget and on time that increases TPIA total production capacity to 4.2MTA and completed its vertical integration.
- TPIA also completed the Enclosed Ground Flare as part of commitment to reduce carbon footprint and maintain better.

Jakarta, 4 November 2020 - PT Barito Pacific Tbk. (“Barito Pacific”, “BRPT” or the “Company”) today released its consolidated financial statements for the nine months period ended 30 September 2020. The Company recorded consolidated net revenue of US\$1,666 million, EBITDA of US\$386 million and net profit after tax of US\$76 million.

Agus Pangestu, the Company’s President Director states that:

“Amidst the Covid-19 pandemic, our 9M-2020 financial results improved with the rebound in petrochemical industry driven by recovery of demand. We recorded Net Profit attributable to the Company of US\$ 11.3 million for 9M-2020 as compare to Net Loss of US\$8.9 million for 6M-2020.

We are pleased to witness our petrochemical subsidiary, Chandra Asri (TPIA), reports strong financial performance as it achieved an EBITDA of US\$61 million and net income of US\$21 million in July to September 2020, driven by an uptick in industrial activities especially in China and NEA that strengthened demand for polymers. We also successfully delivered our MTBE and Butene-1 plants, the first one in Indonesia, which were completed in September 2020, within budget and on time despite numerous challenges due to the COVID-19 pandemic. The delivery of these plants brings TPIA total production capacity to 4.2 MTA and marks the successful execution and completion of TPIA’s 2015-2020 Integration Master Plan.

Amidst the current pandemic, we are also delighted to report the successful completion of Chandra Asri’s US\$14 million Enclosed Ground Flare that will help minimize potential social and environmental impacts from our petrochemical operations.

Meanwhile, our geothermal business, Star Energy (Star) continues to provide stability at the Revenue and EBITDA levels and an increasing trend of net profit due to declining trend of interest expense over time.



Star continues to admirably navigate the Covid-19 related shutdown with all three of our operating assets, Wayang Windu, Salak and Darajat maintaining 90%+ capacity rates.

Barito Pacific remains focused on initiatives to protect our staff, stakeholders and communities and prevent any outbreaks of Covid-19 in our facilities. At both our operating sites and head office, we remain vigilant and proactive in promoting preventive measures and enforce strict standard operating procedures. These initiatives include a dedicated Covid-19 task force with measures like physical distancing, detailed internal protocol and establishing maximum Work from Home capabilities for support staff.”

Financial Performance:

(US\$ million, unless otherwise stated)	9M-2020	9M-2019	% Change
Net Revenues	1,666	1,772	(6.0%)
<i>Petrochemical</i>	1,260	1,380	(8.7%)
<i>Energy</i>	394	378	4.2%
<i>Others</i>	12	14	(14.3%)
Cost of Revenues	1,300	1,305	(0.5%)
Gross Profit	366	467	(21.6%)
Finance costs	138	142	(2.8%)
Net Profit after Tax	76	92	(17.4%)
Attributable to:			
Owners of the Company	11	12	(8.3%)
Non-controlling Interests	65	80	(18.8%)
EBITDA	386	450	(14.2%)
Gross Profit Margin (%)	22.0	26.4	(440bps)
EBITDA Margin (%)	23.2	25.4	(220bps)
Debt to Capital (%)	47.5	48.4	(90bps)
Debt to EBITDA – LTM	5.08x	4.16x	
Net Debt to EBITDA – LTM	3.84x	3.10x	

(US\$ million, unless otherwise stated)	9M-2020	FY-2019	% Change
Total Assets	7,270	7,182	1.2%
Total Liabilities	4,295	4,426	(3.0%)
Total Equity	2,975	2,756	7.9%
Total Debt	2,694	2,536	6.2%
Net Debt	2,037	1,791	13.7%

FINANCIAL PERFORMANCE ANALYSIS:

Consolidated net revenues decreased by 6.0% y-o-y from US\$1,772 million in 9M-2019 to US\$1,666 million in 9M-2020 mainly attributable to:

- Net Revenue from our petrochemical business decreased by 8.7% from US\$1,380 million in 9M-2019 to US\$1,260 million in 9M-2020 reflecting lower average selling prices across all products of US\$780/T in 9M-2020 vs US\$996/T in 9M-2019, while sales volume increased by 17% from 1,394KT in 9M-2019 to 1,626KT in 9M-2020.
- SEG revenue increased by 4.2% compared to the same period in 2019 mainly due to higher electricity and steam generation as less planned/unplanned shutdown in 2020 compared to the same period in 2019.

Cost of revenues slightly decreased by 0.5% from US\$1,305 million in 9M-2019 to US\$1,300 million in 9M-2020.

Cost of revenues slightly decreased primarily due to lower feedstock costs, primarily Naphtha, which decreased by some 23.8% (US\$543/MT in 9M-2019 to US\$414/MT in 9M-2020) on the back of lower Brent crude oil prices by 37% year-on-year (US\$41/bbl in 9M-2020; US\$65/bbl in 9M-2019).

Due to the effects of the above, gross profit decreased by US\$101 million or 21.6% compared to 9M-2019.

Finance Costs decreased by 2.8% from US\$142 million in 9M-2019 to US\$138 million in 9M-2020

Primarily due to the continued decrease of Star Energy's outstanding loan principal, partial repayments of TPIA's loan principals, TPIA's bond principal repayment of US\$20.5 million and BWL's total loan repayment of US\$45.0 million, netted off with proceeds from the Company's new loan of US\$183.8 million, TPIA's total issued IDR Bonds in 2020 of Rp1,750 billion and new loans from Bank Permata totalling US\$73.4 million.

Net Profit After Tax decreased by 17.4% from US\$92 million in 9M-2019 to US\$76 million in 9M-2020

As a result of the foregoing factors, we recorded a net profit after tax of US\$76 million in 9M-2020, compared to US\$92 million in 9M-2019, largely affected by lower gross profit from our petrochemical business.

Total Assets and Total Liabilities

As of 30 September 2020, our Total Assets amounted to US\$7,270 million higher by 1.2% compared to US\$7,182 for FY-2019.

Our Total Liabilities decreased by 3.0% from US\$4,426 million in FY-2019 to US\$4,295 million as of 30 September 2020 due to lower accounts payables off-set by the increase in interest bearing debt.

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Barito Pacific

**About Barito Pacific**

PT Barito Pacific Tbk (IDX: BRPT) is an integrated energy company based in Indonesia with multiple power and industrial assets. Through Star Energy Geothermal, Barito Pacific operates the largest geothermal company in Indonesia and the third largest geothermal company in the world.

In collaboration with Indonesia Power, a wholly-owned subsidiary of PLN, Barito Pacific is developing Java 9 & 10, a 2 x 1,000 MW ultra super-critical class power plant that will be installed with unprecedented emission reduction technologies. This power plant will help Indonesia modernize our aging power generating capabilities while reducing cost by lowering consumption of fuel by up to 20% per kwh basis; hence reducing carbon emission by the pro-rated amount.

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

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