



# PT BARITO PACIFIC TBK.

2Q - 2018 Performance Earnings Call

21 September 2018



# Agenda

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- 2Q-2018 Business Highlights
- 1H-2018 Financial Results
- Petrochemical Business
- Power Business
- Q & A

➤ **2Q-2018 Business Highlights**

## 2Q-2018 Business Highlights

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- Completed IDR8.9 trillion rights issue and successfully acquired 66.67% ownership interest in Star Energy Group Holding Pte. Ltd (“Star Energy”) on 7 June 2018. 1H-2018 results include the consolidation of Star Energy’s financials.
- Achieved Consolidated EBITDA of US\$300m for 2Q-2018, bringing 1H-2018 EBITDA to US\$431m with healthy EBITDA margin of 27.8%, a 50.1%<sup>(1)</sup> increase on a year-on-year basis.
- Maintained high operating rates for Star Energy >95% and petrochemical plants >90%, except Butadiene plant and Star Energy Darajat Unit 1<sup>(2)</sup>.
- Star Energy Wayang Windu issued 15-year US\$580m Green Bond in April 2018, with coupon rate of 6.75% to refinance its existing term-loan.
- All Petrochemical projects progressing as per plan. Successfully startup BD plant with expanded capacity of 137KTA (+37%) on 3 June 2018. Achieved mechanical completion of SBR plant on 24 May 2018 and successfully started up on 31 Aug 2018.

(1) To better understand geothermal contribution to BRPT 1H-2018, management is using the comparison between the 1H-2018 vs 1H-2017 As Previously Reported (Note 5 of the Audited FS). The 1H-2018 includes the six months geothermal operations.

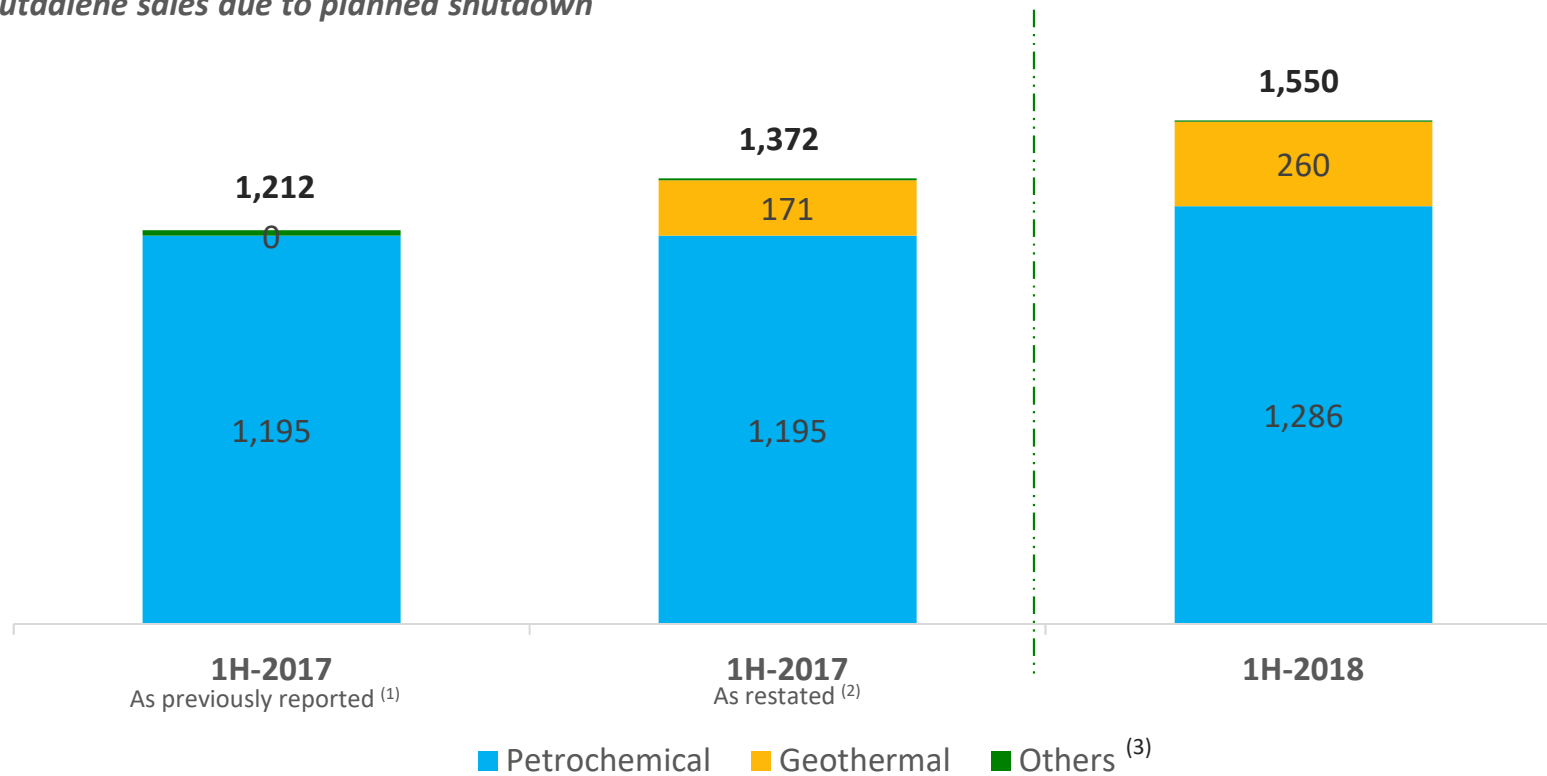
(2) Darajat Unit 1 power plant is operated by PT Indonesia Power, a subsidiary of PLN. Shutdown since 18 March 2018 due to high vibration and forecasted to be operating in September 2018.



➤ **1H-2018 Financial Results**

# 1H-2018 Financial Results - Segmented Net Revenue

27.9% higher revenues in 1H-2018 vs 1H-2017 (based on previously reported) reflecting contribution from geothermal operations and higher average sales prices from petrochemical, primarily Ethylene and Polyethylene, partly offset by lower Butadiene sales due to planned shutdown



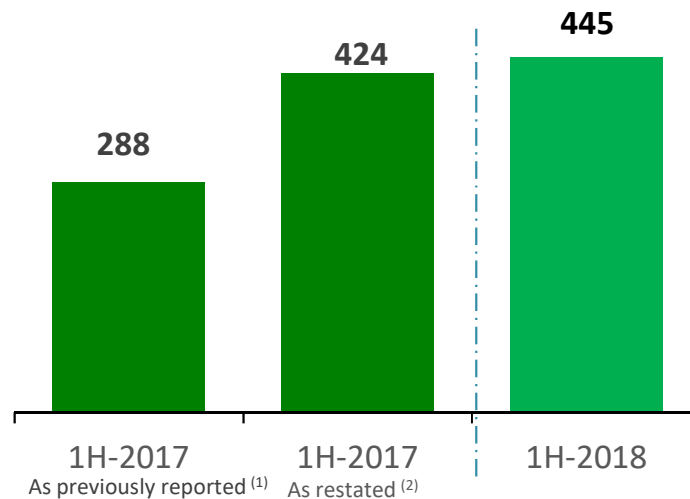
In US\$mio	1H-2017 <sup>(1)</sup>	% Changed	1H-2017 <sup>(2)</sup>	% Changed	1H-2018
Net Revenues	1,212	27.9%	1,372	13.0%	1,550

**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 years 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).

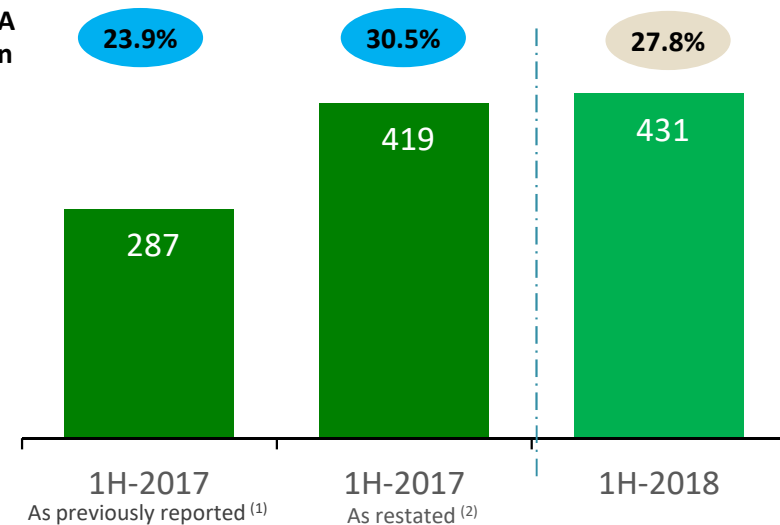
# 1H-2018 Financial Results

## GROSS PROFIT

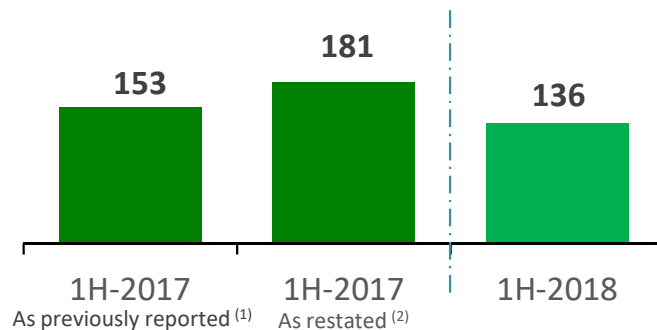


## EBITDA

EBITDA margin



## NET INCOME



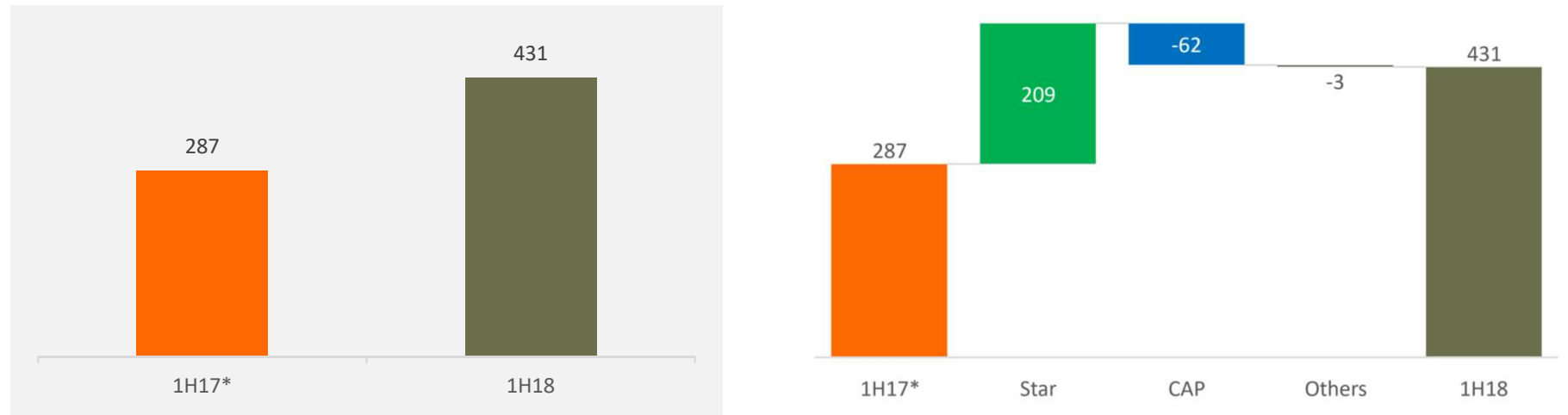
In US\$mio	1H-2017 <sup>(1)</sup>	% Changed	1H-2017 <sup>(2)</sup>	% Changed	1H-2018
Gross Profit	288	54.5%	424	5.0%	445
EBITDA	287	50.2%	419	2.9%	431
EBITDA Margin	23.9%	16.3%	30.5%	-8.9%	27.8%
Net Income After Tax	153	-10.4%	181	-24.9%	136

(1) Refers to Financials as previously reported (excluding the 2017 geothermal financials)

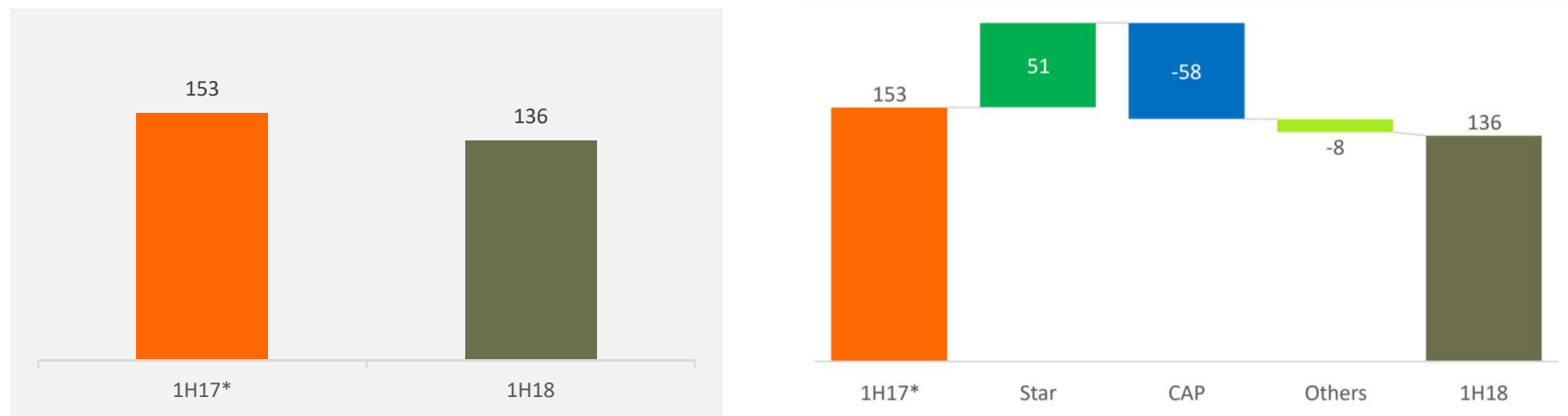
(2) Under Indonesian GAAP, our acquisition of Star Energy was considered as a business combination under common control. Therefore, our prior years financials were restated to include Star Energy.

# 1H-2018 Financial Results

## Consolidated EBITDA (US\$ Million)



## Consolidated Net Income (US\$ Million)



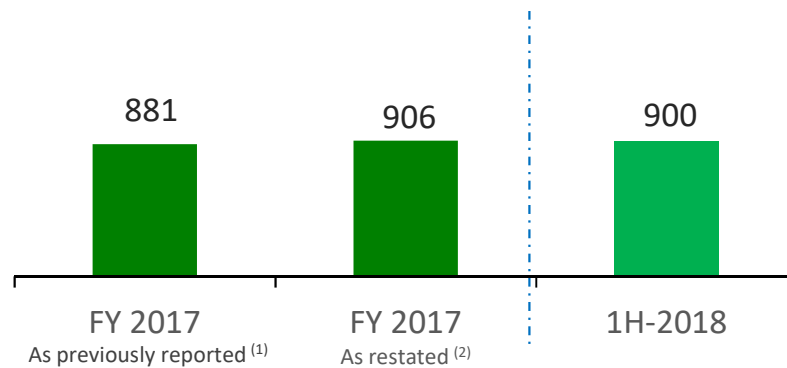
\* 1H-2017 relates to financials as previously reported (excluding geothermal financials)



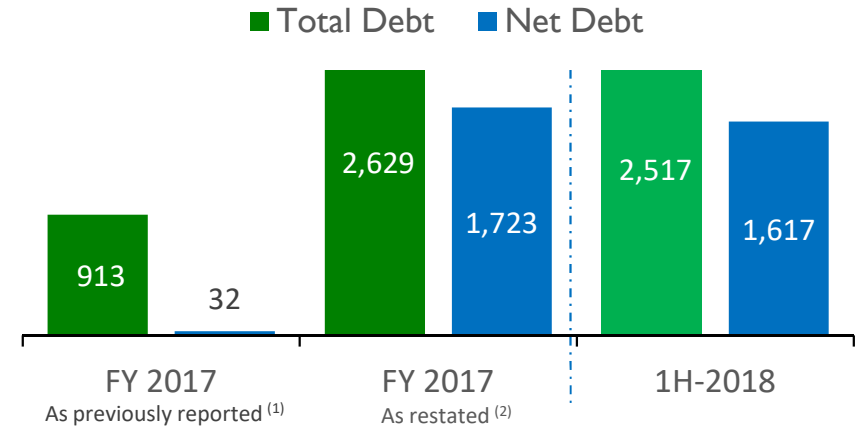
# 1H-2018 Financial Profile

*Strong Balance Sheet supported by financial profile strengthening*

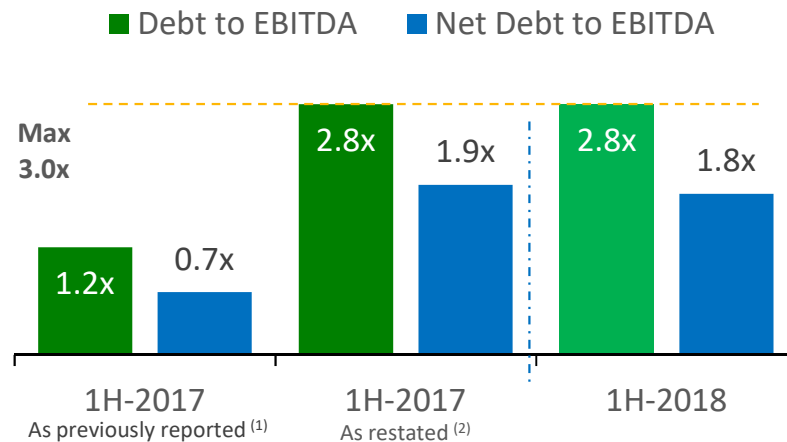
## CASH BALANCE



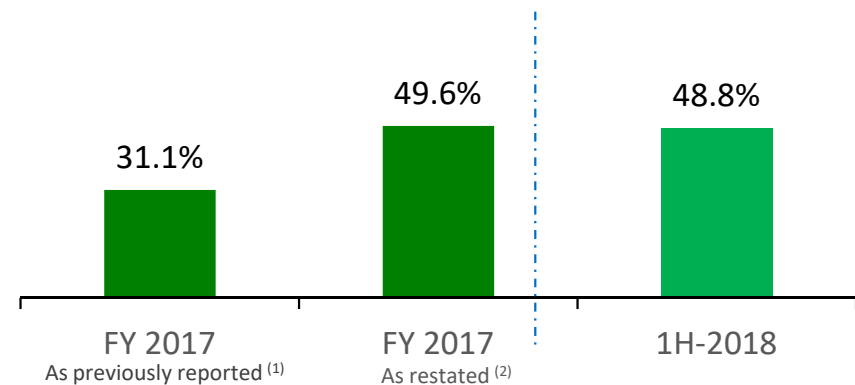
## TOTAL DEBT & NET DEBT



## DEBT TO EBITDA



## DEBT TO CAPITAL

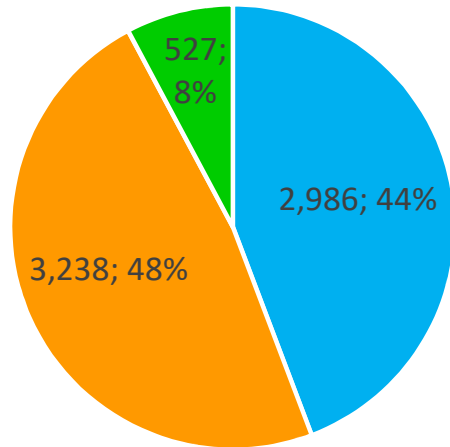


(1) Refers to Financials as previously reported (excluding the 2017 geothermal financials)

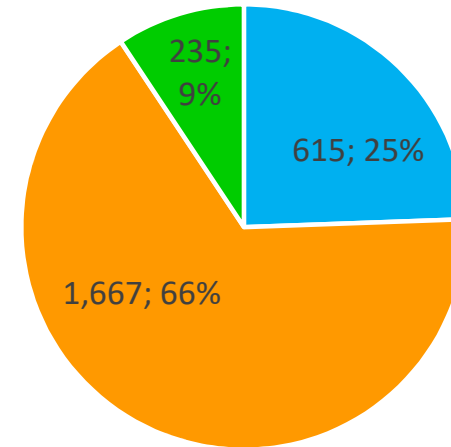
(2) Under Indonesian GAAP, our acquisition of Star Energy was considered as a business combination under common control. Therefore, our prior years financials were restated to include Star Energy.

# Financial Profile By Subsidiary (Per 30 June 2018)

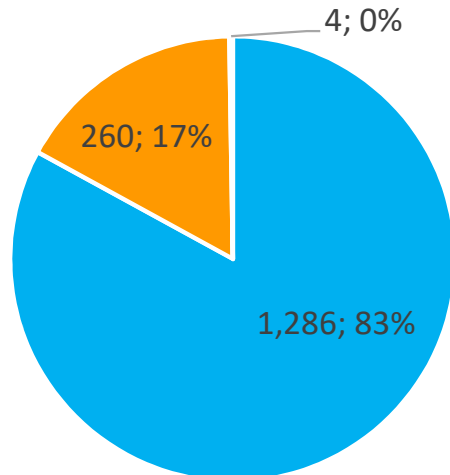
**Assets**



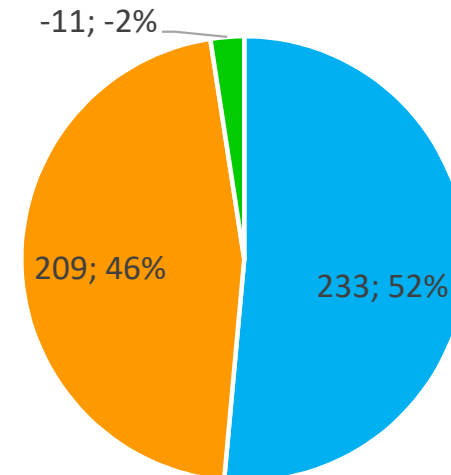
**Total Debt**



**Net Revenues**



**EBITDA**



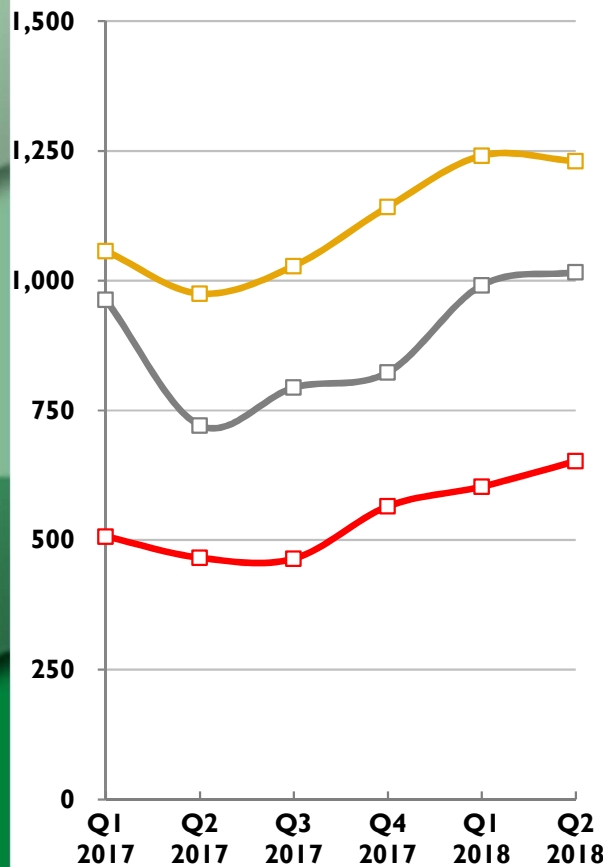
■ CAP ■ Star Energy ■ Barito & Others

➤ **Petrochemical Business**

# Petrochemical Product Spread

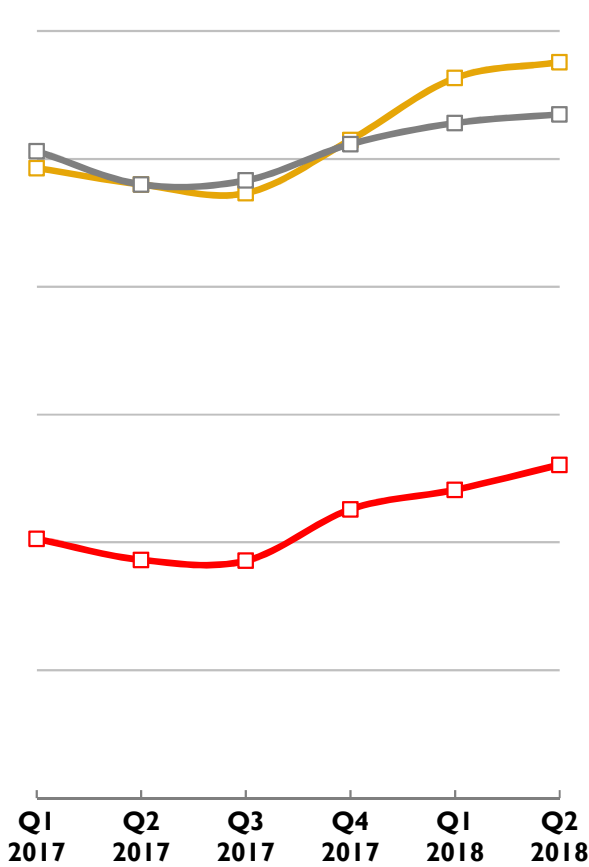
*Continuing healthy product spreads, despite increasing feedstock price reflecting higher crude oil...*

## Olefins



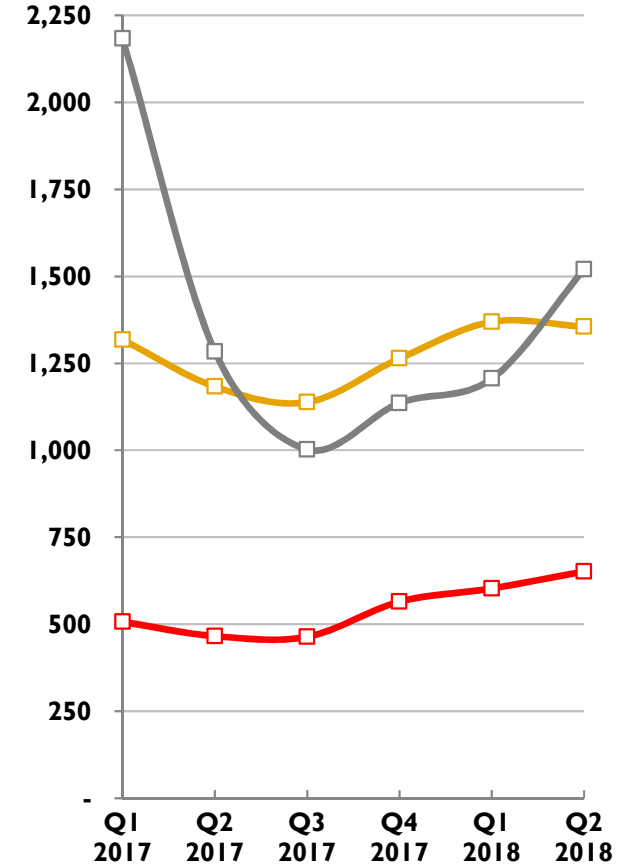
■ Ethylene      ■ Propylene  
■ Naptha

## Polyolefins



■ Polyethylene      ■ Polypropylene  
■ Naptha

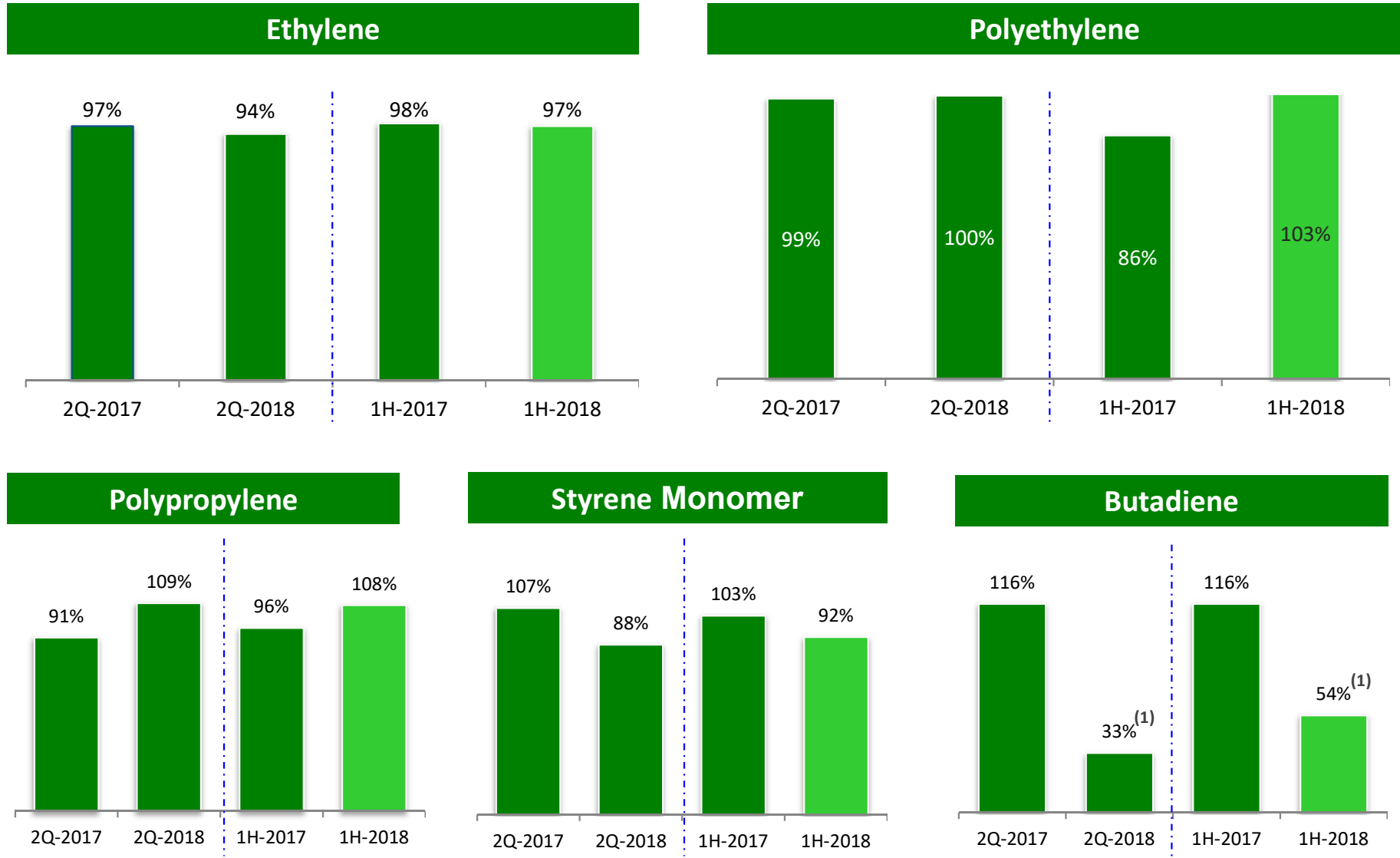
## Others



■ SM      ■ Butadiene      ■ Naptha

# Petrochemical Operating Rates

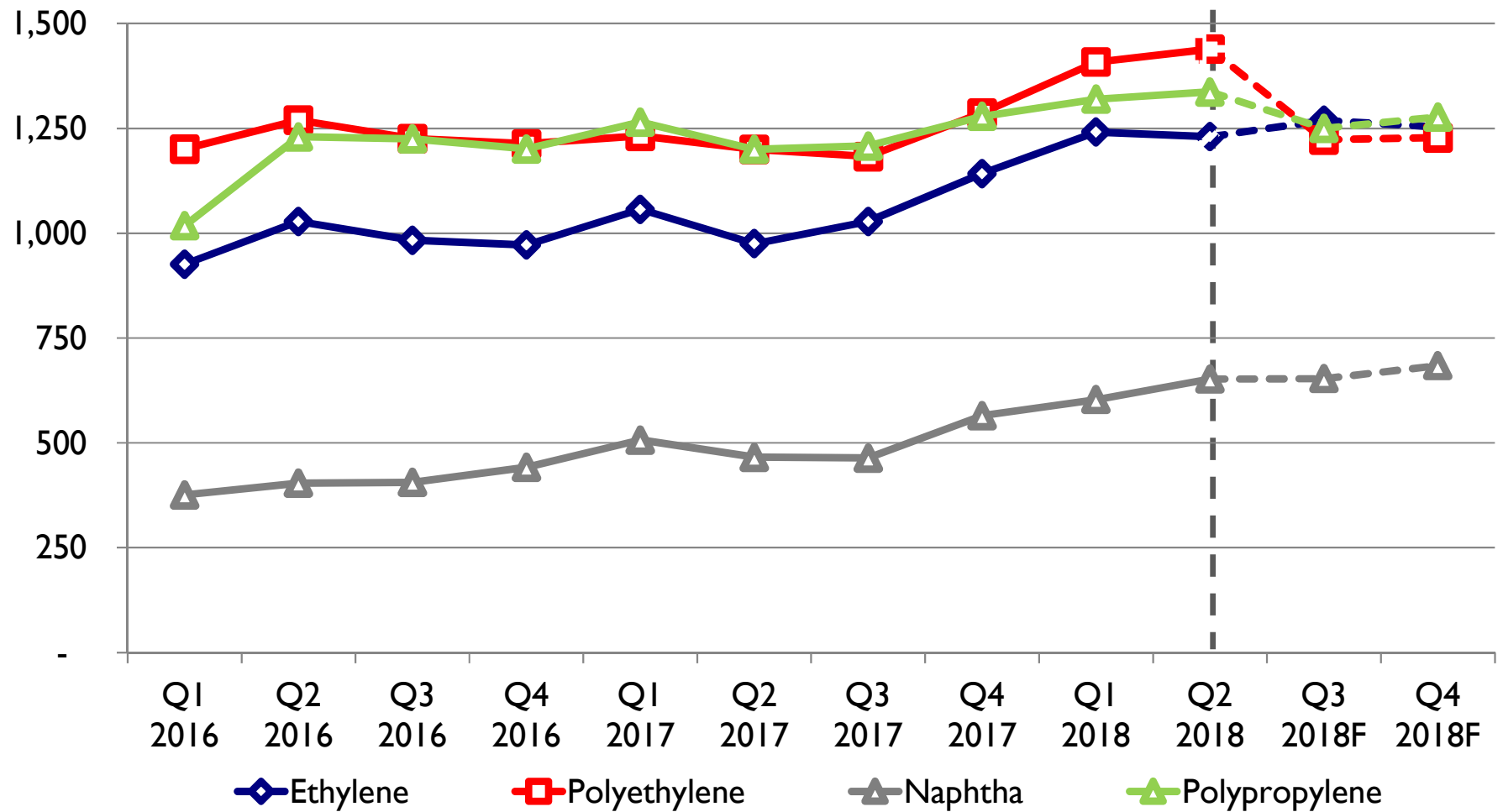
*Maintained high operating rates for all plants ...*



(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...*

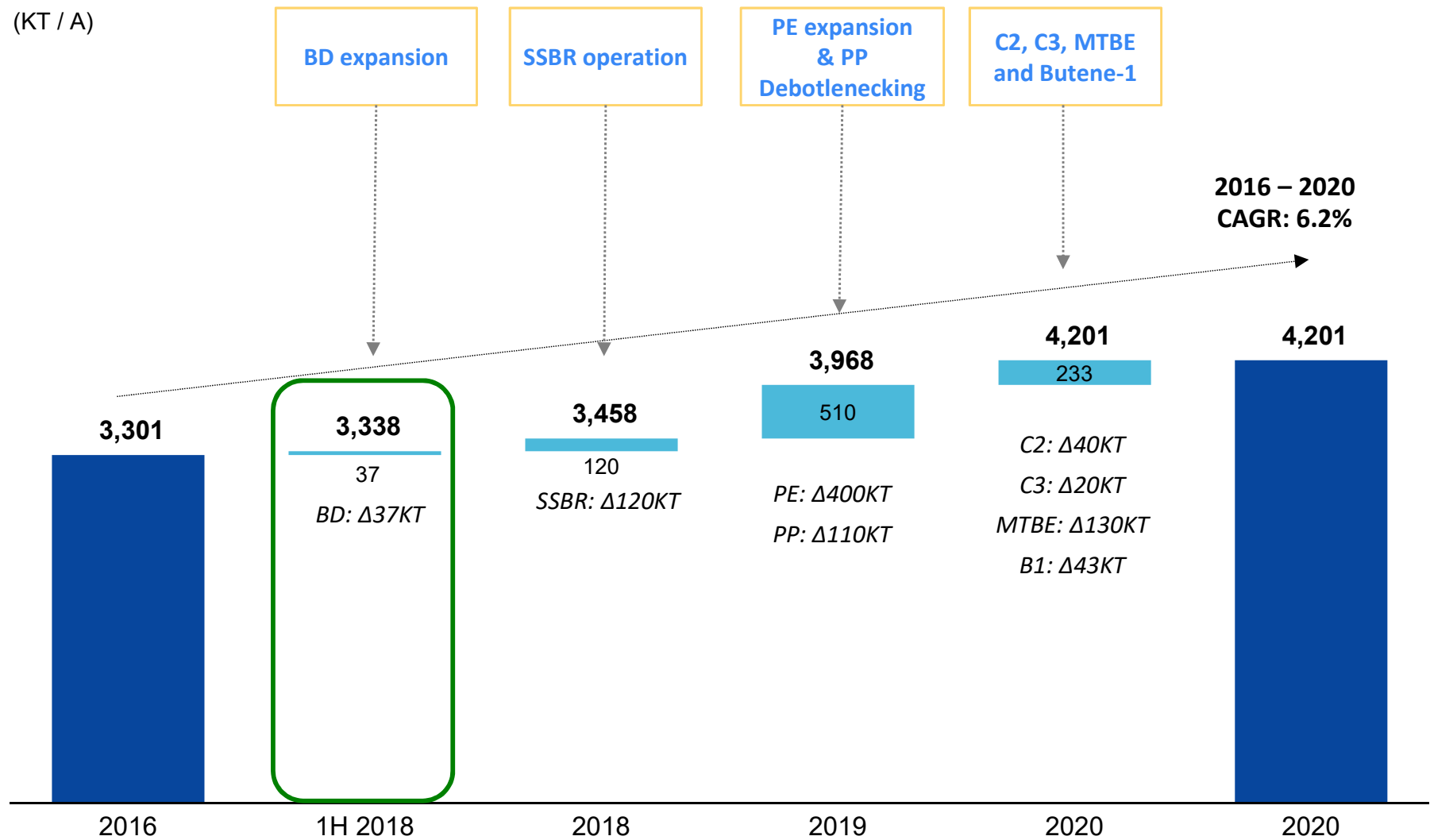


*Note: Forecasted price based on IHS 31 August 2018*



# 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				
<b>Current Production Capacity</b>						<b>3,301 KT/A</b>
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
<b>Production Capacity at the end of 2018</b>						<b>3,458 KT/A</b>
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
<b>Production Capacity at the end of 2019</b>						<b>3,968 KT/A</b>
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
<b>Production Capacity at the end of 2020</b>						<b>4,201 KT/A</b>

Completed

## 2H-2018 Planned Activities Affecting Plant Performance

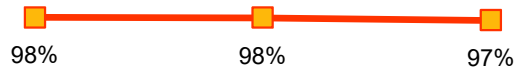
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- Ethylene Cracker
  - 2 Furnace revamp for capacity creep (estimated time: 45 days each) will be conducted in 3Q-2018 and 4Q-2018
  - Estimated time/ production loss: 45 days each / 7Kt per shutdown
  
- SM Plant
  - PS2 Turnaround Maintenance (TAM) estimated for 30 days in 3Q-2018.
  - Estimated production loss: 17Kt
  
- Overall impact is estimated to reduce full year 2018 production volume by 5% y-o-y, including Butadiene TAM/tie-in works in 1H-2108.

➤ **Power Business**

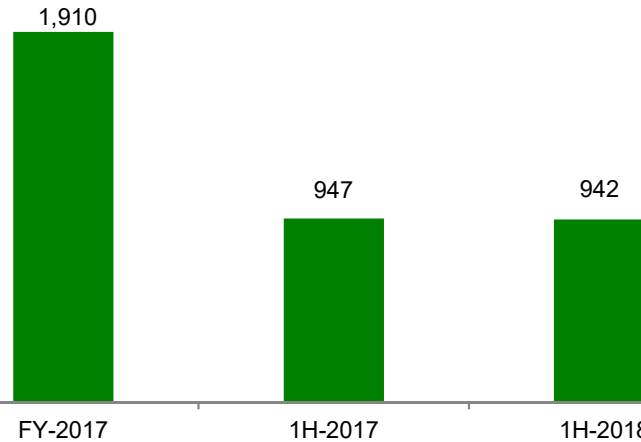
# Wayang Windu - Operational and Financial Performance

**Average Net Capacity Factor <sup>(1)</sup>**



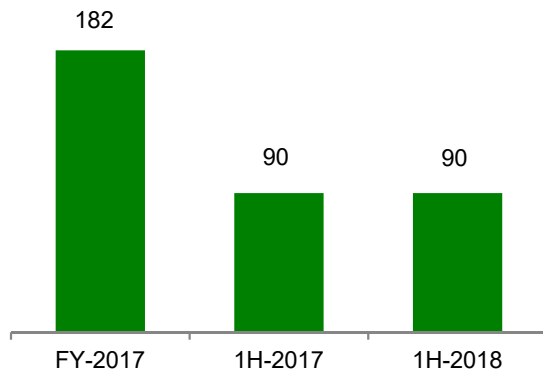
FY-2017      1H-2017      1H-2018

**Net Dispatch (GWh) <sup>(2)</sup>**



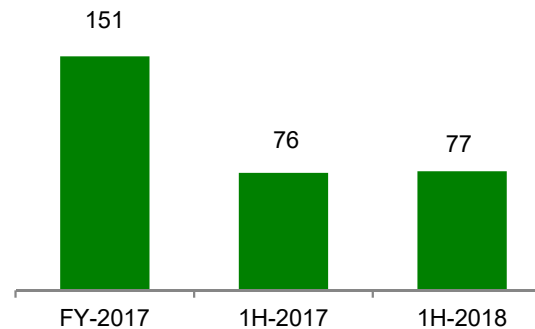
FY-2017      1H-2017      1H-2018

**Revenue (US\$m)**



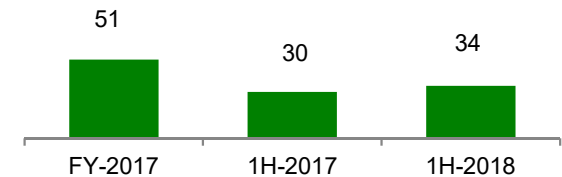
FY-2017      1H-2017      1H-2018

**EBITDA (US\$m)**



FY-2017      1H-2017      1H-2018

**Finance Cost (US\$m) <sup>(3)</sup>**

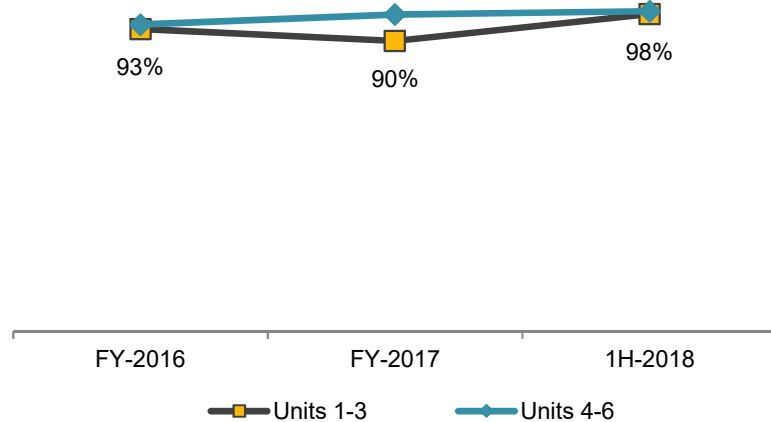


FY-2017      1H-2017      1H-2018

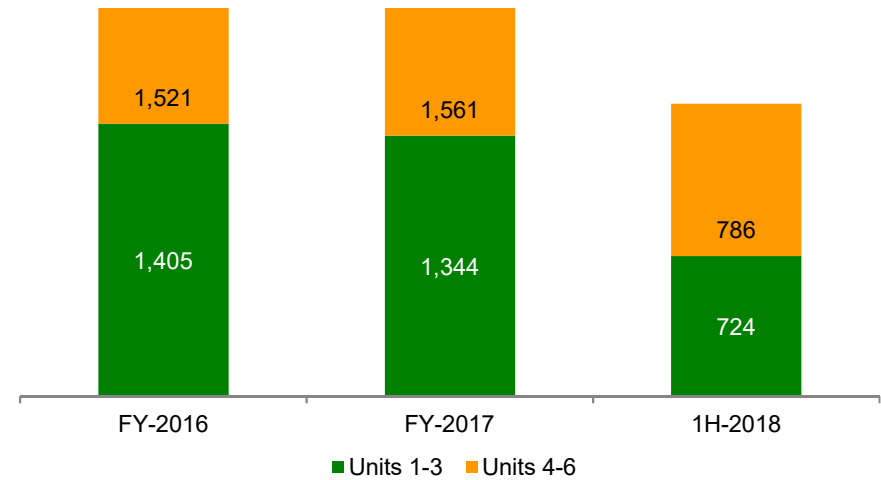
- (1) Net capacity factor means the ratio of the actual output of the relevant geothermal turbine-generator unit to the theoretical output assuming full capacity usage (excluding planned maintenance)
- (2) Net dispatch means the net electricity sent out of the relevant geothermal turbine-generator unit to PLN (after the deduction of the electricity used to run our power plant)
- (3) Finance cost includes US\$10.3m loss on bond redemption (6M-2017), and US\$22.4 full amortization of deferred issuance cost (6M-2018) netted off with interest rate swap settlement of US\$7.2m (6M-2018)

# Salak - Operational and Financial Performance

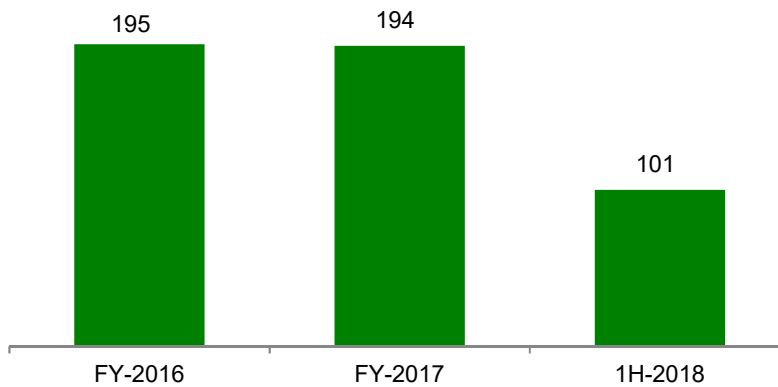
**Average Net Capacity Factor <sup>(1)</sup>**



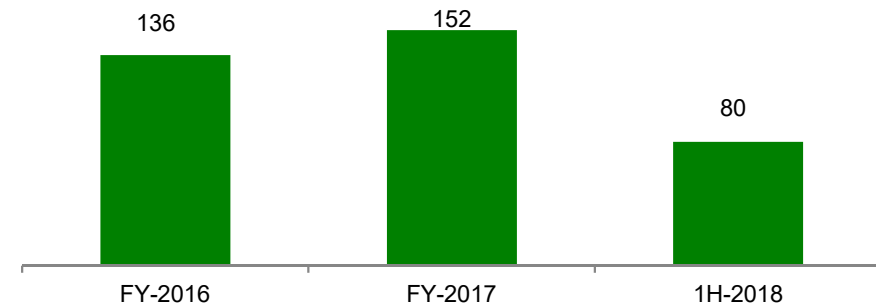
**Net Dispatch (GWh) <sup>(2)</sup>**



**Revenue (US\$m)**



**EBITDA (US\$m)**

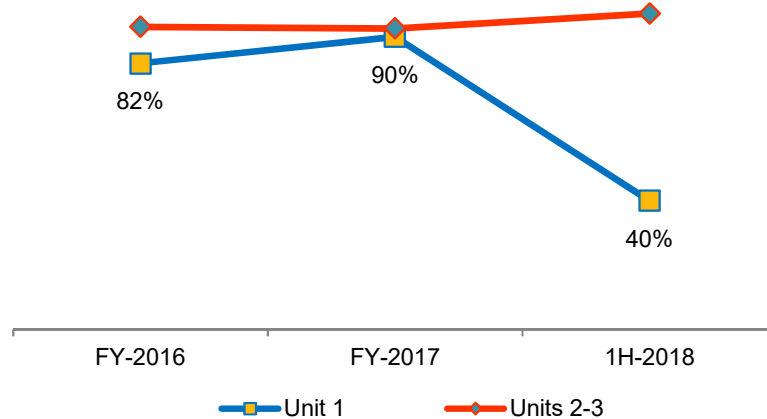


(1) Net capacity factor means the ratio of the actual output of the relevant geothermal turbine-generator unit to the theoretical output assuming full capacity usage (excluding planned maintenance)  
 (2) Net dispatch means the net electricity sent out of the relevant geothermal turbine-generator unit to PLN (after the deduction of the electricity used to run our power plant)

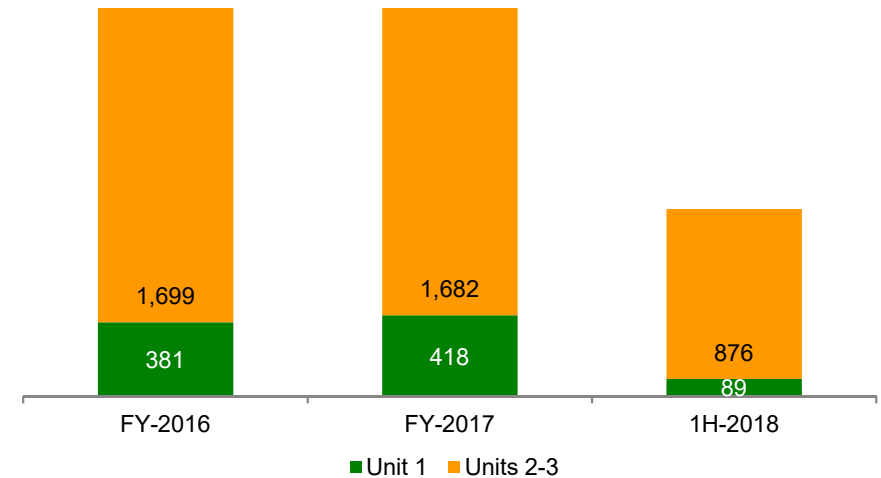


# Darajat - Operational and Financial Performance

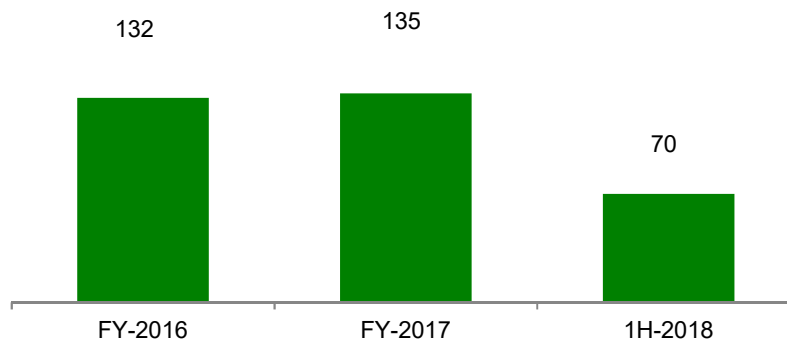
**Average Net Capacity Factor <sup>(1)</sup> <sup>(2)</sup>**



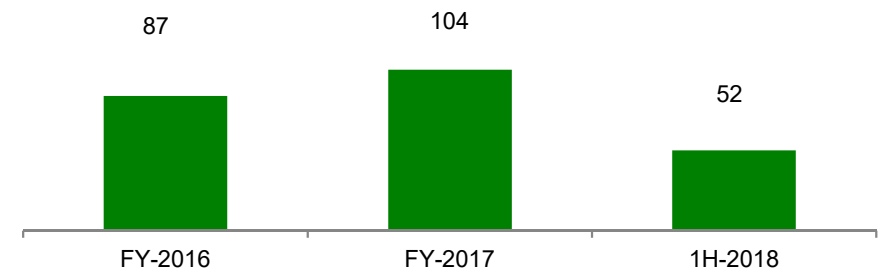
**Net Dispatch (GWh)**



**Revenue (US\$m)**



**EBITDA (US\$m)**

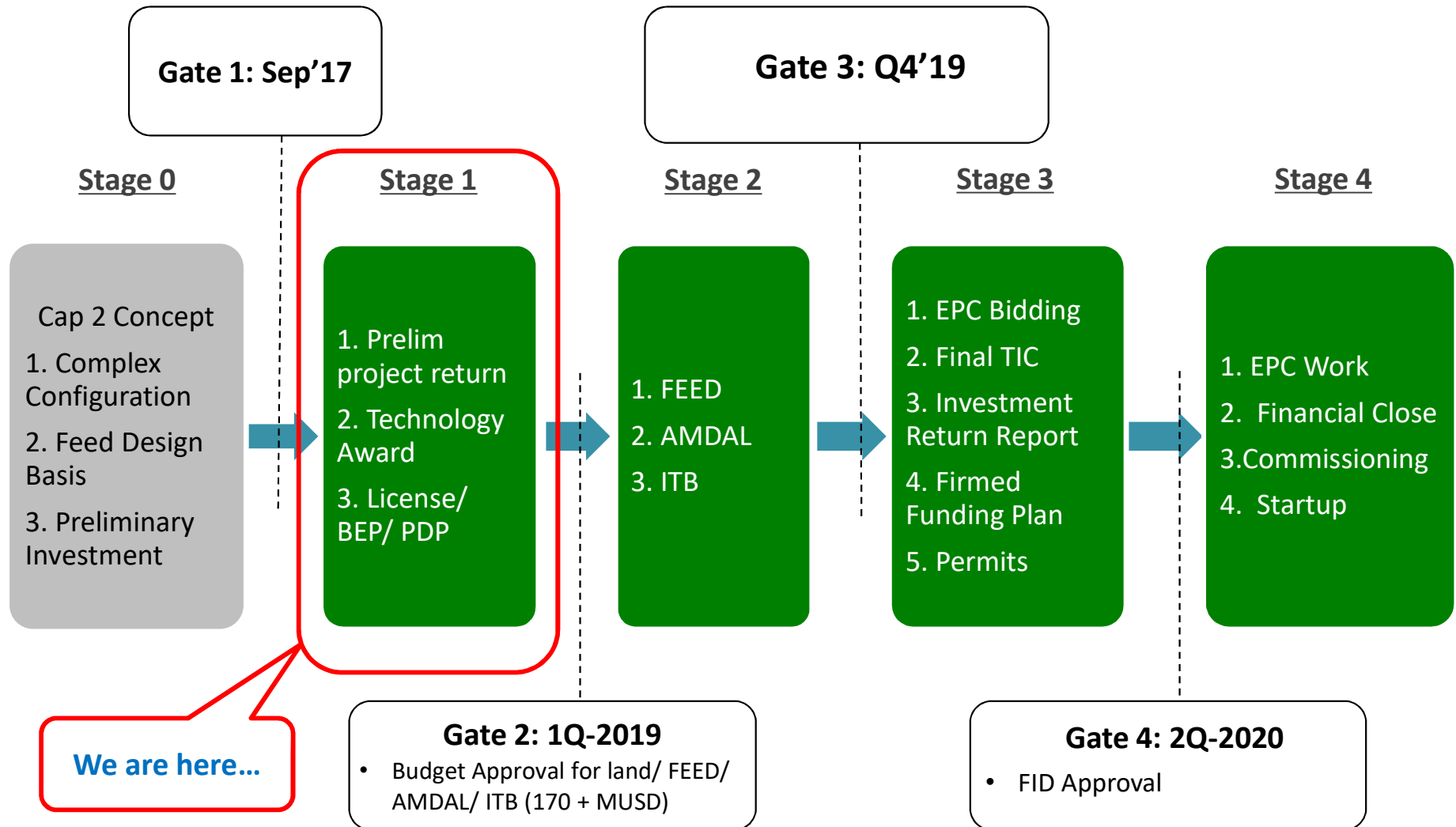


(1) Net capacity factor means the ratio of the actual output of the relevant geothermal turbine-generator unit to the theoretical output assuming full capacity usage (excluding planned maintenance)

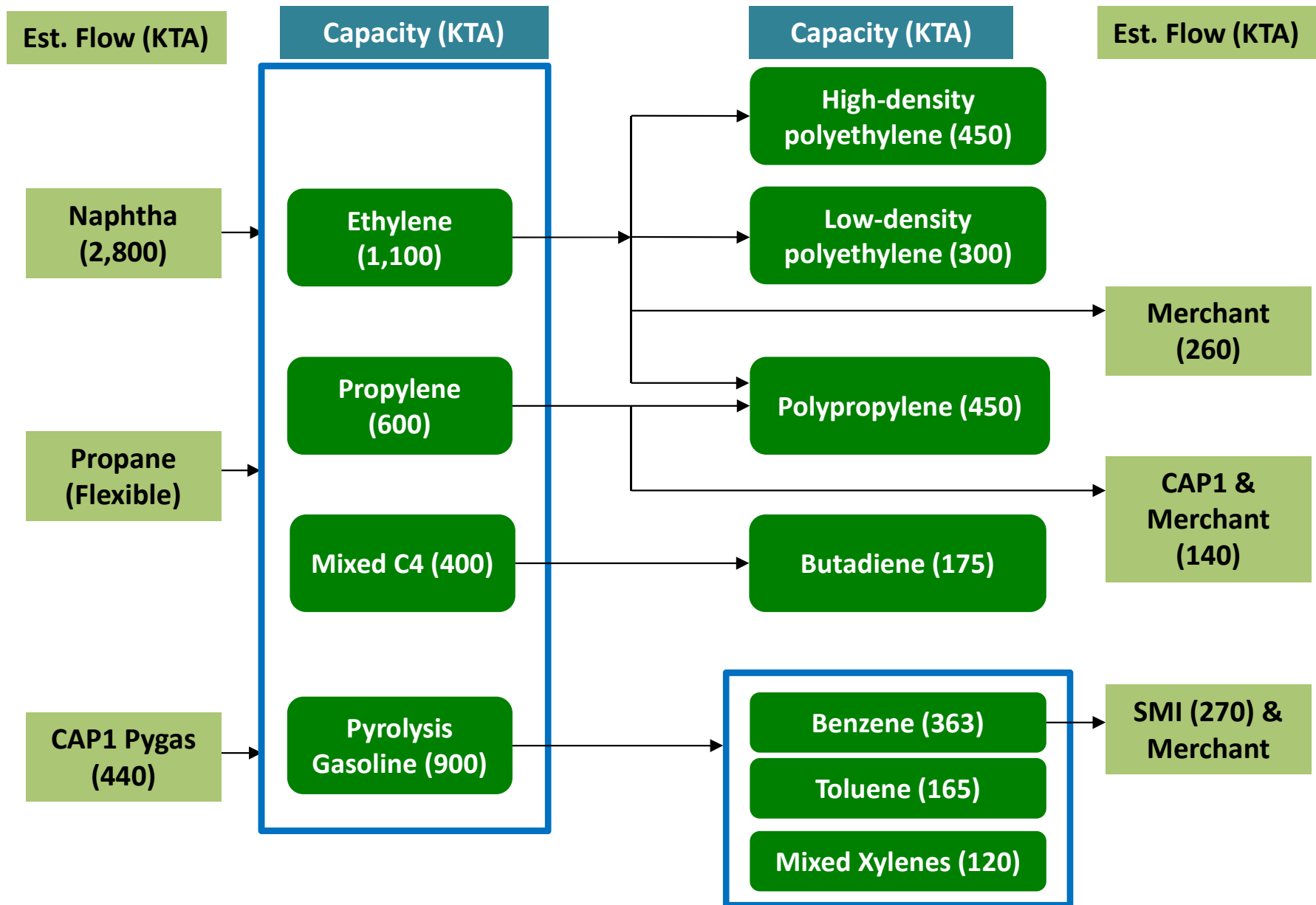
(2) Darajat Unit 1 power plant is operated by PT Indonesia Power, a subsidiary of PLN. There were 3.5 days unplanned shutdown in January 2018 and has been shutdown since 18 March 2018 due to high vibration and forecasted to be operating in September 2018.

➤ **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	<b>HDPE</b> (450KTA)	• Texplore
Butadiene (175 KTA)	• BASF/CB&I	<b>LDPE</b> (300 KTA)	• LyondellBasell
Aromatics (363 KTA BZ, 165 KTA TL, 120 KTA MX)	• GTC	<b>PP</b> (450 KTA)	• LyondellBasell