



**Bakrie  
Sumatera  
Plantations**

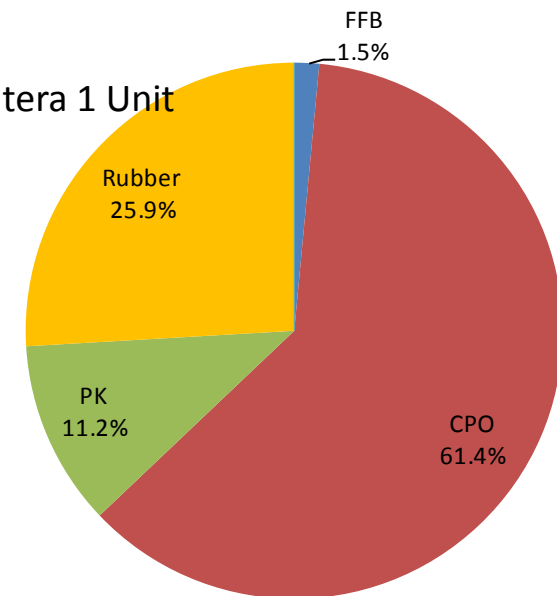


# Annual Public Expose

Jakarta, 5 December 2016

# Milestones

- 1911 Established as rubber plantation and processing company
- 1986 Acquired by Bakrie & Brothers
- 1987 Diversify into palm oil via establishment of North Sumatra Unit
- 1990 Listed on the Jakarta Stock Exchange and Surabaya Stock Exchange
- 1991 Renamed to PT Bakrie Sumatera Plantations Tbk
- 2003 Obtained ISO 9001 Quality Management System Certification for North Sumatra 1 Unit
- 2004 Stock Split and Rights Issue I
- 2005 ISO 14001 Environmental Management System Certification for North Sumatra 1 Unit
- 2007 Rights Issue II and Warrant series 1  
Establishment of Agri Resources BV palm plantation in Sumatera  
OHSAS 18001 Safety & Health Management System for North Sumatra 1 Unit
- 2008 Expansion to Kalimantan via establishment of IGI Ltd
- 2010 Rights Issue III and Warrant series 2  
Further expansion into palm oil and rubber  
Entered oleochemical business  
Cooperation with ASD Costa Rica in developing seed garden  
Obtained RSPO Certification for North Sumatra 1 Unit
- 2011 100-year anniversary of UNSP
- 2012 70-year anniversary of Bakrie Group
- 2013 Obtained RSPO Certification for Jambi 1 Unit  
Obtained ISPO Certification for Jambi 1 Unit
- 2015 Obtained ISPO Certification for North Sumatra 1 Unit  
Obtained ISPO Certification for West Sumatera 1 Unit
- 2016 Obtained ISPO Certification for Jambi 2 Unit  
and other units are in progress



UNSP -9m16 Revenue Contribution

# Estates and Mills

\* Data up to Sept 2016

## Planted Hectare (Ha)

### Palm Oil Nucleus

BSP Kisanan	North Sumatra	9,897
GLP	North Sumatra	7,728
BPP	West Sumatra	8,743
CCI	West Sumatra	2,026
AGW	Jambi	4,418
SNP	Jambi	7,038
MIB	South Kalimantan	6,053
<b>Total Palm Oil Nucleus</b>		<b>45,903</b>

### Palm Oil Plasma

BPP	West Sumatra	6,347
AGW	Jambi	7,701
<b>Total Palm Oil Plasma</b>		<b>14,048</b>

### Rubber

BSP Kisanan	North Sumatra	10,726
AMR	Bengkulu	2,610
JOP	Bengkulu	2,400
HIM	Lampung	3,401
<b>Total Rubber</b>		<b>19,137</b>

<b>Total Planted</b>		<b>79,088</b>
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Mills and Factories	Output Capacity p.a.	End Products	Location
CPO Mills (5)	282,240 MT	Crude Palm Oil	N.Sumatera (2), W.Sumatera, Jambi (2)
Rubber Factories (4)	49,519 MT	Natural Rubber	N. Sumatera, S.Sumatera, Bengkulu, Lampung
Fatty Acid FSC	52,000 MT	Fatty Acid, Glycerin	N.Sumatera-Tanjung Morawa
Fatty Acid I	101,000 MT	Fatty Acid, Glycerin	N.Sumatera-Kuala Tanjung
Fatty Alcohol I	33,000 MT	Fatty Alcohol	N.Sumatera-Kuala Tanjung
Fatty Acid II	86,000 MT	Fatty Acid, Glycerin	N.Sumatera-Kuala Tanjung
Fatty Alcohol II	100,000 MT	Fatty Alcohol	N.Sumatera-Kuala Tanjung
CPO Refinery	464,000 MT	Olein, Stearin, PFAD	N.Sumatera-Kuala Tanjung
Kernel Crusher	158,000 MT	Crude Palm Kernel Oil	N.Sumatera-Kuala Tanjung

- 79,088 Ha planted, with 86 % mature and 14 % immature
- 10 factories with 383,700 MT of output per year
- ISO and RSPO sustainability-compliant
- 14,344 employees

- El-Nino
- Reverse Stock Split
- Tax Amnesty
- Moratorium Sawit

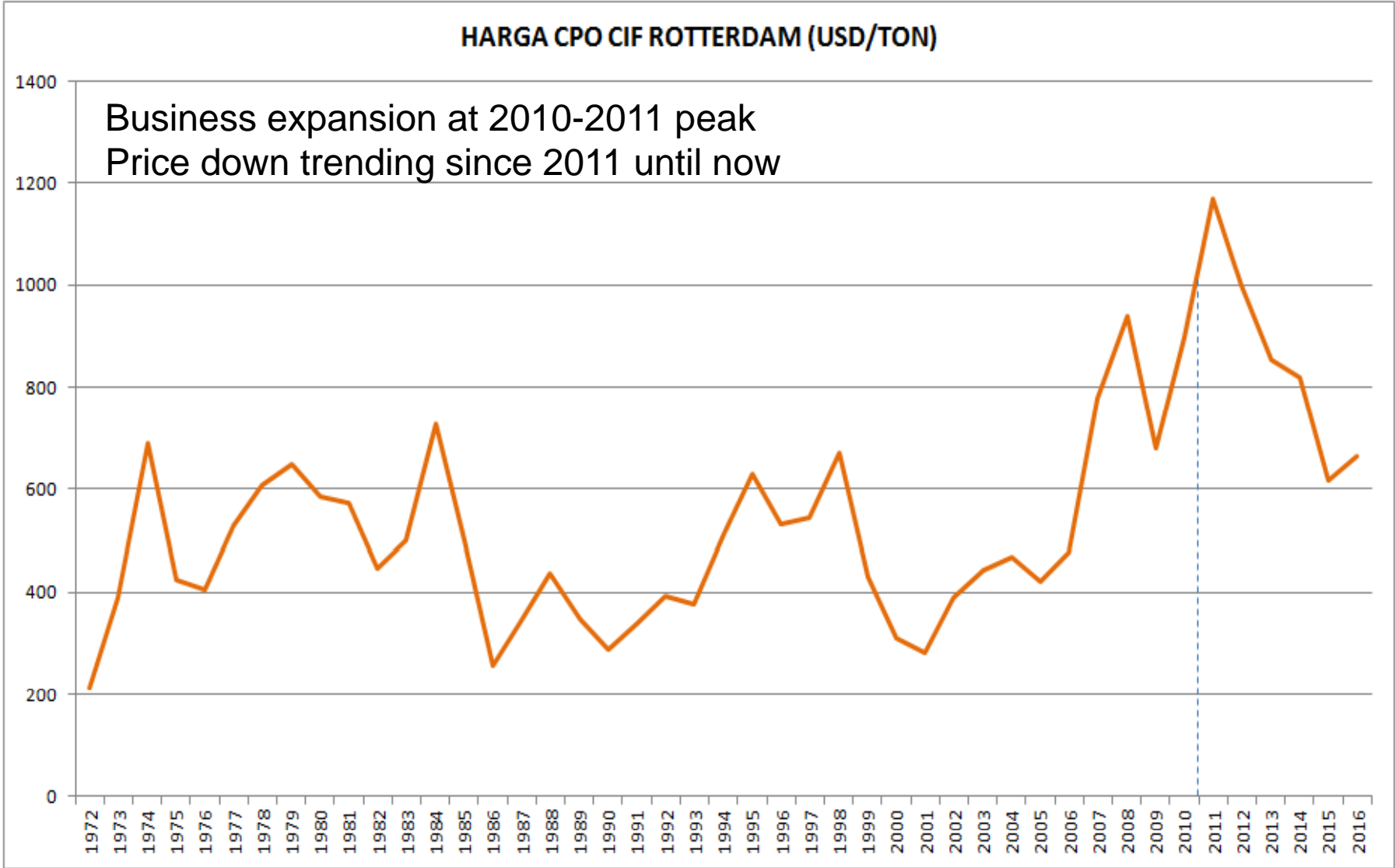
# Reverse Stock Split

## RUPS – Luar Biasa


- Public Expose Insidentil 18 October
- RUPS-LB One 31 October with 2/3 quorum
- RUPS-LB Two 15 November with 3/5 quorum
- RUPS-LB Three awaiting OJK
- 16,795 public shareholders in > 120 sekuritas and custodian
- Local: 66% individuals + 17% institutions (= 83%)
- Foreign: 16% institutions + 1% individuals (= 17%)



# CPO Price



# USD IDR Exchange Rate

Before it's here, it's on the Bloomberg Terminal. 

1D | 1M | 1Y | 5Y | **Time Frame** | Add Comparison + | Indicators ▾



# Capital Structure & Productivity

(in Rp billions)		[9M] 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Last Price	Rp / share	50	50	50	50	93	285	390	580
Share Out.	billion shares	13.7	13.7	13.7	13.7	13.7	13.7	13.6	3.8
Market Cap.		686.0	686.0	686.0	686.0	1,276.0	3,900.7	5,286.0	2,197.0
Balance Sheet									
Cash		99.8	44.0	55.6	117.0	120.8	201.6	329.8	167.3
Total Asset		16,314.3	16,926.6	17,450.4	18,020.6	18,983.3	18,702.3	18,498.5	5,071.8
S.T. Liabilities		9,090.6	7,965.7	7,699.7	6,359.4	3,001.0	3,443.8	3,342.5	659.5
L.T. Liabilities		3,987.6	5,604.1	5,630.2	6,815.7	8,067.9	6,201.0	6,612.5	1,741.6
Total Equity		3,236.1	3,356.8	4,120.5	4,845.6	7,914.4	9,057.6	8,543.5	2,670.7
Income Statement									
Revenue		1,163.0	2,021.6	2,636.7	2,076.5	2,485.4	3,646.1	2,939.6	2,325.3
Gross Profit		301.2	513.6	730.6	590.9	748.7	1,432.5	1,278.7	672.5
Operating Profit		(6.8)	85.5	313.6	213.5	360.8	897.9	854.8	470.3
Net Profit		(127.5)	(763.6)	(725.1)	(3,047.2)	(1,098.5)	667.6	793.3	252.8
EBITDA		127.1	262.6	493.4	360.8	581.4	1,481.0	1,219.0	618.9
Interest Expense		563.9	611.7	584.5	351.8	553.7	464.0	376.1	193.1
Ratio									
EPS		-18.3	-37.5	-45.4	-201.4	-77.7	54.8	67.6	66.7
PER		-2.7	-1.3	-1.1	-0.2	-1.2	5.2	5.8	8.7
BVPS		236	245	303	355	572	657	614	705
PBV		0.2	0.2	0.2	0.1	0.2	0.4	0.6	0.8
ROA		-0.8%	-4.5%	-4.2%	-16.9%	-5.8%	3.6%	4.3%	5.0%
ROE		-3.9%	-22.7%	-17.6%	-62.9%	-13.9%	7.4%	9.3%	9.5%
Liab/Equity		4.0	4.0	3.2	2.7	1.4	1.1	1.2	0.9
Liab/TotalCap		19.1	19.8	19.4	19.2	8.7	2.5	1.9	1.1
Liab/EBITDA		102.9	51.7	27.0	36.5	19.0	6.5	8.2	3.9
EBITDA/IntExps		0.2	0.4	0.8	1.0	1.1	3.2	3.2	3.2



# Reverse Stock Benefits for Company & Shareholders

Helping debt restructuring communication with lenders, which will

- Reduce interest expenses
- Strengthen operational cash flow
- Make healthier capital structure
- Make healthier balance sheet to support further funding for operational and growth
- Improve Company and Shareholders value

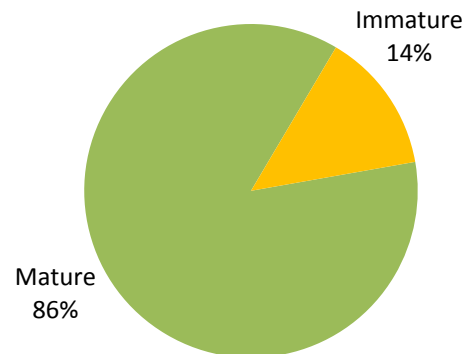
# Production Summary – Palm Oil

FFB Production (MT)	FY14	FY15	9M15	9M16	%Change
Nucleus	456,099	462,194	354,879	296,928	-16%
Nucleus yield/Ha	12.6	12.2	9.3	7.7	
Plasma	191,968	165,130	118,999	68,433	-42%
Plasma yield/Ha	14.5	12.4	8.9	5.1	
Purchased	423,614	352,166	287,303	134,663	-53%
Total FFB Supply	1,071,680	979,490	761,181	500,023	-34%
Mill Production (MT)					
CPO	215,364	192,460	149,265	97,535	-35%
CPO Extraction Rate	20.2%	20.0%	20.0%	20.1%	
Palm Kernel	46,727	41,910	32,408	20,409	-37%
Kernel Extraction Rate	4.4%	4.4%	4.3%	4.2%	

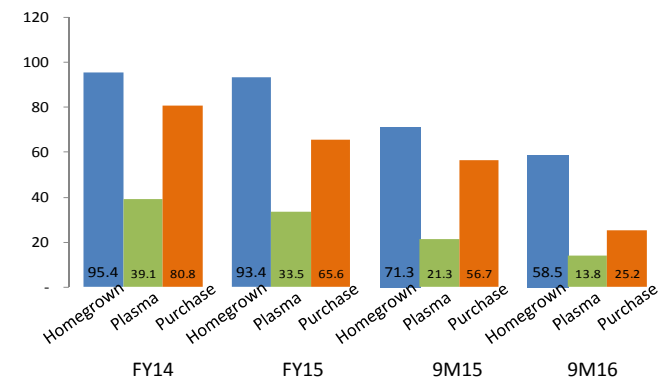
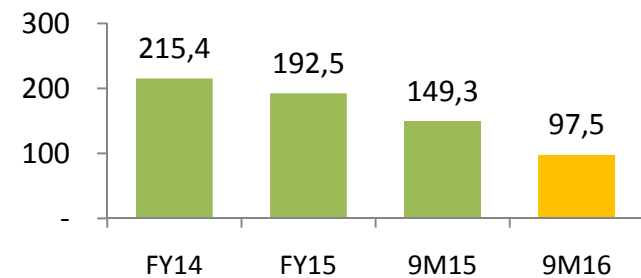
- Compared to 9M15 as of 9M16, FFB production from nucleus plantation declined to 296,928 tons due to El-Nino which we believe to improve starting 4Q2016

## UNSP – Estates Profile

Planted Area (Ha)	9M16
Palm Nucleus	
Mature	38,416
Immature	7,487
Nucleus Planted	45,903
Palm Plasma	
Plasma - Mature	13,316
Plasma - Immature	732
Plasma Planted	14,048
Total Planted Area	59,951



## UNSP –CPO Production ('000 Ton)



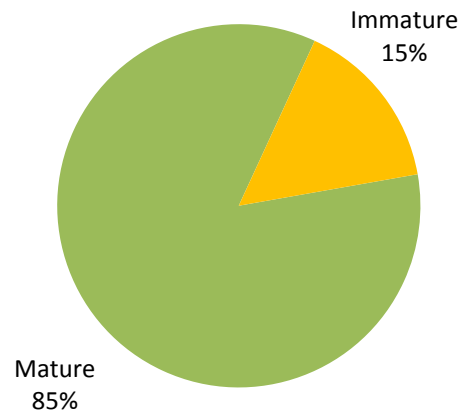
# Production Summary - Rubber

Field Production (MT)	FY14	FY15	9M15	9M16	%Change
Nucleus	20,362	20,448	15,212	15,723	3%
Nucleus yield/Ha	1.4	1.3	1.0	1.0	
Purchased	6,253	5,886	4,624	1,821	-61%
Total Field Rubber Supply	26,615	26,334	19,836	17,543	-12%
Factory Production (MT)					
Nature Rubber	25,884	23,788	18,486	17,169	-7%

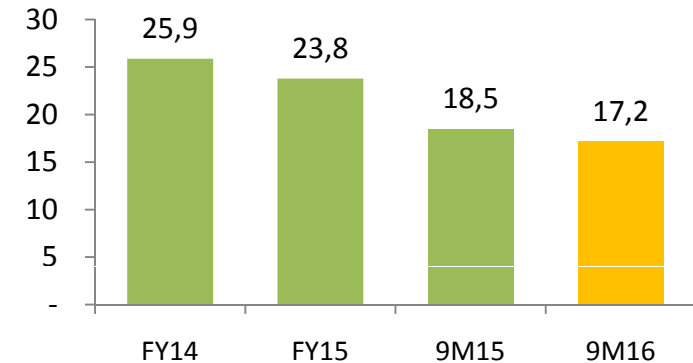
- Compared to 9M15 as of 9M16, Nucleus Field Rubber Production increased by 3% to 15,723 tons

## UNSP – Estate Profile

Planted Area (Ha)	
Rubber Nucleus	
Mature	16,199
Immature	2,938
<b>Total Planted Area</b>	<b>19,137</b>



## UNSP – Rubber Production ('000 Ton)

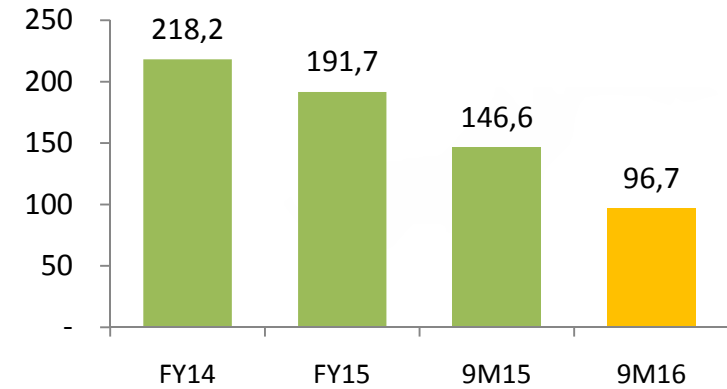


# Financial Summary – Sales Detail

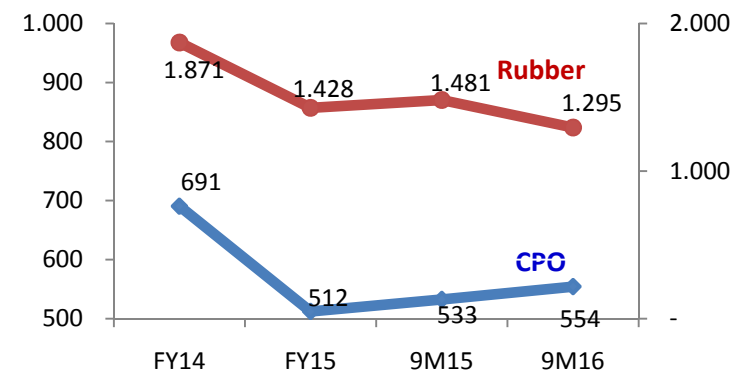
Sales Revenue (in IDR bn)	FY14	FY15	9M15	9M16	%Change
FFB	27	19	14	17	21%
CPO	1,790	1,315	1,035	714	-31%
PK	242	190	152	130	-14%
Rubber	578	497	389	302	-22%
Oleo	-	-	-	-	-
<b>Total</b>	<b>2,637</b>	<b>2,022</b>	<b>1,590</b>	<b>1,163</b>	<b>-27%</b>
Sales Volume (MT)					
FFB	17,811	16,809	12,051	11,962	-1%
CPO	218,231	191,700	146,603	96,680	-34%
PK	47,310	41,815	32,367	20,170	-38%
Rubber	25,995	25,985	19,803	17,470	-12%
Oleo	-	-	-	-	-
Average Selling Price (USD/MT)					
FFB	126	86	90	109	21%
CPO	691	512	533	554	4%
PK	431	340	353	483	37%
Rubber	1,871	1,428	1,481	1,295	-13%
Oleo	-	-	-	-	-

Product Sales Contribution	FY14	FY15	9M15	9M16
FFB	1.0%	1.0%	0.9%	1.5%
CPO	67.9%	65.0%	65.1%	61.4%
PK	9.2%	9.4%	9.5%	11.2%
Rubber	21.9%	24.6%	24.5%	25.9%
Oleo				

UNSP – CPO Sales Volume ('000 Ton)



UNSP – Average Selling Prices (USD/Ton)



# Consolidated Financial Summary

Profit & Loss (in IDR bn)	FY14	FY15	9M15	9M16	%Change
Sales	2,637	2,022	1,590	1,163	-27%
Gross Profit	731	514	417	301	
Operating Income	312	86	94	-7	
EBITDA	492	263	227	127	
Net Income (Loss) Current Period	-684	-518	-780	-253	
<b>Margins</b>					
Gross Margin	28%	25%	26%	26%	
Operating Margin	12%	4%	6%	-1%	
EBITDA Margin	19%	13%	14%	11%	
Net Income (Loss) Margin	-26%	-26%	-49%	-22%	

- Compared to 9M15, weaker 9M16 resulting from El-Nino and lower third-party purchase, which we believe to improve starting 4Q-2016

Balance Sheet (in IDR bn)	FY14	FY15	9M15	9M16	% Change
Current Assets	2,597	1,473	1,573	1,201	
Non Current Assets	14,844	15,453	15,687	15,114	
Total Assets	17,442	16,927	17,260	16,316	-5%
Current Liabilities	7,700	7,966	8,095	9,153	
Non Current Liabilities	5,588	5,604	6,182	3,926	
Total Liabilities	13,287	13,570	14,277	13,080	-8%
Equity	4,154	3,357	2,983	3,236	8%
Total Liabilities and Equity	17,442	16,927	17,260	16,316	
Liabilities to Equity Ratio	3.2	4.0	4.8	4.0	



# Overview, Challenge, and Strategy

- **Overview of Palm Oil and Rubber**

- We have a view of continuing stable global demand for palm oil and rubber driven by continuous use of such in consumer goods products
- Even though the short term price trends remain concern, we have a view of positively stable prices for the medium and long term

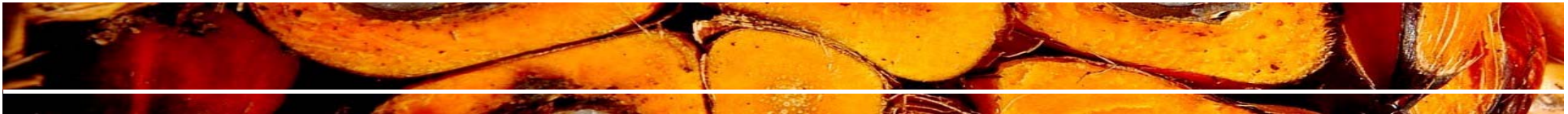
- **Focus on Sustainable Productivity and Profitability**

We acknowledge our current challenges to improve productivity and profitability, we therefore are committed to:

- Improve and optimize the estate management system; including but not limited to better progeny, field operation, water management, tree-age management, pest control, etc
- Improve quality of infrastructure, both production and support facilities
- Reduce debt and its related costs

- **Oleochemical / Downstream Business**

Revitalization program of our Oleochemical project is on-going



Thank You

Visit our website at: [www.bakriesumatera.com](http://www.bakriesumatera.com)

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