



**Bakrie  
Sumatera  
Plantations**

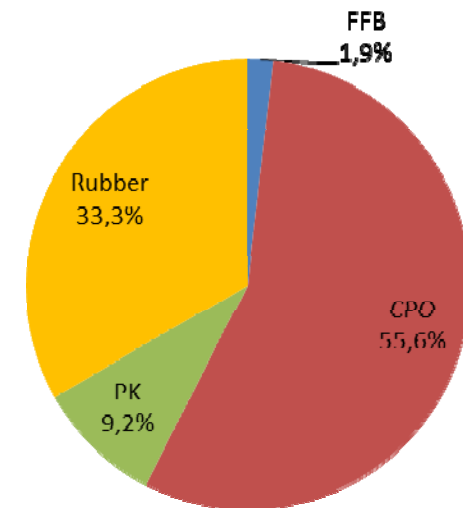


Jakarta, 21 December 2017

- **Quick History 1911-2017**
- **Shareholders & Management**
- **Assets**
- **Performance**
- **Going Forward**

# Milestones

- 1911 Established as rubber plantation and processing company
- 1986 Acquired by Bakrie & Brothers
- 1987 Diversify into palm oil via establishment of North Sumatera Unit
- 1990 Listed on the Jakarta Stock Exchange and Surabaya Stock Exchange
- 1992 Renamed to PT Bakrie Sumatera Plantations Tbk
- 2003 Obtained ISO 9001 Quality Management System Certification for North Sumatera Unit
- 2004 Stock Split and Rights Issue I
- 2005 ISO 14001 Environmental Management System Certification for North Sumatera 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 Sumatera Unit
- 2009 Obtained RSPO Certification for North Sumatera Unit
- 2010 Rights Issue III and Warrant series 2  
Further expansion into palm oil and rubber  
Entered oleo chemical business with P&G off-take  
Cooperation with ASD Costa Rica in developing high productivity seed
- 2011 100-year anniversary of UNSP
- 2012 70-year anniversary of Bakrie Group  
Obtained RSPO Certification for Jambi Unit
- 2014 Obtained ISPO Certification for Jambi Unit (AGW)
- 2015 Obtained ISPO Certification for North Sumatera Unit  
Obtained RSPO ReCertification for North Sumatera Unit  
Obtained ISPO Certification for West Sumatera Unit
- 2016 Obtained ISPO Certification for Jambi Unit (SNP)  
and other units are in progress
- 2017 Reverse Stock Split

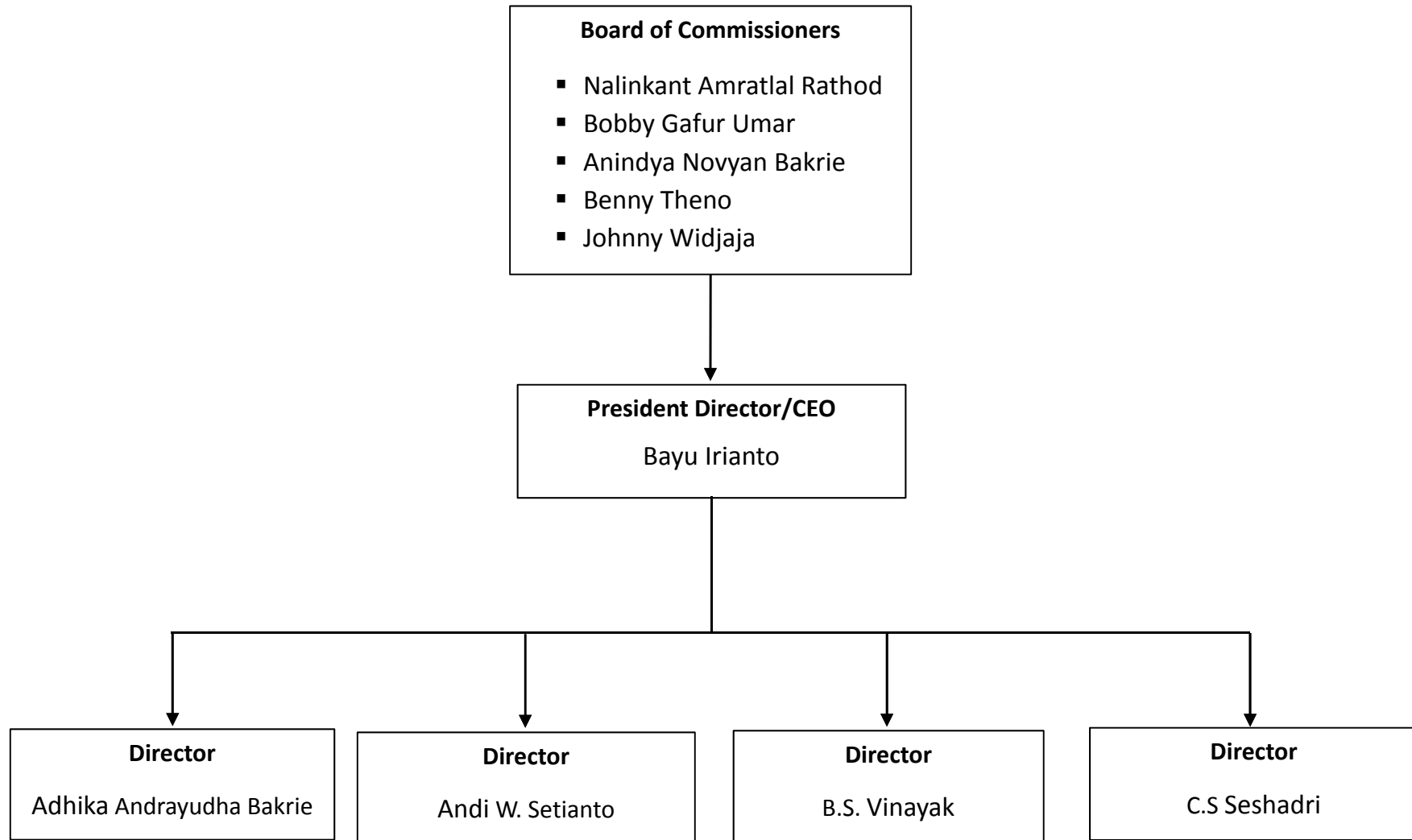


UNSP -9m17 Revenue Contribution

## Shareholders (as of 19 Dec 2017)

- **16,951 public shareholders in 119 sekuritas and custodian**
- **Local: 76% individuals + 11% institutions (= 87%)**
- **Foreign: 12% institutions + 1% individuals (= 13%)**

# BSP Organization Structure



# Estates and Mills

\* Data up to Sept 2017

## Planted Hectare (Ha)

### Palm Oil Nucleus

BSP Kisaran	North Sumatra	9.897
GLP	North Sumatra	7.728
BPP	West Sumatra	8.791
CCI	West Sumatra	2.025
AGW	Jambi	4.418
SNP	Jambi	7.039
MIB	South Kalimantan	4.430
<b>Total Palm Oil Nucleus</b>		<b>44.327</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 Kisaran	North Sumatra	10.726
AMR	Bengkulu	2.610
JOP	Bengkulu	2.400
HIM	Lampung	3.366
<b>Total Rubber</b>		<b>19.102</b>

## Total Planted

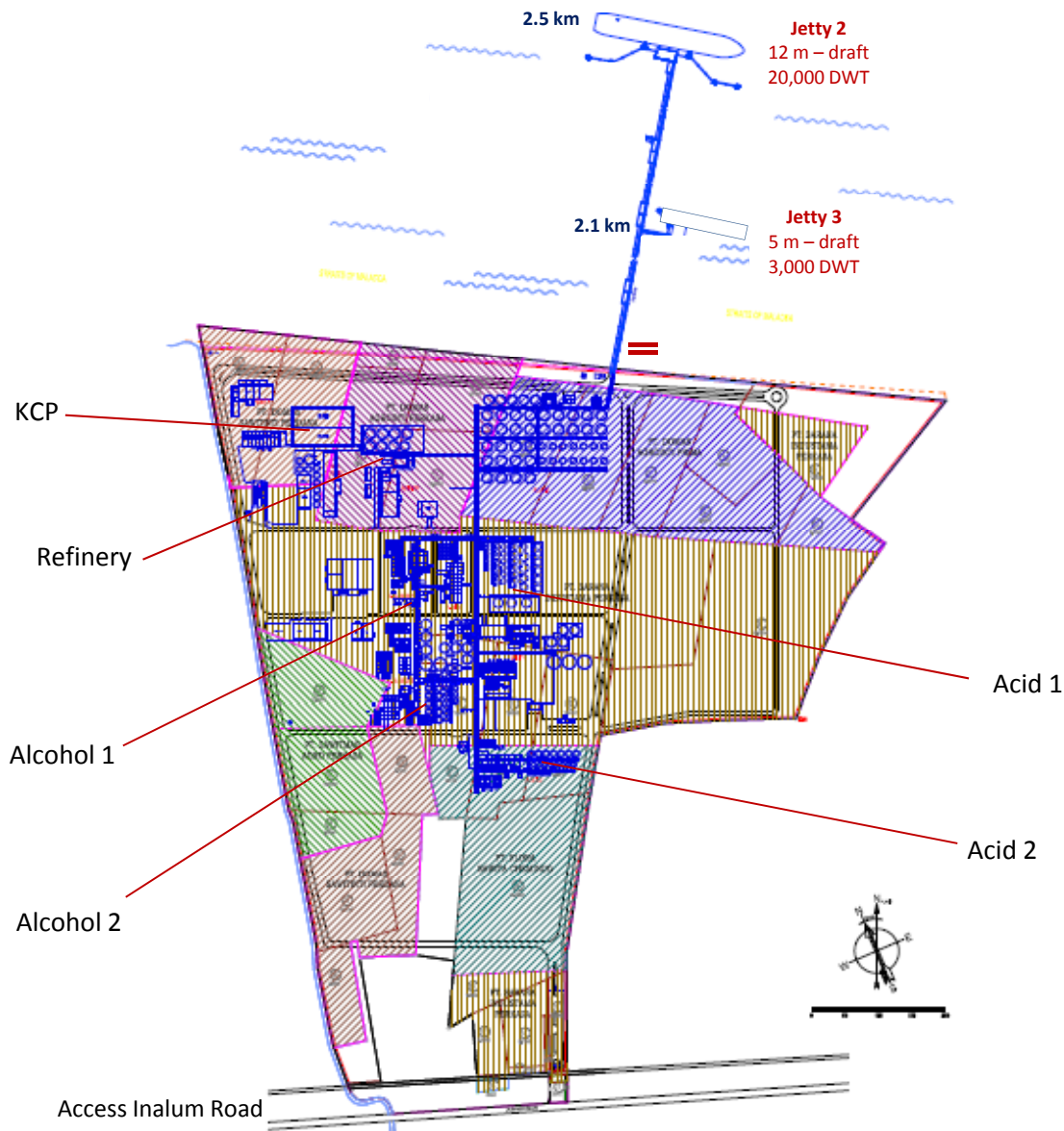
**77.477**



Mills and Factories	Installed Capacity	End Products	Location
CPO Mills (5)	225 MT per hour	Crude Palm Oil	N.Sumatera (2), W.Sumatera, Jambi (2)
Rubber Factories (4)	49,519 MT p.a	Natural Rubber	N. Sumatera, S.Sumatera, Bengkulu, Lampung
Fatty Acid FSC	52,800 MT p.a	Fatty Acid, Glycerin	N.Sumatera-Tanjung Morawa
Fatty Acid I	99,000 MT p.a	Fatty Acid, Glycerin	N.Sumatera-Kuala Tanjung
Fatty Alcohol I	33,000 MT p.a	Fatty Alcohol	N.Sumatera-Kuala Tanjung
Fatty Acid II	82,500 MT p.a	Fatty Acid, Glycerin	N.Sumatera-Kuala Tanjung
Fatty Alcohol II	99,000 MT p.a	Fatty Alcohol	N.Sumatera-Kuala Tanjung
CPO Refinery	495,000 MT p.a	Olein, Stearin, PFAD	N.Sumatera-Kuala Tanjung
Kernel Crusher	165,000 MT p.a	Crude Palm Kernel Oil	N.Sumatera-Kuala Tanjung

- 77,477 Ha planted, with 91 % mature and 9 % immature
- 5 palm oil mills, 4 rubber factories, 5 oleo chemical plants, 1 refinery plant, and 1 kernel crushing plant
- ISO and RSPO sustainability-compliant
- 13,492 employees

# Kuala Tanjung Layout



## Kuala Tanjung Olechemical Complex

- Total Land Area : ± 72 hectares
- 120 Km Southeast of Medan
- Access to major sea lanes
- Facilities include :
  - Two Fatty Acid Plants
  - Two Fatty Alcohol Plants
  - Kernel Crushing Plant
  - Refinery Plant
  - Jetty Line of ± 2.7 km

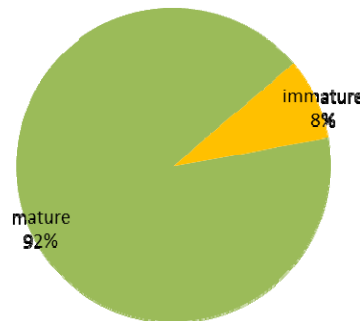
# Production Summary – Palm Oil

FFB Production (MT)	FY15	FY16	9M16	9M17	%Change
Nucleus	462.194	413.879	295.511	315.238	7%
Nucleus yield/Ha	12,2	10,8	7,6	7,9	3%
Plasma	165.130	83.938	68.433	50.544	-26%
Plasma yield/Ha	12,4	6,3	5,0	3,7	-26%
Purchased	352.166	134.663	134.663	74	-100%
Total FFB Supply	979.490	632.480	498.607	365.856	-27%
Mill Production (MT)					
FFB Put into Process	961.937	614.729	486.327	353.886	-27%
CPO	192.460	125.291	97.535	77.467	-21%
CPO Extraction Rate	20,0%	20,4%	20,1%	21,9%	9,1%
Palm Kernel	41.910	26.012	20.409	15.804	-23%
Kernel Extraction Rate	4,4%	4,2%	4,2%	4,5%	6%

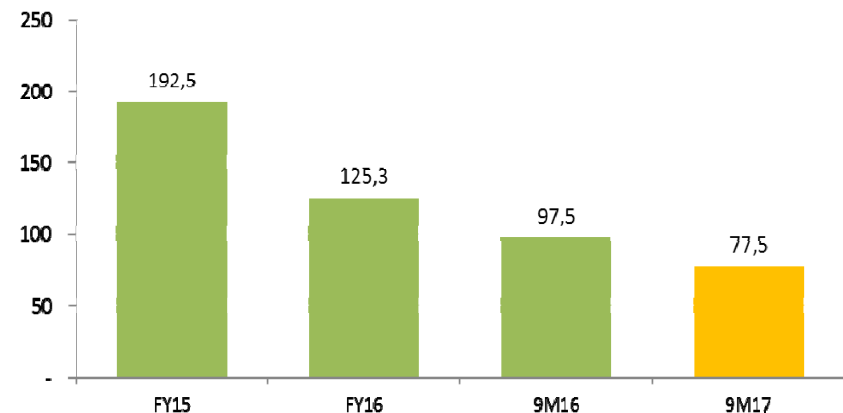
- Compared to 9M16, as of 9M17 FFB production from nucleus plantation increased by 7% to 315,238 tons

## UNSP – Estates Profile

Planted Area (Ha)	9M17
Palm Nucleus	
Mature	39.861
Immature	4.466
Nucleus Planted	44.327
Palm Plasma	
Plasma - Mature	13.646
Plasma - Immature	402
Plasma Planted	14.048
Total Planted Area	58.375



## UNSP –CPO Production ('000 Ton)





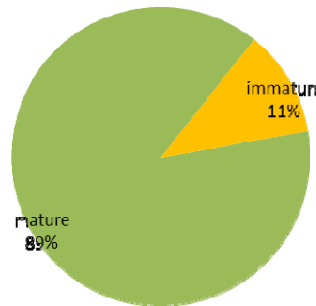
# Production Summary - Rubber

Field Production Rubber (MT)	FY15	FY16	9M16	9M17	%Change
Nucleus	20.448	21.494	15.723	15.130	-4%
Nucleus yield/Ha	1,3	1,3	1,0	0,9	-8%
Purchased	5.886	1.962	1.821	275	-85%
Total Field Rubber Supply	26.334	23.456	17.544	15.405	-12%
Factory Production (MT)					
Nature Rubber	23.788	23.105	17.125	13.582	-21%

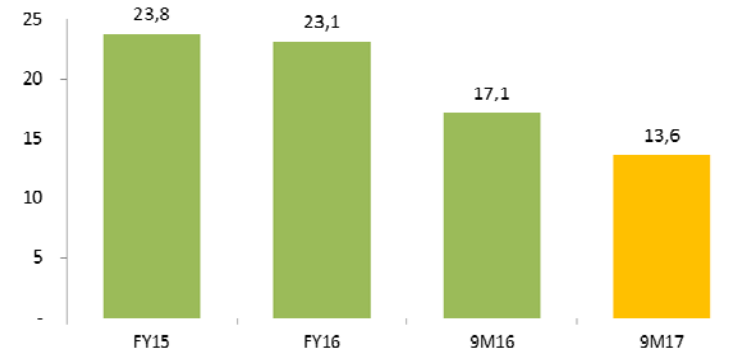
- Compared to 9M16, as of 9M17 Field Production Rubber maintained at 15,130 tons

## UNSP – Estate Profile

Planted Area (Ha)	9M17
Rubber Nucleus	
Mature	16.925
Immature	2.177
Total Planted Area	19.102



## UNSP – Rubber Production ('000 Ton)

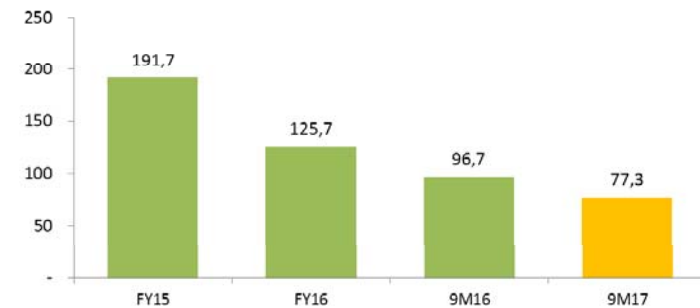


# Financial Summary – Sales Detail

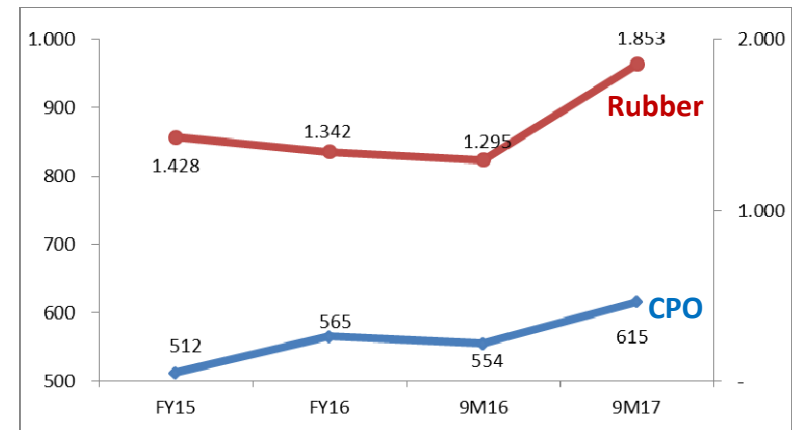
Sales Revenue (in IDR bn)	FY15	FY16	9M16	9M17	%Change
FFB	19	25	17	22	24%
CPO	1.315	944	714	634	-11%
PK	190	176	130	105	-19%
Rubber	497	419	302	380	26%
Oleo	-	-	-	-	-
<b>Total</b>	<b>2.022</b>	<b>1.565</b>	<b>1.163</b>	<b>1.140</b>	<b>-2%</b>
<b>Sales Volume (MT)</b>					
FFB	16.809	16.576	11.962	12.849	7%
CPO	191.700	125.671	96.680	77.286	-20%
PK	41.815	26.189	21.547	15.502	-28%
Rubber	25.985	23.489	17.469	15.392	-12%
Oleo	-	-	-	-	-
<b>Average Selling Price (USD/MT)</b>					
FFB	86	115	109	126	16%
CPO	512	565	554	615	11%
PK	340	505	452	507	12%
Rubber	1.428	1.342	1.295	1.853	43%
Oleo	-	-	-	-	-

Product Sales Contribution	FY15	FY16	9M16	9M17
FFB	1,0%	1,6%	1,5%	1,9%
CPO	65,0%	60,3%	61,4%	55,6%
PK	9,4%	11,3%	11,2%	9,2%
Rubber	24,6%	26,8%	25,9%	33,3%
Oleo	-	-	-	-

UNSP – CPO Sales Volume ('000 Ton)



UNSP – Average Selling Prices (USD/Ton)



# Consolidated Financial Summary

Profit & Loss (in IDR bn)	FY15	FY16	9M16	9M17
Sales	2.022	1.565	1.163	1.140
Gross Profit	518	476	301	500
Operating Income	85	58	-7	182
EBITDA	263	245	127	317
Net Income (Loss) Current Period	-470	-485	-253	-689
Margins				
Gross Margin	26%	24%	26%	44%
Operating Margin	4%	3%	-1%	16%
EBITDA Margin	13%	12%	11%	28%
Net Income (Loss) Margin	-23%	-24%	-22%	-60%
Balance Sheet (in IDR bn)				
Current Assets	1.473	1.015	1.167	1.410
Non Current Assets	13.835	13.685	15.147	13.056
Total Assets	15.308	14.700	16.314	14.466
Current Liabilities	8.017	10.293	9.090	11.289
Non Current Liabilities	5.623	3.210	3.988	2.669
Total Liabilities	13.640	13.503	13.078	13.958
Equity	1.668	1.197	3.236	508
Total Liabilities and Equity	15.308	14.700	16.314	14.466

- Compared to 9M16, better 9M17 profitability resulting from higher commodities prices and lower third-party purchase

# 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

## FACILITIES AND SUPPLY CHAIN UPDATE

### BAKRIE SUMATERA PLANTATIONS OLEOCHEMICALS HAS LAUNCHED

By: Dan Cooper, EurAsia Associate Director

In September, we broke the news that we were expanding our oleochemicals network with the integration of Bakrie Sumatera Plantations (BSP) Oleochemicals Indonesia. This marks a significant new chapter in the 160-year history of P&G Chemicals.



The integration will expand our product portfolio to include fatty acids, glycerin and fatty alcohols, offering an added output to the current P&G Chemicals portfolio. Their supply will give us greater flexibility on both location and portfolio choices to offer across the multiple industries and continents we serve.

In 2011, BSP acquired the former Domba Mas operations located in Kuala Tanjung, Sumatera. At the time, a robust supply of utilities and logistics infrastructure could not support such a large, world-scale production facility operation.

But since then, the Indonesian government has started heavily investing in the Kuala Tanjung area, and has built a much stronger utilities network on Sumatera - as well as a second government port in close proximity to the plant. In July, P&G Chemicals established a joint integration team covering multiple functions to manage such a complex project. Preparations have advanced with restart preparations in place for the end of the year. P&G Chemicals will be the offtake partner for the products they produce, as their production will occur in phases.

We continue to significantly invest in bringing innovation to all aspects of our business. This includes the BSP plant in Indonesia, as well as the digitization of many of our process architectures. Streamlining these architectures will make it simpler and easier to do business with our customers and suppliers across the globe.



# OLEO REPORTER

DECEMBER 2017

## EXECUTIVE PERSPECTIVE



By Dan Cooper, EurAsia Associate Director

The European Petrochemical Conference Association (EPCA) held its meeting this year in Berlin, Germany. The general sentiment surrounding the chemicals industry is promising – the industry is seeing a more positive outlook than before, with demand increasing and a stronger, more favorable trading environment across the European region. P&G Chemicals was well represented

at the event, and met with a broad spectrum of our customers and suppliers over four days.

Breaking news at EPCA was the announcement that P&G Chemicals is expanding our oleochemicals network with the integration of Bakrie Sumatera Plantations (BSP) Oleochemicals in Indonesia. It comes as part of a larger plan of significant investment in P&G Chemicals, which includes the digitization of many of our process architectures.

The world-scale facility, which was acquired in 2011, is located in Kuala Tanjung, Sumatera. The utility and logistics infrastructure is now in place to support large scale production by the end of the year. This plant will produce fatty acids, glycerin and fatty alcohols, giving our customers greater flexibility on both location and portfolio choices for their business.

This truly marks a significant new chapter in our history and the first major investment by P&G in the industry for over 25 years. Please have a restful and peaceful break over the coming festive season and here's to celebrating the first shipments from BSP Oleochemicals together!

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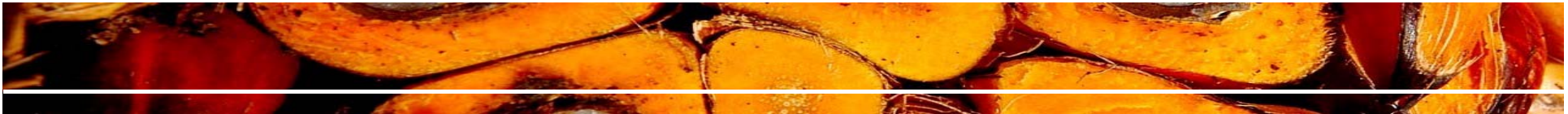
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## Thank You

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