

# AKR NEWS RELEASE



Mar 6, 2017

For Immediate release

## AKRA Net Profit for 2016 , Rp 1,011 Billion ; Overall improvement in Margins

JAKARTA, 6<sup>th</sup> Mar 2017 – PT AKR Corporindo Tbk (IDX ticker code: AKRA.IJ), distributor of Petroleum, Basic chemicals and provider of Logistic & supply chain services in Indonesia reported Net Profit After tax of Rp 1,011 billion for the Financial Year ended 31<sup>st</sup> December 2016. The Company reported improvement of Margins with Net Margin improving to 6.6% during FY 2016 compared to 5.2% during FY 2015. The Financial statements of the company audited by Purwantono, Sungkoro & Surja ( a member firm of Ernst & Young Global Limited) with an unqualified opinion was filed with OJK and IDX.

AKR reported consolidated revenues of Rp. 15,213 billion for the year ended 31<sup>st</sup> December 2016 a decline of 23%; Decline in oil prices lead to lower selling prices which impacted consolidated revenues. Despite the decline in revenues the company reported higher gross margins of 12.3% during 2016 compared to 11.2% in 2015. The company also continued to maintain a strong balance sheet as at 31<sup>st</sup> December 2016 with a low leverage and adequate cash position.

### KEY HIGHLIGHTS OF THE 2016 FINANCIAL RESULTS

NET PROFIT AFTER TAX	<b>1,011</b> Rp. Billion
Net Margin	6.6%
GROSS PROFIT	<b>1,875</b> Rp. Billion
Gross Margin	12.3%
EBITDA	<b>1,527</b> Rp. Billion
EBITDA Margin	10.0%
EPS	<b>254.92</b> per share

### STATEMENT BY PRESIDENT DIRECTOR OF AKRA

“We are pleased to report another year of steady growth despite the severe fluctuations in Petroleum and commodity prices. The Company’s revenue was impacted by the selling prices of the Petroleum but the company managed to improve its overall margins by adequate cost control measures”

“During the year AKR has initiated various strategic initiatives to sustain and grow its business; In addition to growth in industrial sector the company is planning to expand its business in Retail and aviation petroleum by entering into strategic alliance with international oil major BP”

“We are pleased with the progress of the JIPE project securing the interest of domestic and foreign companies who have signed up to set up industries in the Industrial Estate. The Port subsidiary PT BMS commenced operations and now is handling medium to large sized vessels”

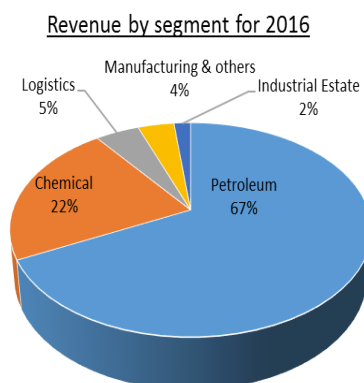
“With improvement in economic conditions, commodity prices and demand for basic raw materials and fuel the company will continue to focus on delivering value added solutions for our customers.” said Mr Haryanto Adikoesoemo

## AUDITED STATEMENT OF INCOME for 12M 2016

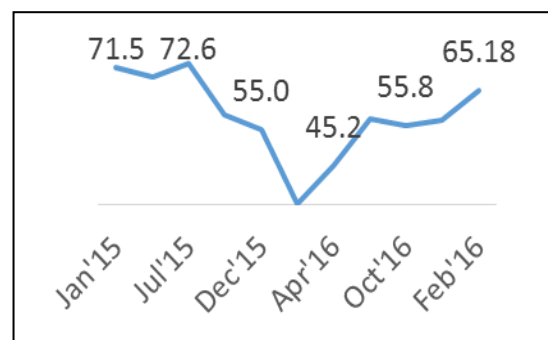
In Rp. billion	<u>2016</u>	<u>2015</u>
Revenue	15,213	19,765
Cost of Revenue	(13,338)	(17,549)
<b>Gross Profit</b>	<b>1,875</b>	<b>2,216</b>
	<b>% 12.3%</b>	<b>11.2%</b>
Opex	(714)	(962)
<b>Operating Profit</b>	<b>1,175</b>	<b>1,349</b>
	<b>% 7.7%</b>	<b>6.8%</b>
Profit Before tax	1,156	1,317
<b>Net profit after tax &amp; minority</b>	<b>1,011</b>	<b>1,034</b>
	<b>% 6.6%</b>	<b>5.2%</b>
EPS (Rp./share)	254.92	262.74

## REVENUE ANALYSIS

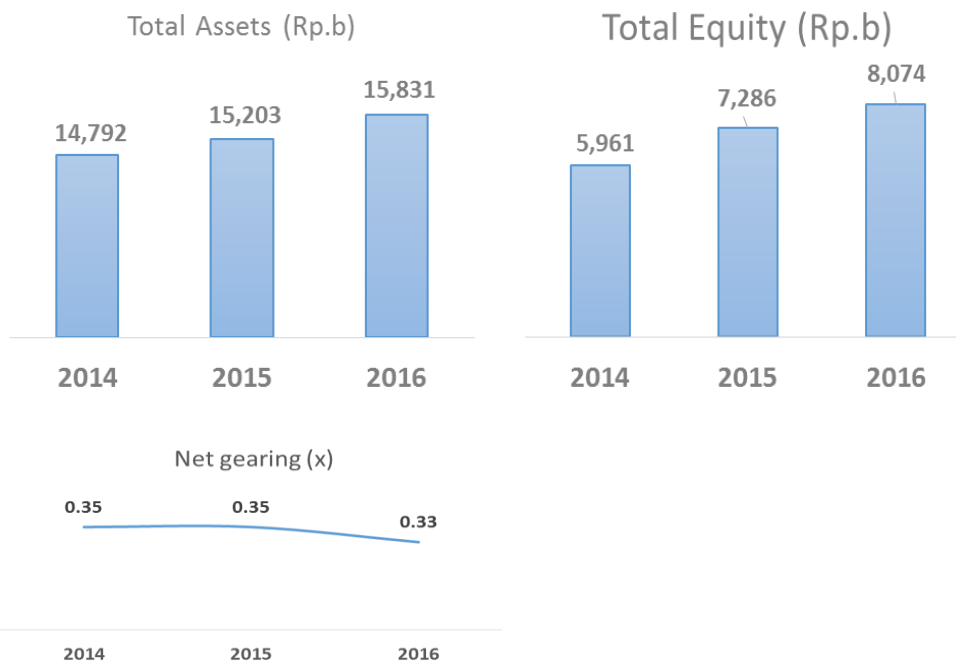
### 67% of revenue contributed from petroleum



### Oil price dop 24% in 2016 Vs 2015



## AUDITED BALANCE SHEET AS ON 31<sup>st</sup> December 2016



## EVENTS & DEVELOPMENTS DURING 2016

- AKR launched **AKRA 92** Gasoline at its petrol stations during the year 2016 and was also re-appointed 6<sup>th</sup> year in a row to distribute subsidized diesel (Solar).
- AKR signed **Joint venture agreement with Air BP** ( a division of BP dealing with Aviation fuel) for distributing aviation fuel in Indonesia
- AKR also signed **Heads of agreement (HOA) with BP Plc** for developing its Retail petroleum distribution business in Indonesia

### JIPE :

- JIPE obtained the operating license for **captive power generation** and distribution.
- JIPE shall now have access to two toll roads with extension of **Legundi-Bunder-Manyar toll** by 9 kms providing direct access to JIPE improving the multi modal access for its customers.
- JIPE is being considered to be a National Strategic project in 2017.
- JIPE commenced the development of other utilities for its tenants scheduled to be operational by **mid of 2017**



## Financial events :

- The Company declared Interim dividend of Rp.70/share for year 2016. Final dividend of Rp.473.8 billion was paid during May'16.
- PEFINDO maintained "idAA-" rating for PT AKR Corporindo Tbk and its Bond I/2012 and improved outlook to "**POSITIVE**".

The full financial statements are available to download from the Company's website at <http://www.akr.co.id/>

## RECENT AWARDS WON BY AKRA



*Best Loan deal for power plant at JIPE*



*Most innovative business in Wholesale category in Indonesia*

**Haryanto Adikoesoemo**

**President Director**

**PT AKR Corporindo Tbk**

**PT AKR Corporindo Tbk**

PT AKR Corporindo Tbk (the Company) was formally established in Surabaya in 1977 and was listed on the Indonesian Stock Exchange in 1994. The Company is Indonesia's leading integrated supply chain solutions provider and largest private sector distributor of petroleum and basic chemicals. The Company is also the first private company appointed by the Government of Indonesia to distribute subsidized petroleum. The Company is a renowned provider of logistics and infrastructure with areas of operations encompassing Indonesia and China. Through a number of subsidiaries it governs, the Company also operates in the areas of logistic services, manufacturing and coal mining and trading.

**Java Integrated Industrial Port Estate**

Java Integrated Industrial Port Estate ("JIPE") is a project that is designed to be one of the largest integrated industrial, residential and deep sea port estates with development area totaling 2,933.3 ha. This project through PT Berkah Kawasan Manyar Sejahtera ("BKMS") will develop the industrial estate, while its sister company PT Bertan Manyar Sejahtera ("BMS") will handle the sea port operations and PT AKR Land Development (an affiliate of AKR) will develop the residential estate. AKR indirectly owns 60% of the company through UEPN, while Pelindo III indirectly owns 40% through BJT.

JIPE aims to become a strategically-located industrial estate, complete with supporting facilities and infrastructure. In addition to a deep water port in the complex, the location has direct access to the major toll road network that connects most cities in East Java, arterial road, railway system and air transport access (Juanda International Airport). The estate is also located 30 kilometers from the city of Surabaya, the second largest city in Indonesia. According to the master plan, the total area of the industrial estate is 1,761 ha.

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