



PT AKR Corporindo Tbk

Corporate Presentation

January 2024



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About AKRA: Providing Solutions for Sustainable Growth

Efficient

End to end Logistics & Supply Chain Solutions for energy and basic chemicals



Integrated Infrastructure

Extensive infrastructure across major port supported by innovative digital platform

Renewable & Cleaner Energies

Investing in cleaner, renewable energies for a better future

Facilitating

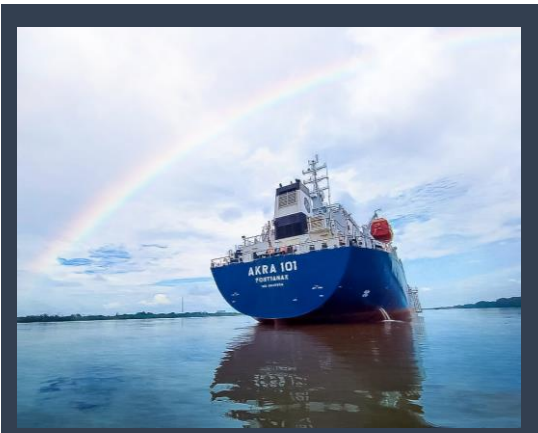
Trade & commerce & Championing Industrial Investment in Indonesia by Developing world class Special Economic Zone

Development of AKR over Time



Chemical	Petroleum	Industrial Estate	Clean Energy and Integrated Utilities in Industrial Areas
<ul style="list-style-type: none"> ✓ Starting from 1960 until now ✓ Distributes Chlor alkali, Soda Ash, and other basic chemicals ✓ Has a strong long-term business relationship with the principal -ASAHIMAS ✓ Market Leader in basic chemical distribution 	<ul style="list-style-type: none"> ✓ Starting from 2005-until now ✓ The largest private distributor of B2B fuels ✓ Distributes B35 Diesel, Marine Fuel Oil and Gasoline 	<ul style="list-style-type: none"> ✓ Starting from 2013-until now ✓ Private & BUMN Cooperation Project (PELINDO) ✓ The largest integrated industrial and port area ✓ Special economic zones offer benefits for tenants 	<ul style="list-style-type: none"> ✓ Consistent revenue streams from utilities, ports and other facilities ✓ KEK JIPE has the concept of a Green Industrial Zone for the development of clean energy ✓ Support emissions programs with high quality fuel products & EV supporting infrastructure in the future

Our End-to-End Supply Chain is a Competitive Advantage



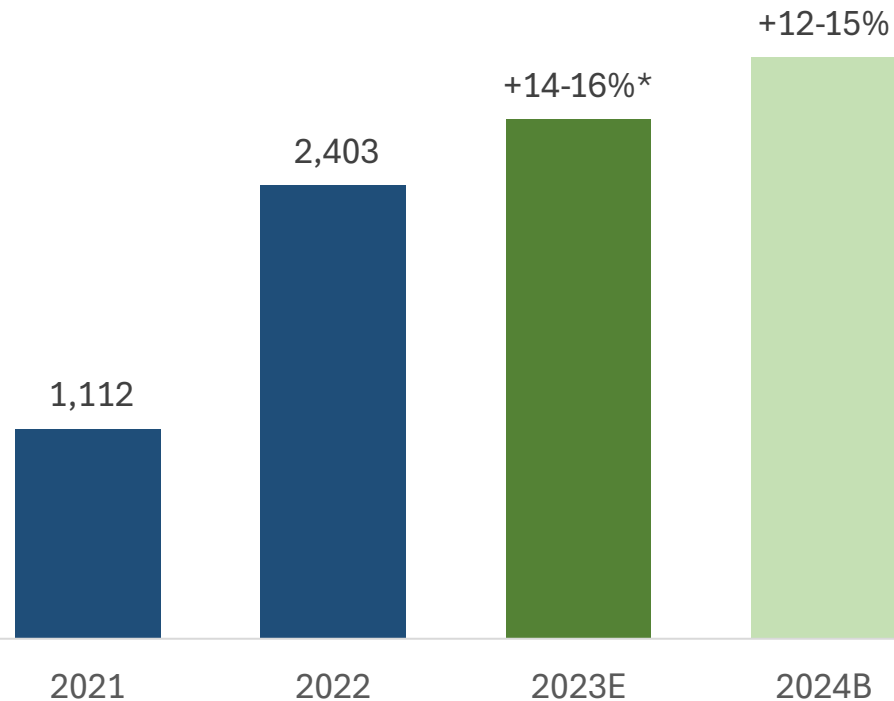
Details of Asset					
17	820,000	250	16	50,000	160
Terminals in major Seaport & Riverport	Kiloliters total Storage Tank Terminal Capacity	Units Chemical & Petroleum Tankers	Units Ships /SPOB	Sq.M Bulk Warehouse Capacity	Retail Outlet with AKR & AKR-Bp Brand
4					
Main Hub Terminals in Jakarta Tank Terminal (With VOPAK), Stagen, South Kalimantan Surabaya, & Medan					



AKRA Business Growth in All Segments: Momentum Sustained

We have delivered Strong Growth over the Past 3 Years with Positive Outlook for 2024 & Beyond

NET PROFIT (Rp Billion)



*subject to audit

First Look of 2023E

- **Trading and Distribution**

Strong Performance in 2nd Semester in terms of Volume & Profitability in B-to-B Petroleum and Basic Chemical Distribution

- **Industrial Estate**

JIIPE recorded land sales of 91HA during FY2023, higher than target of 75Ha. Booked land sales of 61 Ha in 4Q23

- **Logistics & Manufacturing**

Increased contribution from 3rd Party logistics due to efficiency & investments in Shipping & Infrastructure

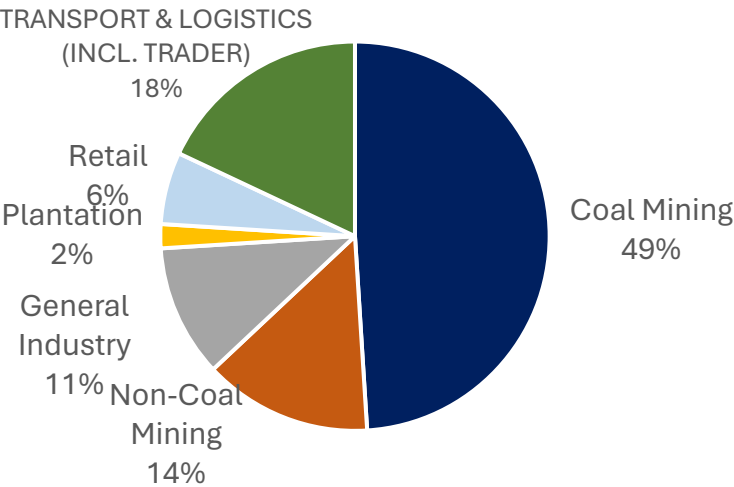
AKRA expected to meet/beat market consensus of 2023

Trading & Distribution Segment Continues to Deliver: Strong Performance in 2H'2023 with sustained improvement in margins

Sales Volume Petroleum

- ☐ Petroleum Sales Volume met budget target
- ☐ Kalimantan and Sulawesi areas recorded higher sales
- ☐ Improved margin recorded in previous year (FY2022) Sustained
- ☐ Intensified marketing efforts to serve new customer & growth area

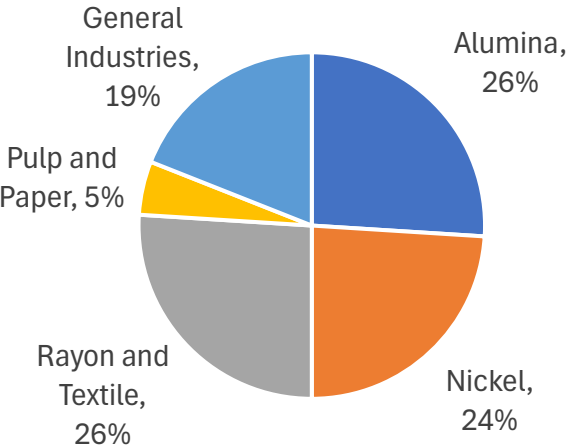
Petroleum Customer Profile in FY2023



Basic Chemicals

- Chemical Segment in 2H2023 recorded higher sales volume. Sales of Chemicals to alumina & nickel smelter increased. This segment now accounts for 50% of Basic Chemical Sales
- Selling Price of Basic Chemicals normalized from record price in 2022 following global chemical price movements

Basic Chemicals Customer Profile in FY2023



AKR is a Leading Player for Basic Chemicals needed by various Industries

Distributed Chemical Product

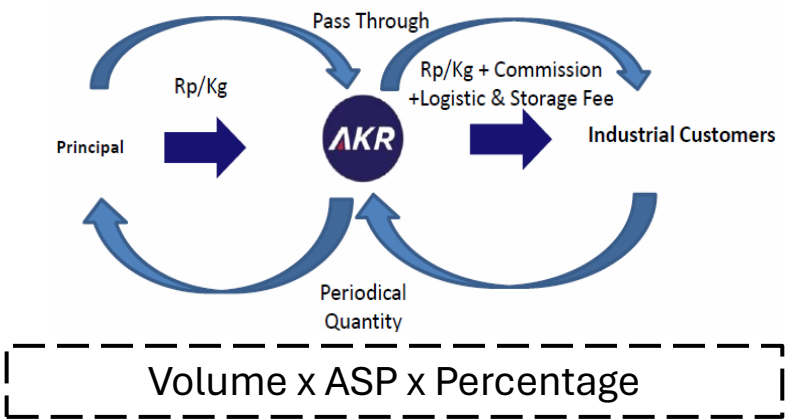
Caustic Soda	Sulphuric Acid
Hydrochloric Acid	Soda Ash Dense
PVC Resins	Hydrogen Peroxide
Sodium Hypochlorite	Sodium sulphate
	Methanol

Characteristics of products distributed by AKRA: Raw materials (not specialty chemicals); Corrosive & Bulk (Liquid / Solid); and requires logistics on a massive scale

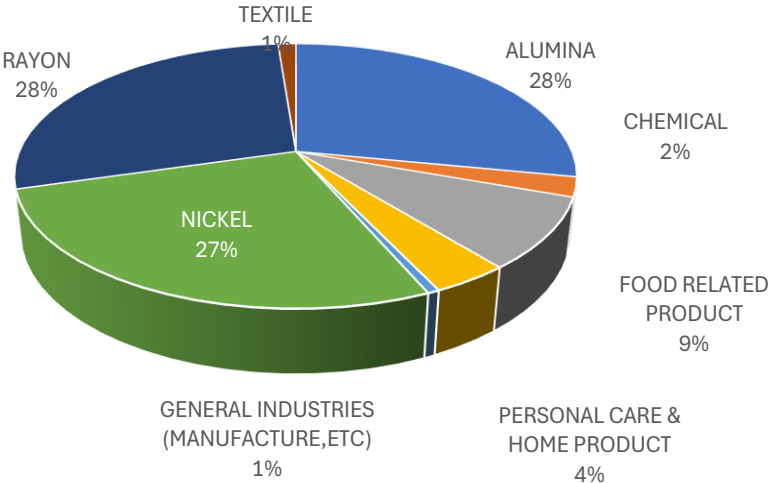
Asahimas as Product Principal



Commission-based Chemical Business Model Mechanism



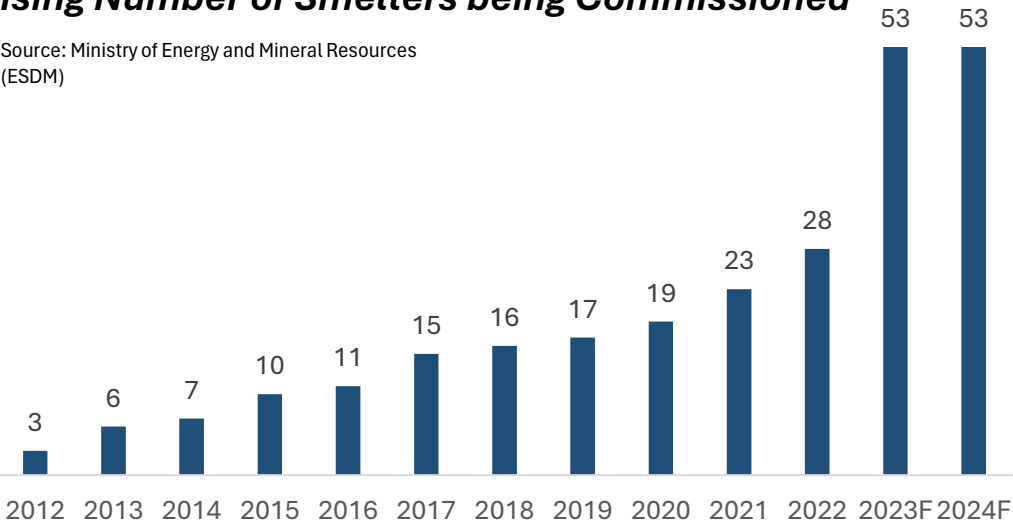
Caustic soda Customer



Basic Chemicals - Demand Set to Rise with Increasing Number of Smelters

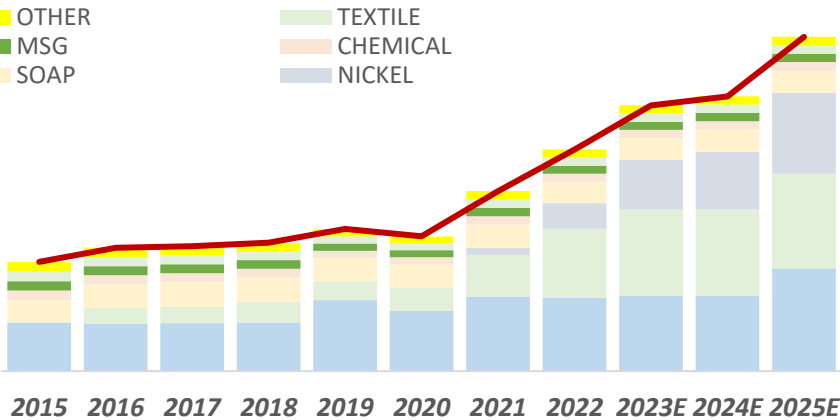
Rising Number of Smelters being Commissioned

Source: Ministry of Energy and Mineral Resources (ESDM)

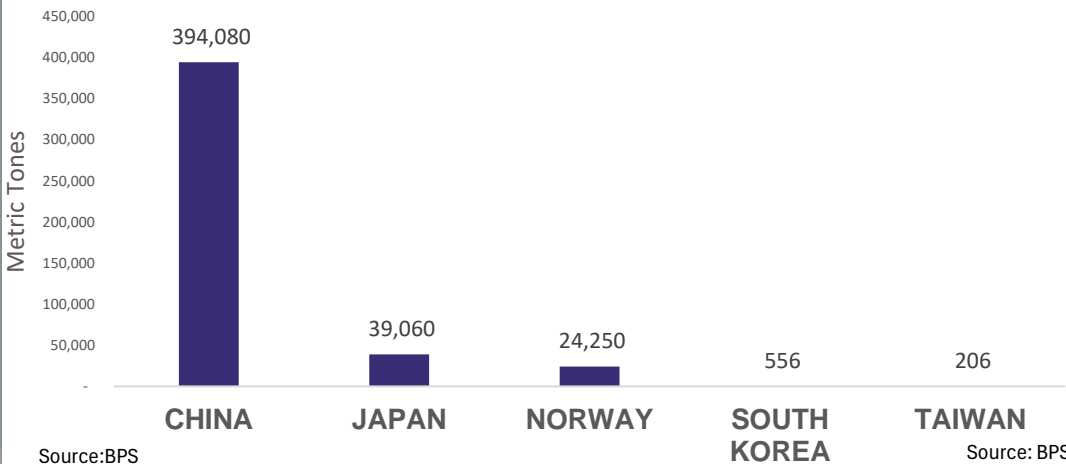


Indonesia Caustic Soda Estimate (Th MT)

OTHER
MSG
SOAP
TEXTILE
CHEMICAL
NICKEL

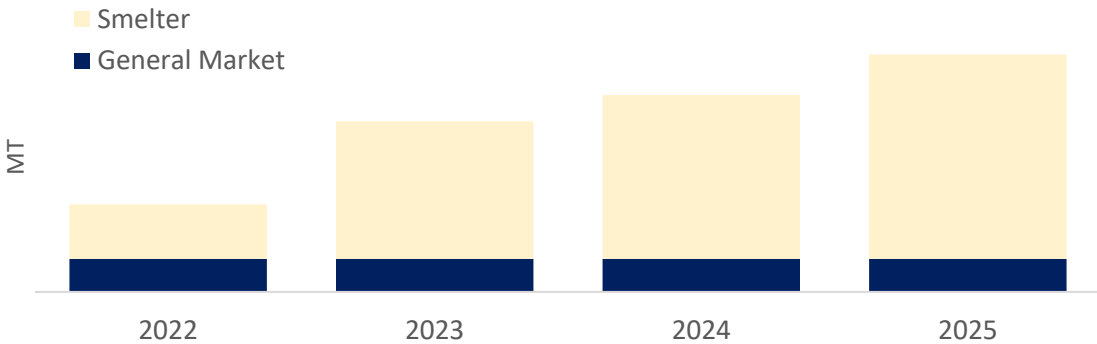


Destination countries for Nickel Export from Indonesia (1H'23)



Indonesia Sulfuric Acid Demand Estimate (MT)

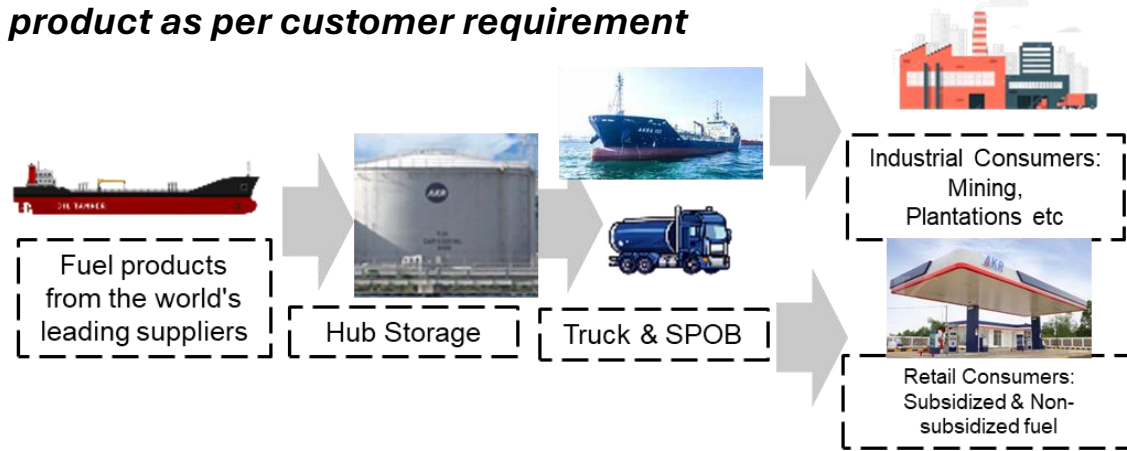
Smelter
General Market



Leading Private Company Providing Efficient Supply Chain for Petroleum supplies to Industrial Customers since 2005;

Also Participating in distribution of subsidized fuel since 2010

AKR logistic & supply chain infrastructure enable us to deliver product as per customer requirement

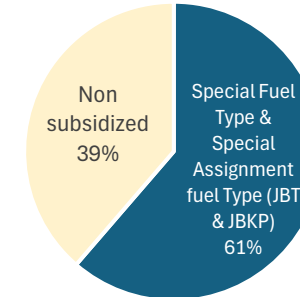


Our Addressable market for Non-subsidized fuel accounts for 39% of Indonesian Petroleum consumption

Subsidized vs Non-Subsidized

Fuel 2022

Non Subsidized Fuel (Mn KL)	
RON 92/95/98	6.1
Fuel Oil & Other	2.9
Avtur & Avgas	3.3
Non subsidized Diesel	17.8
Total	30.1



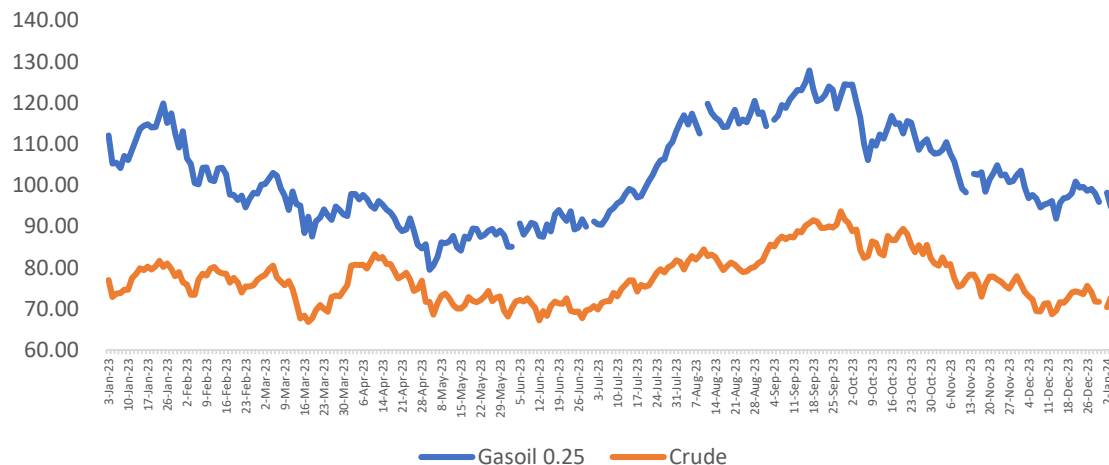
JBT & JBKP (Mn KL)	
Ron 88/90	29.7
Subsidized Biodiesel	17.6
Kerosene	0.5
Total	47.8

Total Market of Fuel 2022 77.9 Mn KL

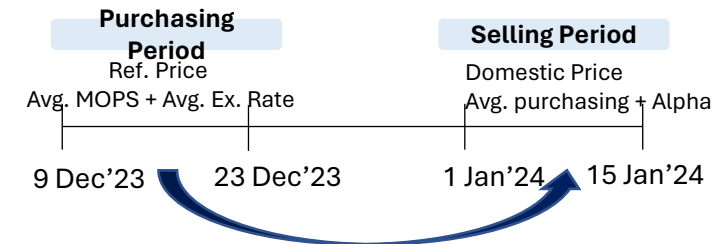
Source: Energy Book Ministry of Energy and Mineral Resources (ESDM) 2022, kontan.co.id

AKR Business Model Ensures Effective Passthrough of Oil Price Movements

Diesel (MOPS) Price vs Crude Oil (USD/BBL)



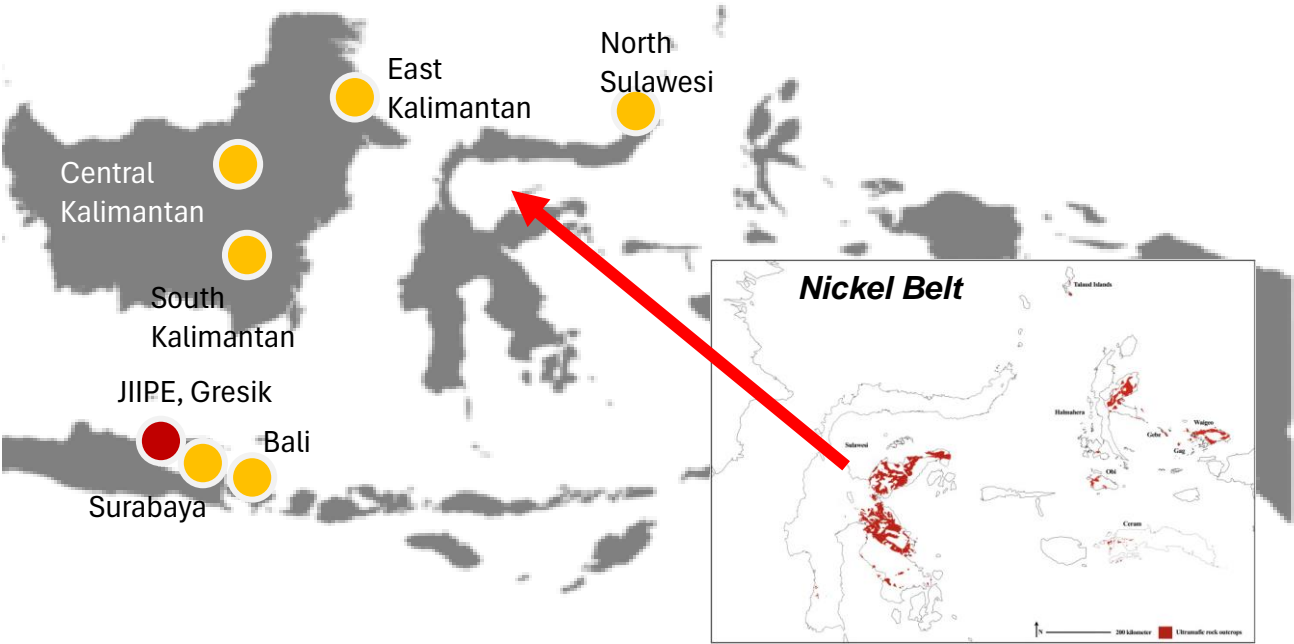
Pricing Mechanism



- The pricing follows international price movement – Mean of Platts Singapore (MOPS)
- Movement in Periodic MOPS: passed through by formula **MOPS + alpha + fees**
- Emphasis on sustaining and improving gross margin per liter

Focus on Serving Increased Demand from Eastern Indonesia

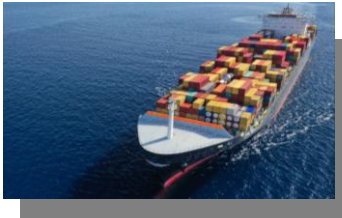
New Mining & Industrial Activities in Mineral Rich Area Offers Opportunities for Petroleum & Chemicals



Area of Growth come from Industry:



Smelter



Shipping & Marine



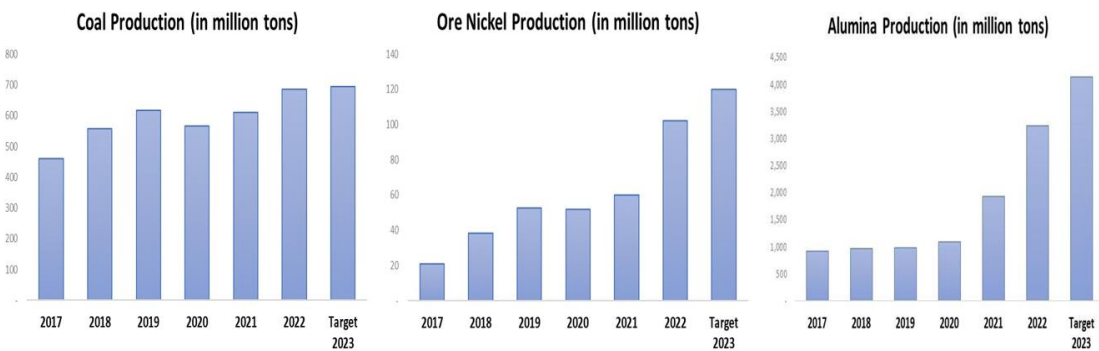
Non-Coal Mining



General Industries

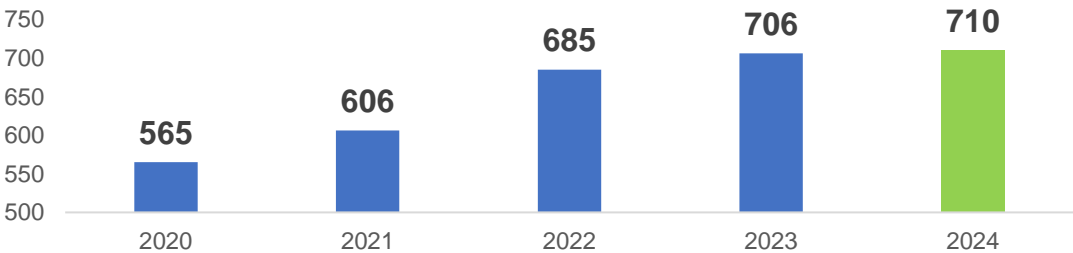
Industrial Petroleum

Mining Industries Still Growing



Coal Production

Source: Ministry of Energy and Mineral Resources (ESDM)

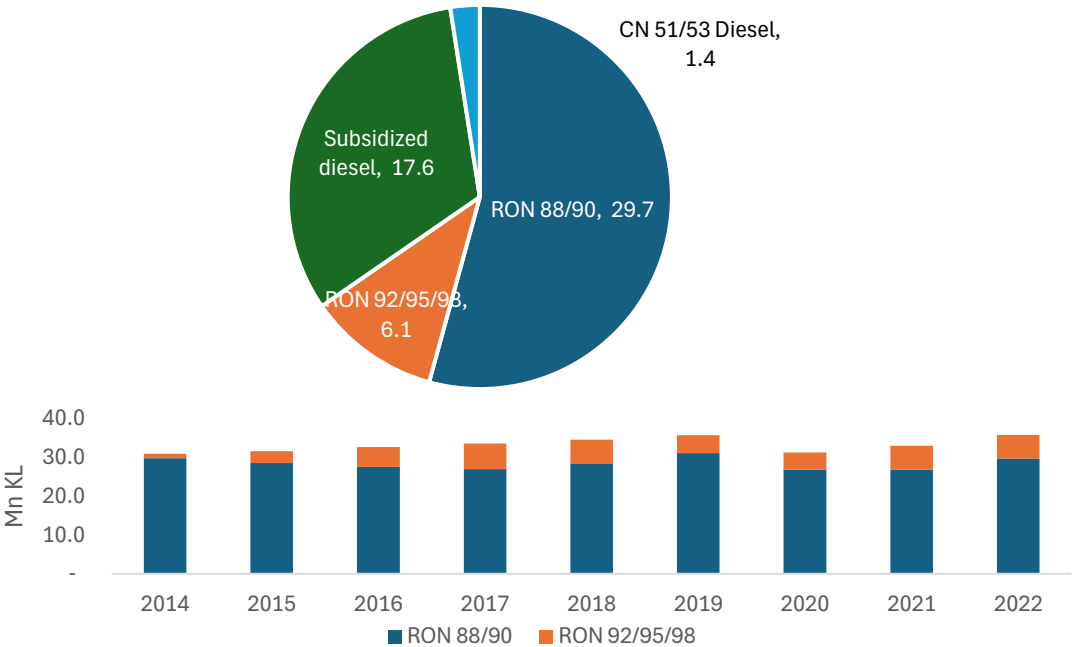


- B2B Petroleum demand still strong driven by mineral down-streaming policy and demand of commodities
- Coal Production target 2024: 710 Million tones. Indonesia Coal Production 2023 706 Mn tones or exceeded 2023 Target of 694 Mn Tones

Retail

Domestic Retail Fuel Sales 2022 (Mn KL)

Source: Energy Book Ministry of Energy and Mineral Resources (ESDM) 2022



- Retail fuel market in Indonesia provides room for growth for private player.
- Retail gasoline market is the largest petroleum market in Indonesia with size of 36mn KL in a year with private participation around 2%.
- As AKR has the vital asset of retail fuel business, integrated storage, AKR can leverage the asset to grow faster than other private players

Physical & Digital Investments Enable Growth while Reducing Operating Cost



Infrastructure Network Expansion to serve eastern Indonesia



- ✓ Expansion of Tank Terminal Infrastructure to reach Customer in Eastern Part of Indonesia and in JIPE Industrial Zone

Additions of ships to increase capacity of AKR Transportation



- ✓ Addition of Petroleum & chemical shipping tanker to serve customer across the country

Digital Investment & Control Tower Improvements



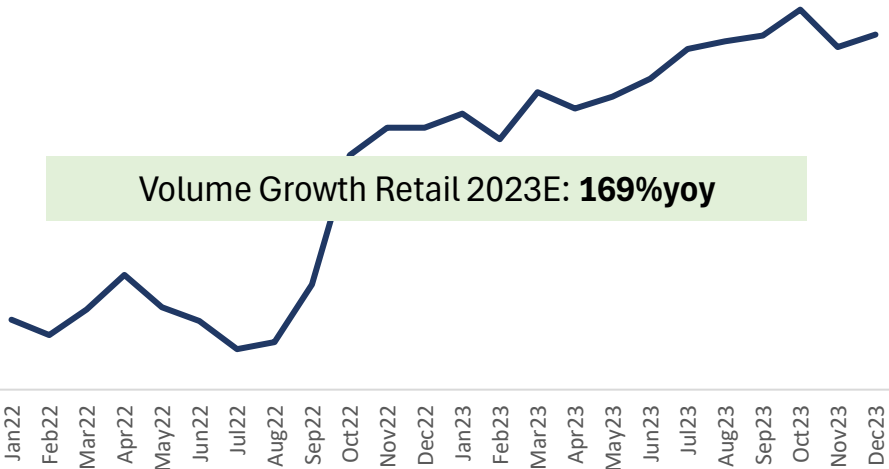
- ✓ Investment in Innovative & Advanced IT Control Centre enabled us to optimize business process & drive efficiency of the shipping & trucking fleets
- ✓ AI solutions implementation is improved safety & optimization of operations

bp AKR Retail Network Expansion Accelerated to Serve Large Market

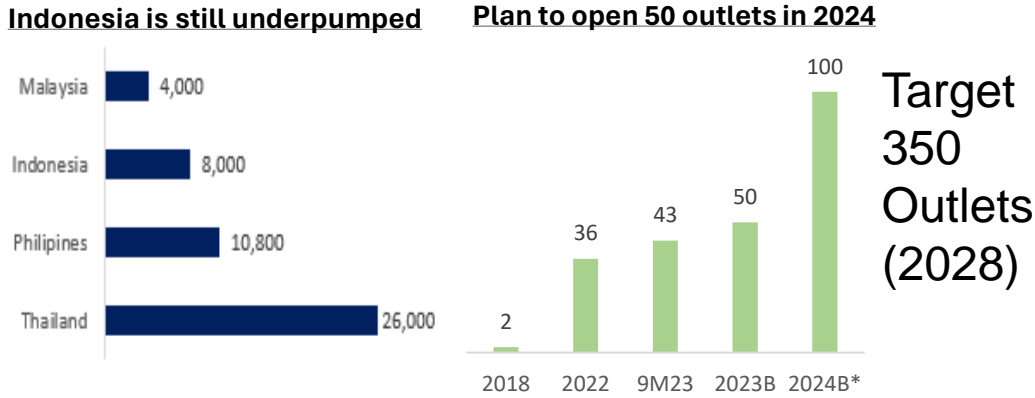
Providing high quality fuel and user experience



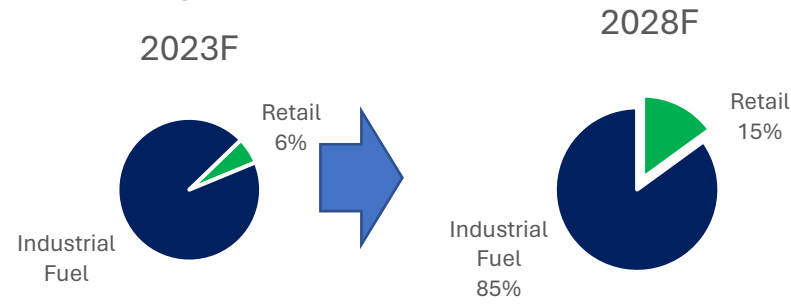
Significant Growth in sales over past 1 year



Network Expansion Plan



Increasing Contribution from retail



bp AKR will continue to its network with plans to operate 40-50 New Gas Stations during FY2024

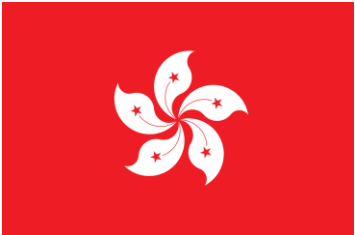


Java Integrated Industrial & Port Estate (JIPE-Gresik SEZ)

JIPE Delivered Exceptional Performance with Significant Deals

Industrial Land Sales Exceeded Target

Target	75 Ha
Achieved/Booked	90.8 Ha



61.1 Ha

Hongkong Investor
 Q4'2023-7th Dec 2023
*Renewable energy
 equipment manufacturer*



US Chemical Company

10.1 Ha

Q3'2023-Sep2023
*Recycling/ Circular Economy
 (Chemicals)*



19.6 Ha

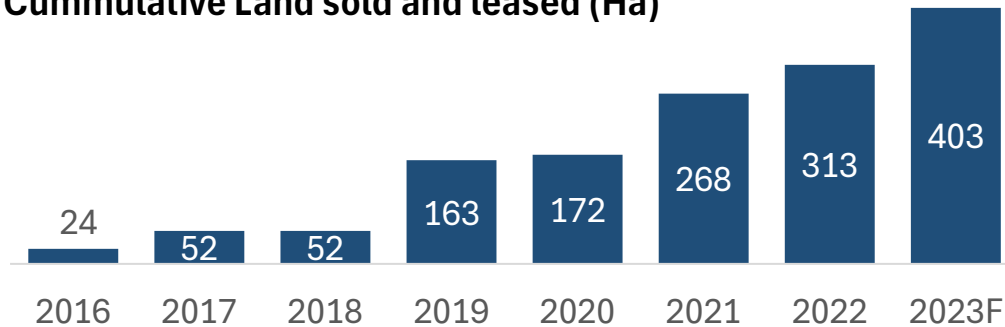
Q1'2023-29th Mar 2023
*Copper Sheet/tube
 manufacturer*



In Addition, JIPE signed binding CSPA for 67 Ha with Sichuan Hebang chemicals which is expected to be finalized & booked in 2024

Land Sales Accelerated since 2019- Most Preferred Integrated Estate Offering Fiscal & Non-Fiscal Benefit

Cummulative Land sold and leased (Ha)



Home to International Companies focused on Medium to Heavy Industries

Industry	Country	Area
Copper smelter	USA-Indonesia	103 Ha + 82 Ha (Laydown Area)
Glass Factory	China	37.5 Ha
Copper product manufacturer	China	19.6 Ha
Chemicals	Switzerland, Indonesia	17 Ha
Bread Factory	Japan-Indonesia	4.1 Ha
Fertilizer factory	Malaysia	5.4 Ha
Financials-bank	Indonesia	14 Ha
Castor oil producer	Indonesia	11.3 Ha
Precast	Indonesia	13 Ha
Other	Indonesia	22.1 Ha

Driven by

Readiness & Development of land, port, utilities & infrastructure

Hosting Freeport copper smelter, largest single line copper smelter in the World (start construction 2019 and operational in 2024)

Obtained SEZ status since 2021

China + 1 , FDI Investments in Indonesia Accelerated

Supported by Downstreaming policy of Indonesia



Total Tenants:
24

Ready Land Bank to Cater to The Industrial Customers



1,761 Ha

Total Area of BKMS
(Industrial Estate)

1,300 Ha

Total Acquired Land

102 Ha

Total Leased Area

329Ha

Total Sold Area &
Commitment

806 Ha

Remaining land bank
(including lay down area of
smelter project will be
returned to JIPE by 2024)

IDR 18-19 Tn

Total Monetization Value of Remaining Land Bank

Tenants who are already operating at JIPE

- Famous Foreign and Domestic Companies in Indonesia



Freeport Copper Smelter & PMR



Xinyi Glass Factory



Hailiang Copper Foil & Tube Manufacturer



Ambercycle Textile Chemical Plant



Nippon Sari Roti Bread Factory



Unichem Salt Factory



Clariant Specialty Chemical



Fertilizer Inti Tech Fertilizer



Adhimix Precast



Cahaya Maju Lestari Castor Oil



Bank Indonesia Cash Depot & Data Centre



Sumberbaja Sejati Light Steel Manufacturer

Other Tenants Including:

Pangansari Utama-Food AKR Corp-Tank Storage Waskita Beton-Precast

Tirtamas-Warehouse

BJTI-Port Services

The incentives and convenience obtained along with the special economic zone status mean that tenants are interested in building facilities at JIPE

Ease of Licensing

Tax Incentives

Custom & Duty Incentives

Facility in Traffic Goods

Ease of Immigration

Employment Incentives

Land Incentives

Focus on Building Recurring Income Stream from Utilities

Requirement of Power Stated to Increase as Industries are slated to commence operation from 2024

Power

TOTAL DEMAND: 1.0-1.3 GW

Supplied by Powerplants Developed by JIPE



With License (IUPTL) up to 515 MW, new powerplants are being planned. Currently operational 23MW Gas Powerplant

Up to 515 MW

Supplied from PLN High Voltage



Substation for receiving high voltage power already commissioned

Up to 500 MW

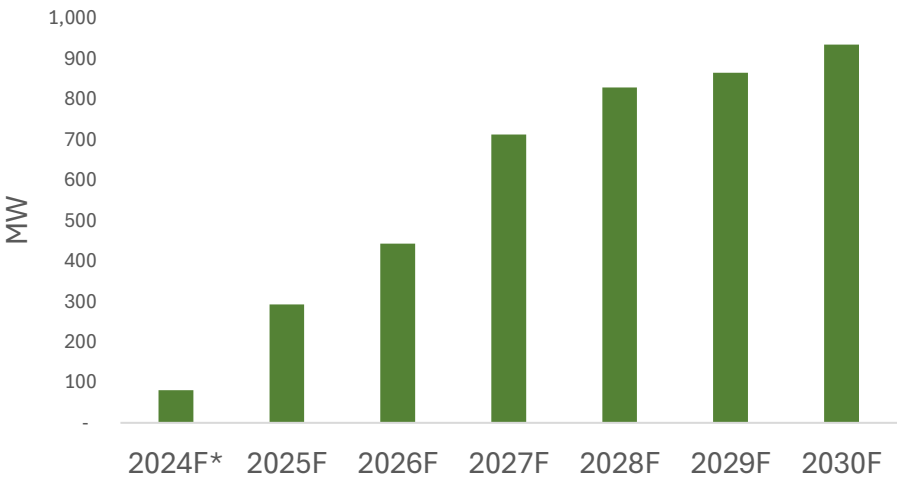
Renewable energy & Other



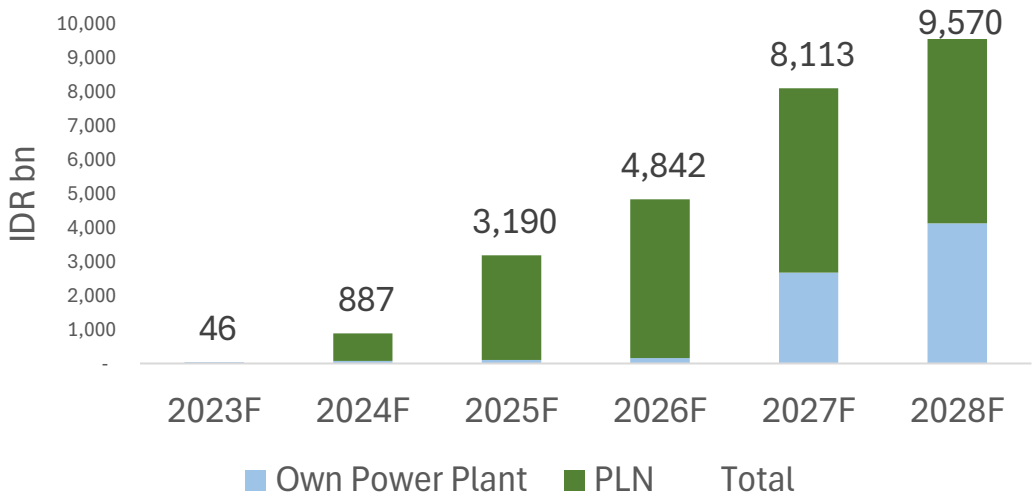
Investments in Cleaner & Renewable Energy with facilities for Import of LNG

100-200 MW

Power Demand Projection



Power Revenue Forecast (Rp Bn)



BMS- Manyar Deep Sea Port is a Big Advantage



- ✓ Deep Sea Port Capable of handling large size vessel & cargo
- ✓ Capable to handle Liquid bulk, multi cargo, etc
- ✓ Handled more than 2 Million tones of Cargo in 2023 supporting the import requirement of Industrial Clients in JIPE
- ✓ Expected to handle 26.9 Mn Tones of Cargo by 2030

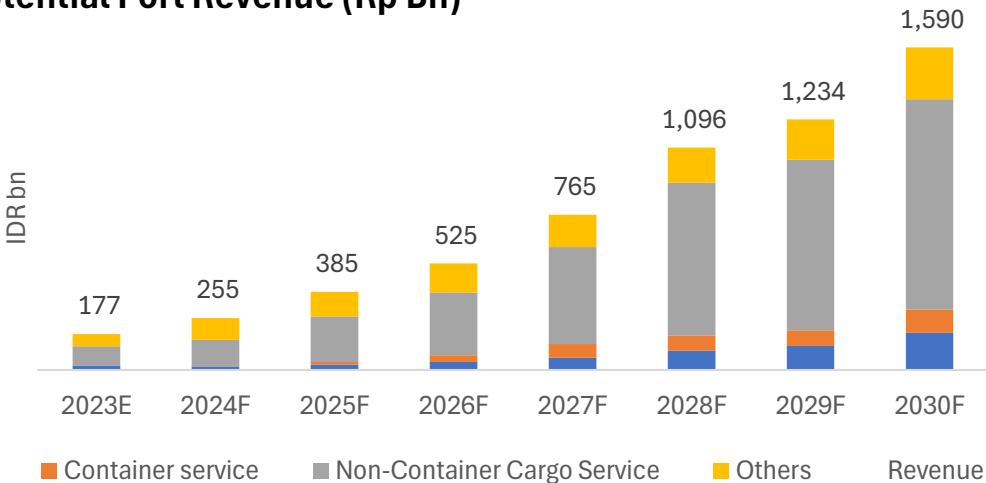


LNG Terminal

115 Ha
already
Operational

Future Development

Potential Port Revenue (Rp Bn)



AKRA Investing in Renewable Cleaner Energy for Sustainable Future

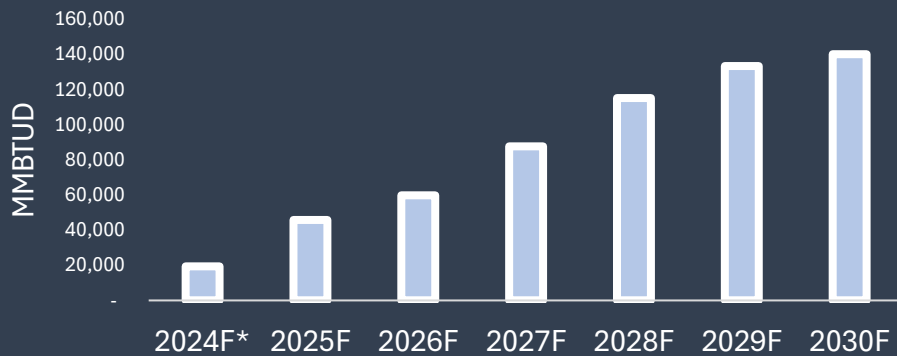


With bp to jointly develop a LNG import project



- ✓ AKR with bp signed JDA to develop LNG import project involving a regasification terminal in Java Integrated Industrial and Port Estate at Gresik, East Java, Indonesia (JIPE). To provide gas supply for tenants in JIPE, and with a potential to supply to outside customers & pipeline.

Gas Demand Projection



AKR Corporindo Established PT Berkah Renewable Energi Nusantara A subsidiary to expand into renewable energy

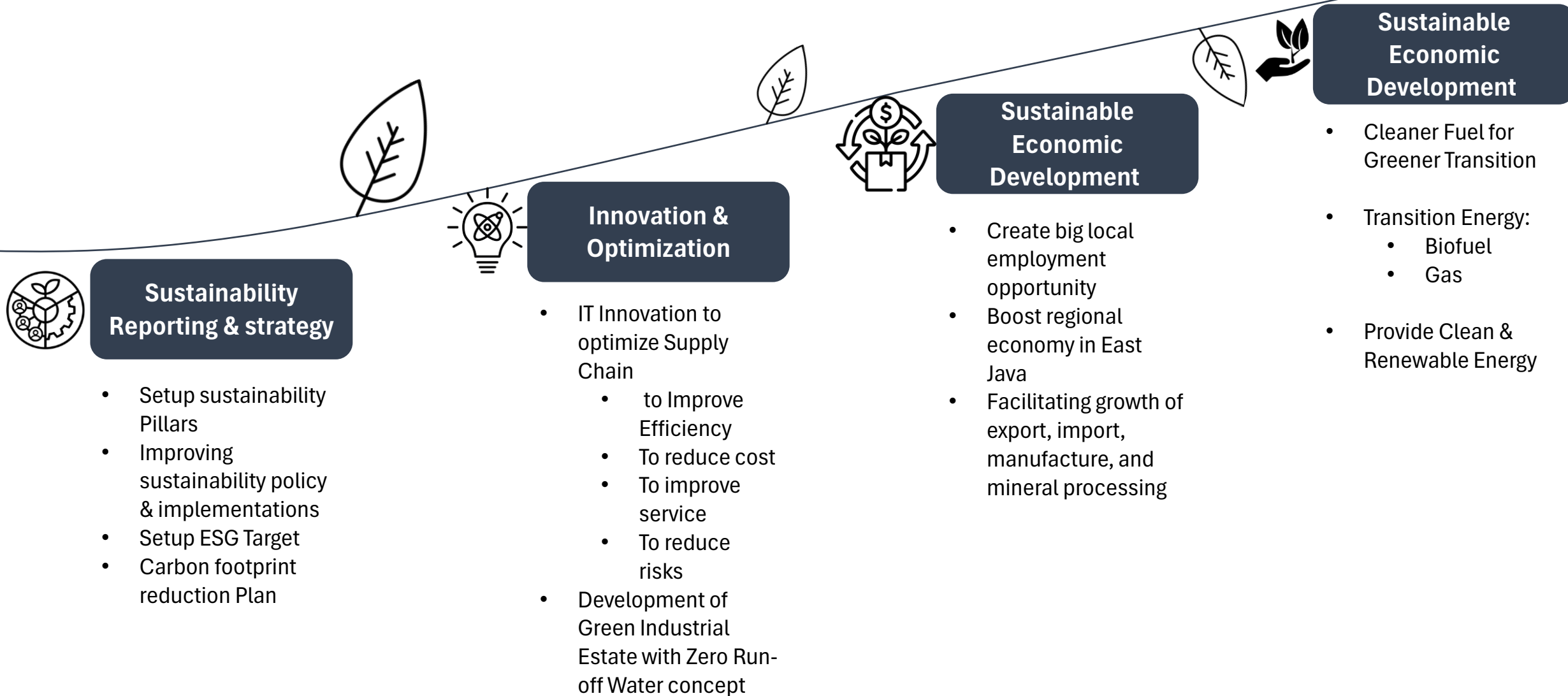


- ✓ PT Berkah Renewable Energi Nusantara will focus on building power projects to strengthen supply of power in JIPE, particularly by using environmentally friendly and renewable solutions & expand to other markets
- ✓ JIPE has already installed rooftop solar panel in JIPE with capacity of 400kWp



***Committed to
Sustainability & Good
Governance***

***AKRA ESG Score &
Initiative***



Our Sustainability Achievements



-41%

Truck Fleet
Emission
Reduction

35,304 GJ

Amount of Renewable
Energy used in
AKR's operations

Rp 22.8 Bn

CSR Realization
2022

43%

Level of female
representation at
the BOD level

14 Million KM

Total Safe
Working hours
2022

JIIPE Investment will transition AKRA to Clean energy Provider and Low Carbon Emitter

Green Industrial Estate

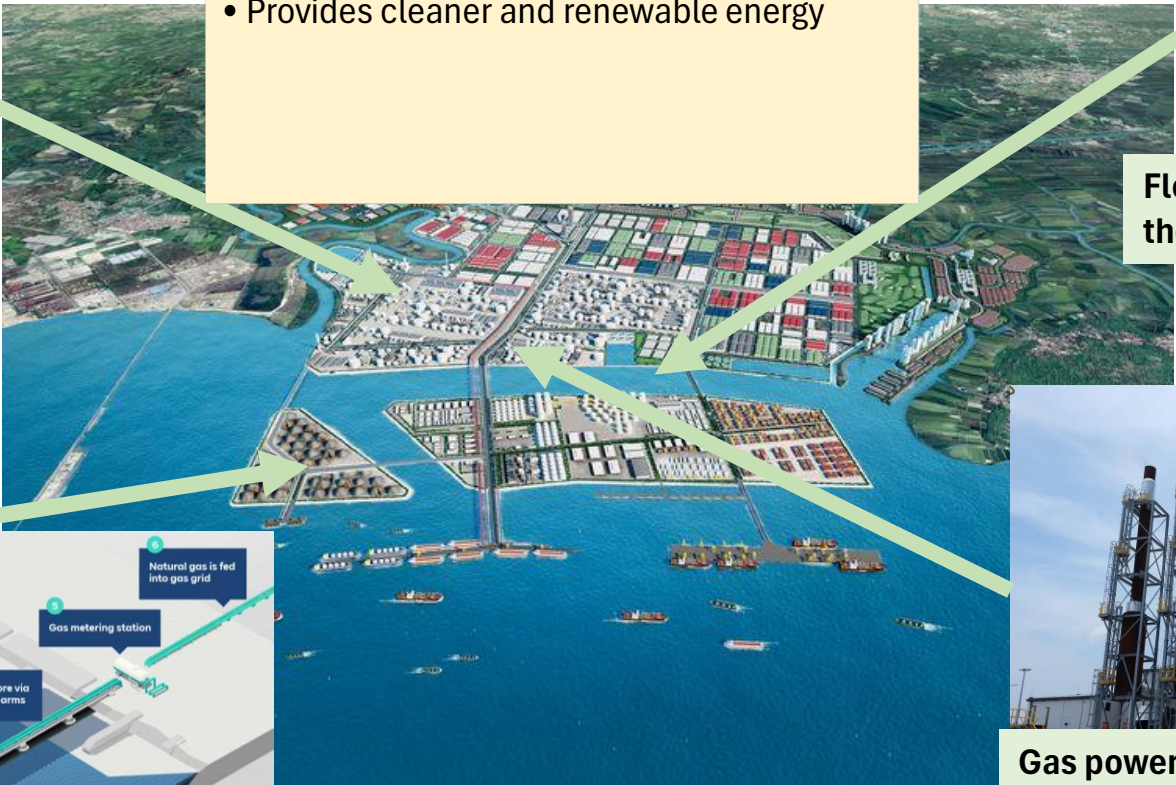
- Industrial Estate with zero water run off design
- Provides cleaner and renewable energy



Rooftop Solar panels have been installed at the JIIPE utility center and open up opportunities for the use of tenant roofs to be installed as well



Floating Solar panels will be installed on the JIIPE coastline



Development of LNG gas terminal facilities at JIIPE



Gas power plant will be used as the main source of electricity at JIIPE



THANK

YOU



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