
INDIKA
ENERGY
PT Indika Energy Tbk.
Company Update
6M14

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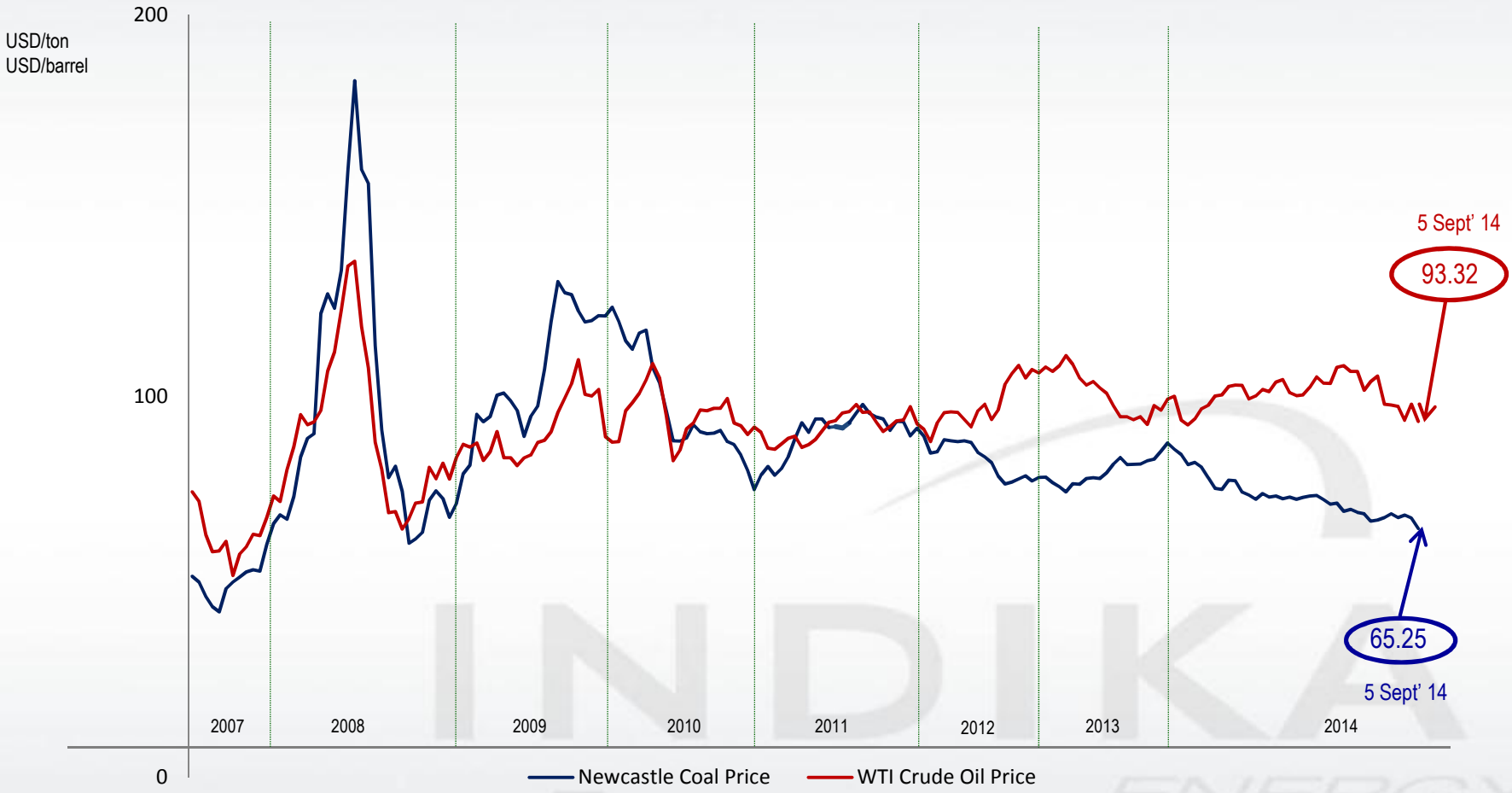
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RECENT REGULATORY AND MACRO DEVT'S

1. **Export License** expected to be in effect by Oct 1 2014.
   - Advance payment on royalty
   - test financial fitness
   - distinguish between legit vs illegitimate miners
2. **China** planned import restrictions on coal quality by 2015.
3. **Government** expects FY14 total coal production to fall short from the 420Mt budget, although is on track at 280Mt as of Aug 2014.

Kideco has been granted the license.

Thermal Coal Price vs. Crude Oil Price



Source: Platts & U.S. Energy Information Administration

INTERNAL ACTIONS & POLICIES

1. **Cash and Cost Management**
   - Scale back on exploration, Capex driven towards ROI
   - Subsidiaries (Petrosea, MBSS, Tripatra) will be cash flow self sustaining
2. **Covenant management** (FCCR >2.5x, debt to cap at 50%).
3. **Dividends payout** from Kideco 80%, subsidiaries 25%.

6M14 PERFORMANCE & OUTLOOK

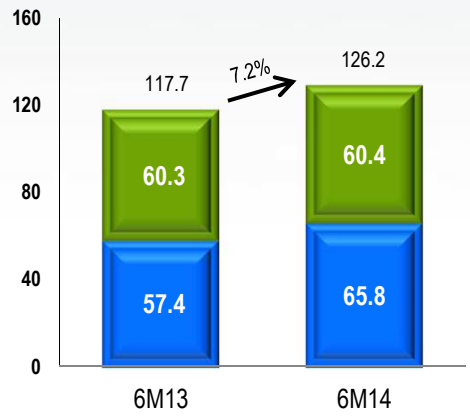
	2014 Budget	6M14	2014 Revised
Average Selling Price (ASP)	USD51.8/ton	USD52.8/ton	US 51.2/ton
Kideco			
Production Volume	40 mn tons	19.9 mn tons	40.0 mn tons
Strip Ratio (SR)	6.8 X	6.3 X	6.8 X
Cash Cost excl. Royalty	USD38.9/ton	USD36.8/ton	USD38.0/ton
Capex	USD21.3 mn	USD1.5 mn	USD15.2 mn
MUTU			
Production Volume	0.8 mn tons	n/a	0.150 mn tons
Strip Ratio (SR)	15.0 X	n/a	15.0 X
Cash Cost excl. Royalty	USD69.3/ton	n/a	USD68.1/ton
Capex	USD15.1 mn	n/a	USD13.2 mn
Petrosea			
Overburden	146.0 mn BCM	70.3 mn BCM	133.0 mn BCM
Backlog*	1,538.1 mn	USD1,405.4 mn*	USD 1,405.4 mn
Capex	USD30.1 - 76.5 mn	USD19.9 mn	USD30.1 – 45.0 mn
MBSS			
Barging Volume	42.2 mn tons	17.5 mn tons	39.1 mn tons
Floating Crane Volume	23.7 mn tons	11.6mn tons	21.0 mn tons
Backlog*	USD281.6 mn	USD293.4 mn*	US 293.4 mn
Capex	USD35.0 – 64.3 mn	USD1.9 mn	USD10.0 mn
Tripatra			
Backlog	USD360.6 mn	USD562.5 mn*	USD360.6 mn
Capex	USD3.8 mn	USD0.04 mn	USD3.8 mn

CAPEX BREAKDOWN

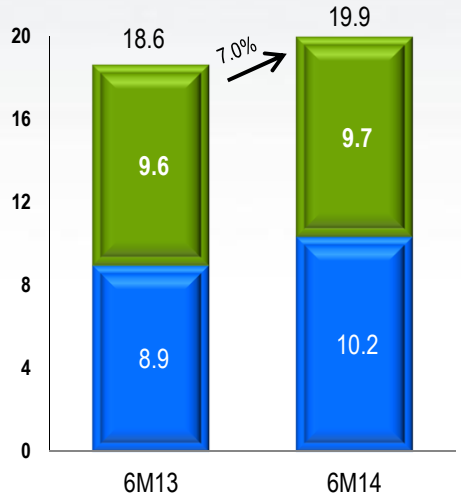
Allocation	2014 Revised Budget (USD mn)	6M14 Realization (USD mn)	2014 Realization %
Petrosea	45.0	19.0	42.2%
MBSS	10.0	1.9	12.7%
Tripatra	3.8	0.04	1.1%
MUTU	13.2	2.1	-
Resources	1.6	1.6	100%
Office Building	25.0	6.8	27.2%
Holding & incubating unit	3.0	0.7	23.3%
Total	**101.6**	**32.14**	**31.6%**

Kideco's 6M14 Operating Highlights

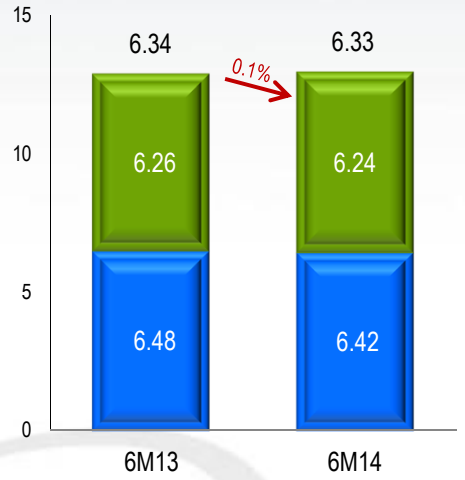
Overburden Removal (mn bcm)



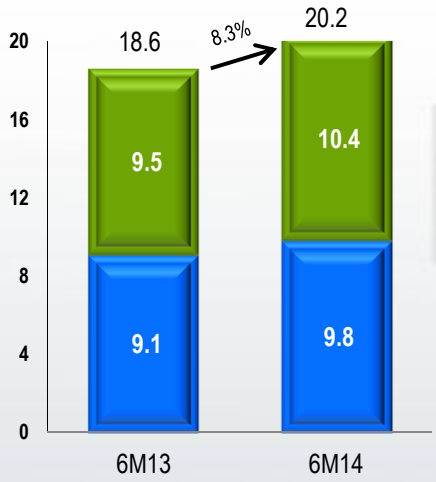
Coal Production (mn ton)



Stripping Ratio (X)



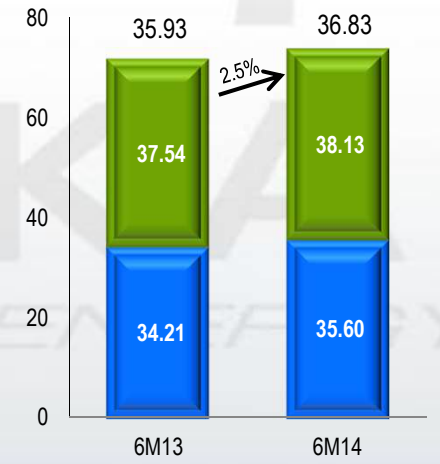
Coal Sales (mn ton)



Average Selling Price (USD/ton)



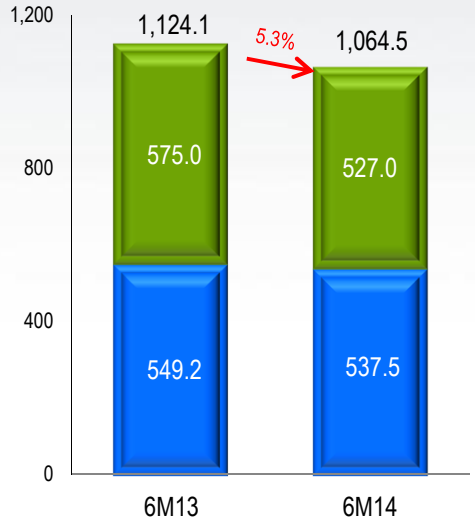
Cash Cost Excl. Royalty (USD/ton)



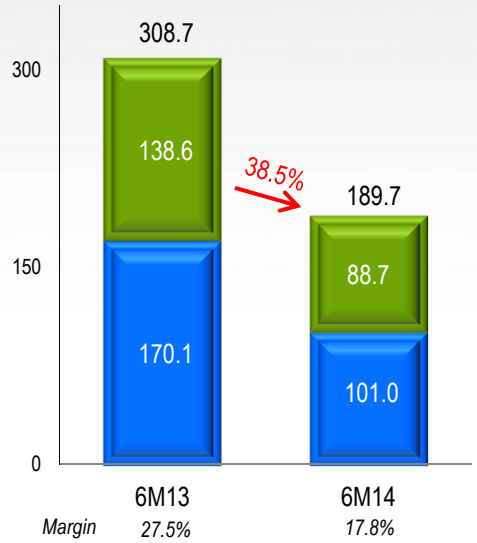
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Kideco's 6M14 Financial Highlights

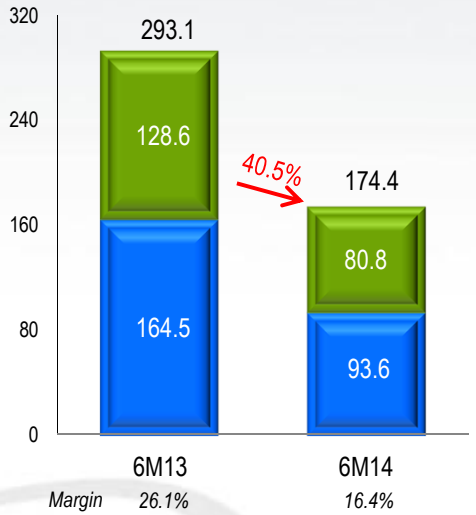
Revenue (USD mn)



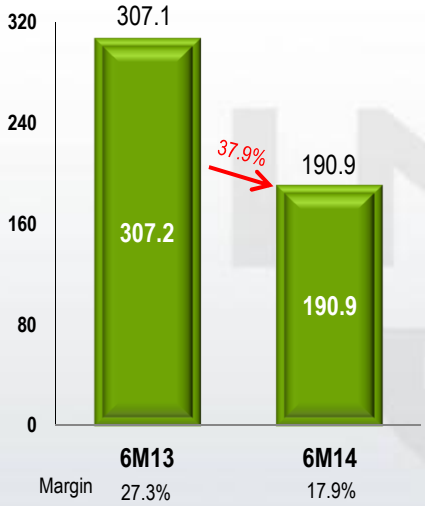
Gross Profit (USD mn)



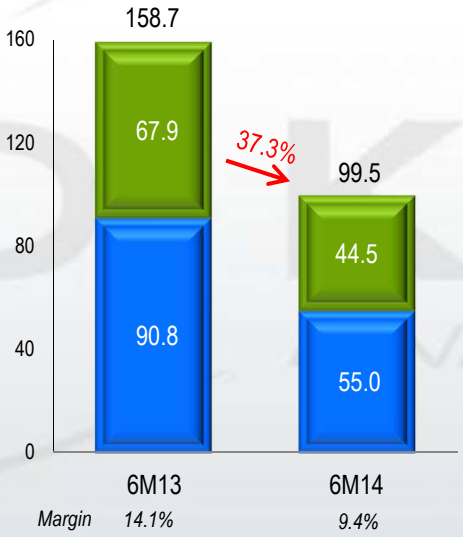
Operating Profit (USD mn)



EBITDA (USD mn)



Net Profit (USD mn)



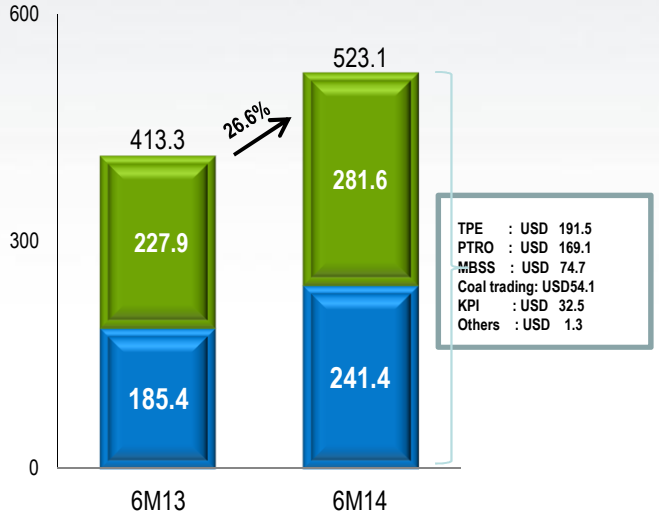
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Kideco's 6M14 Balance Sheet Summary

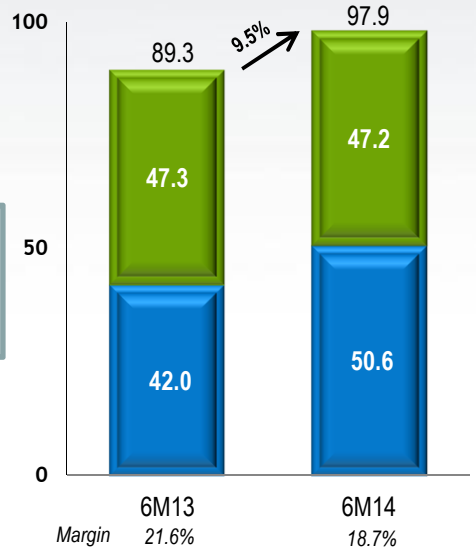
Description (in USD mn)	2011 audited	2012 audited	2013 audited	6M134 unaudited	6M14 unaudited
Current assets	604	523.7	457.6	523.8	475.3
Total assets	817.7	745.1	686.6	769.2	669
Current liabilities	316.5	312.1	272	358.5	313.1
Debt	7.3	0	0	0	0
Total equity	456	386	363.3	516.9	342.8
Cash balance	293.5	172	142.2	192.3	136.6
Current ratio (X)	1.9	1.7	1.7	1.5	1.5
Debt to Equity (X)	0.02	-	-	n/a	-
Net Debt to Equity (X)	Net cash	Net cash	Net cash	Net Cash	Net cash

Indika's 6M14 Financial Highlights

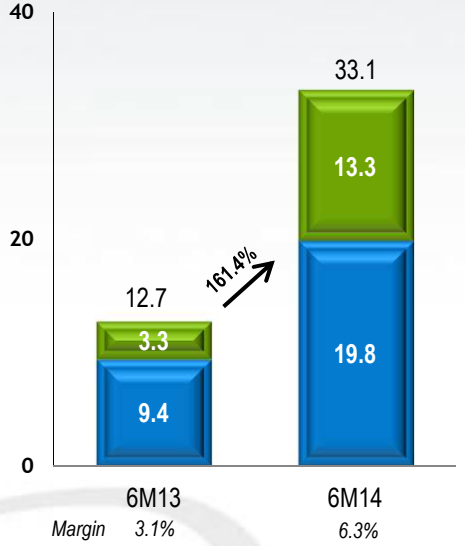
Revenues (USD mn)



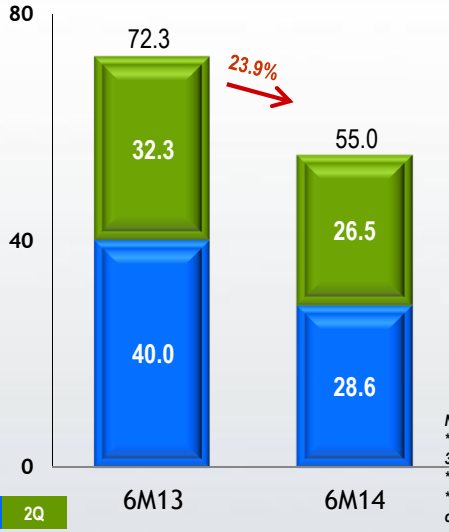
Gross Profit (USD mn)



Operating Profit (USD mn)



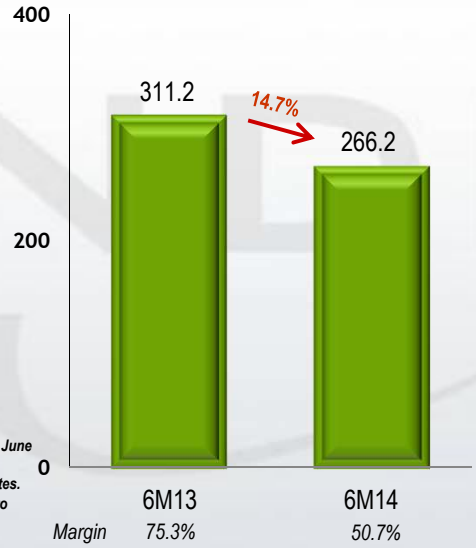
Income from Associates (USD mn)



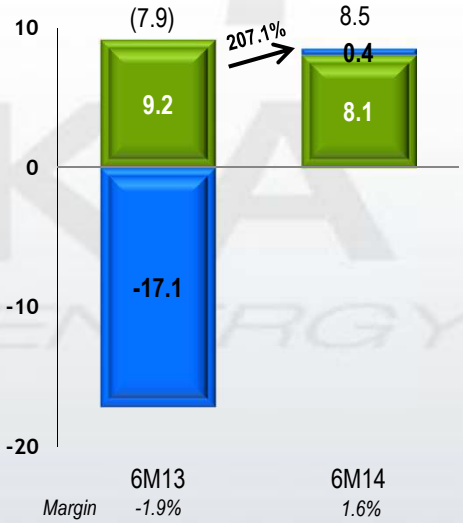
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Note :
**Last twelve months period ended June 30, 2014 (FCCR).*
**Including dividends from associates.*
***Profit for the period attributable to owners of the company.*

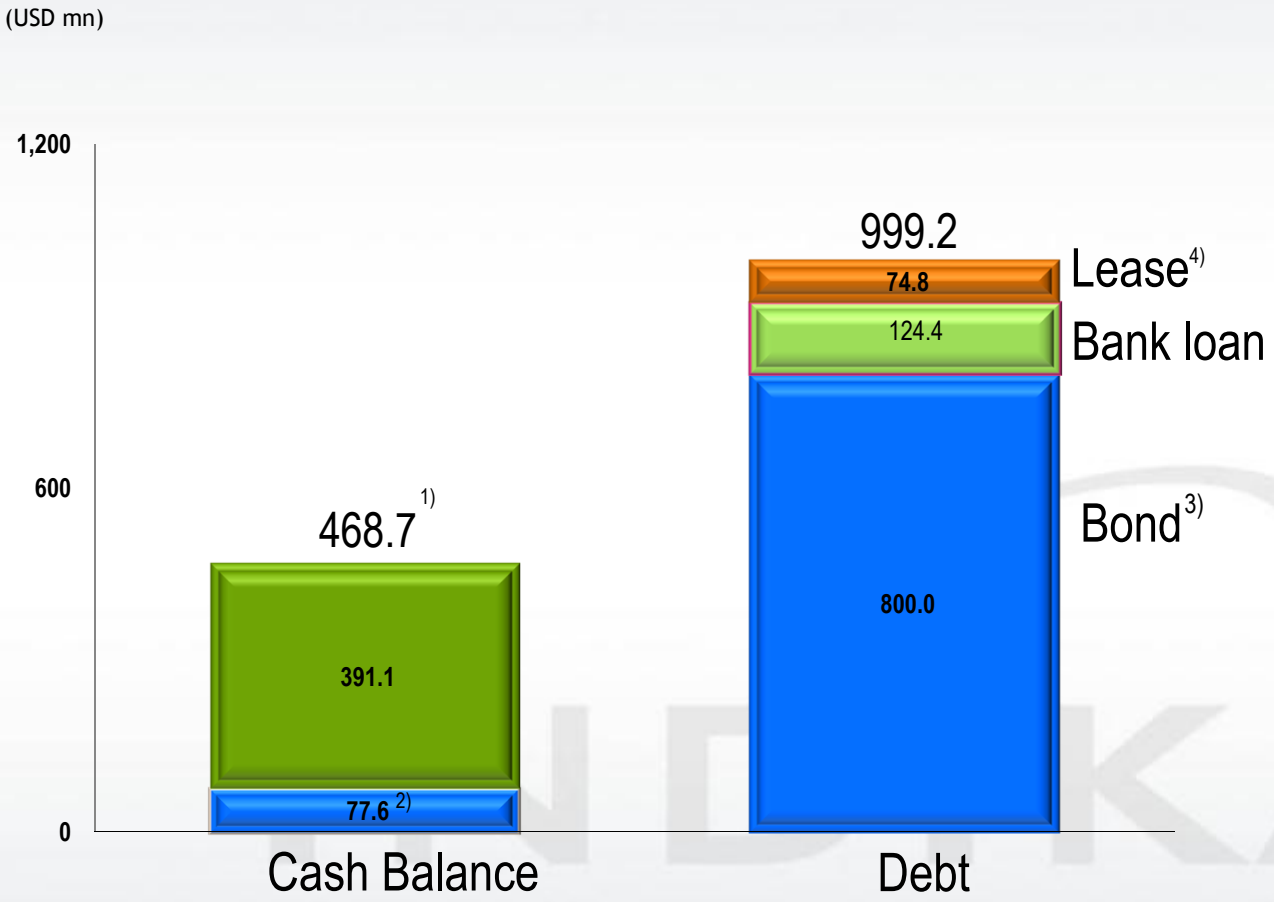
LTM - Adjusted EBITDA* (USD mn)



Net Profit** (USD mn)



Indika's 6M14 Cash Balance & Debt



Note :

1) Consists of : Petrosea: USD69.5mn, MBSS: USD 46.1 mn, Tripatra: USD 113.5 mn & Indika: USD 239.6 mn (including IIC, IIR and Others).

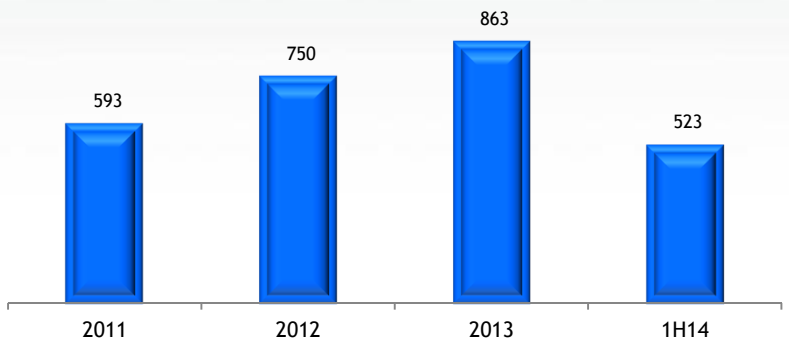
2) Other financial assets.

3) USD300 mn due 2018 (Senior notes III), USD500 mn due 2023 (Senior Notes IV). Exclude unamortized bond issuance costs.

4) Lease: Petrosea.

Key Business Indicators

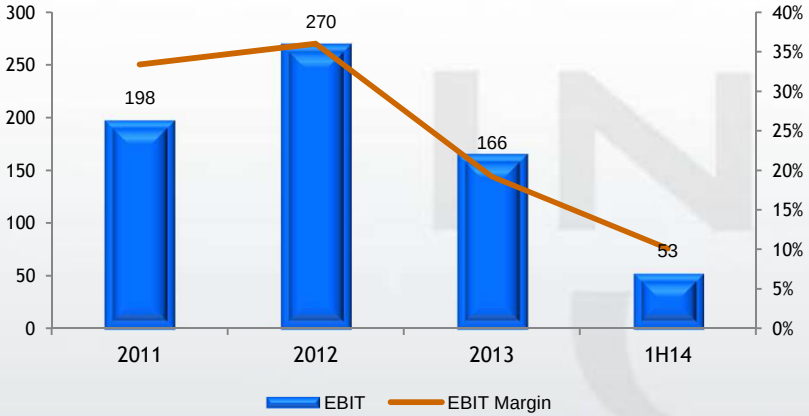
Revenue (USD mn)



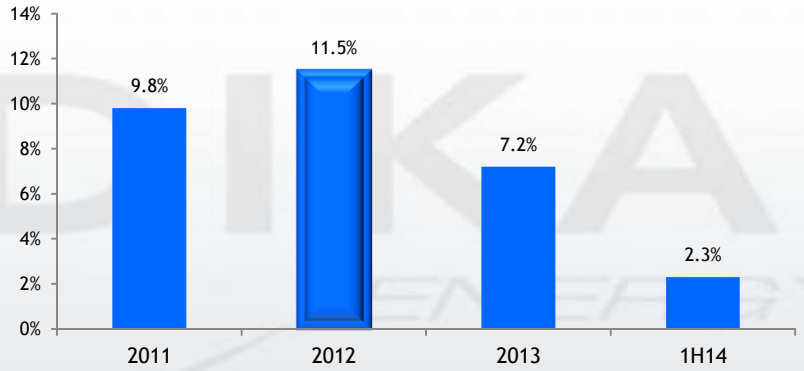
Adj. EBITDA (USD mn) & EBITDA Margin (%)



Adj. EBIT (USD mn) & EBIT Margin* (%)



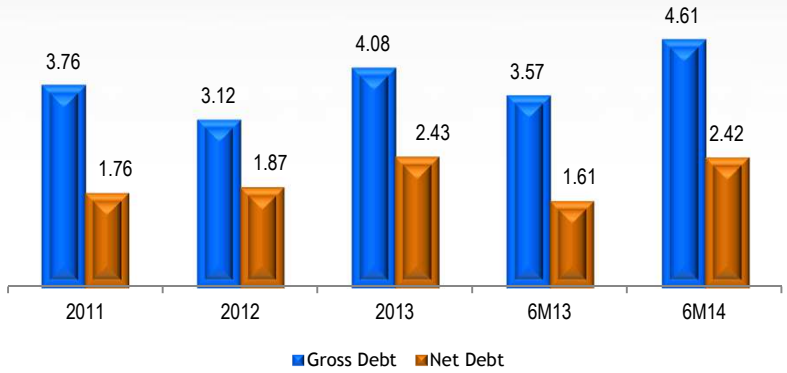
Adj. EBIT to Assets (ROA)



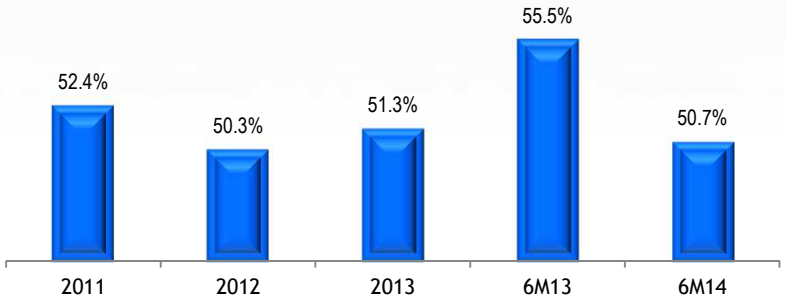
*Note: Adjusted EBITDA / EBIT includes consolidated EBITDA / EBIT plus dividends from Kideco, Cotrans, Seabridge, Santan Batubara and Cirebon Electric Power

Key Credit Ratios (1)

Gross Debt & Net Debt / Adj. EBITDA (x)



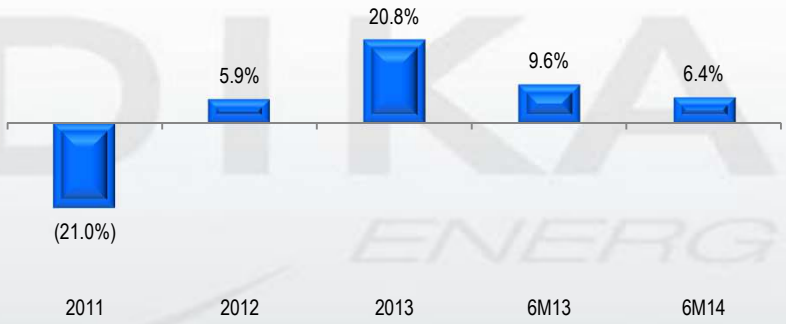
Debt / Capital (%)



Adj. FFO / Debt (%)



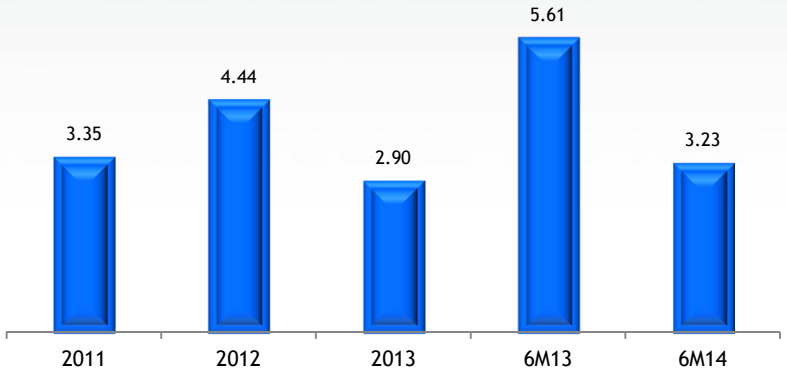
Adj. FCF / Debt (%)



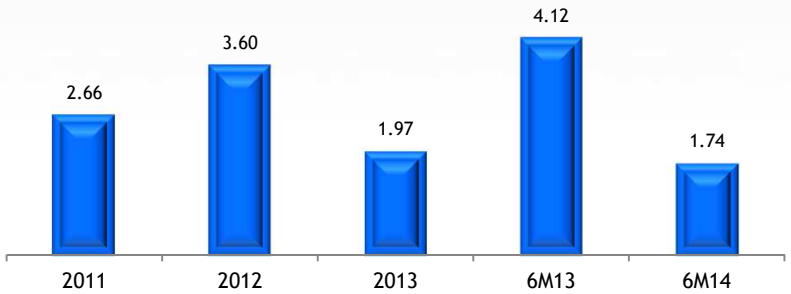
Note: Fitch has revised Indika Energy's outlook to from positive to stable and affirmed the company's default rating at "B+"

Key Credit Ratios (2)

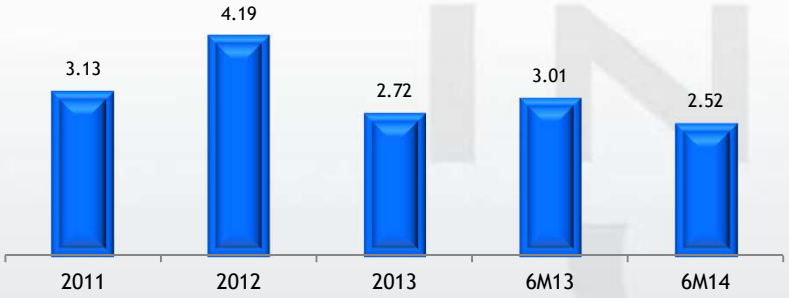
Adj. EBITDA / Interest* (x)



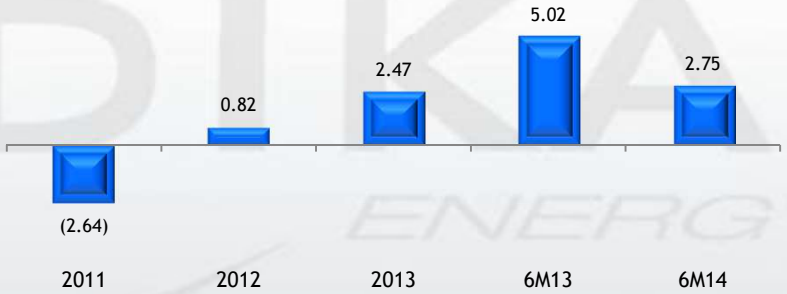
Adj. EBIT / Interest* (x)



Adj. FFO + Interest / Interest (x)



Adj. EBITDA Less Capex / Interest* (x)



*Note: Adjusted EBITDA / EBIT includes consolidated EBITDA / EBIT plus dividends from Kideco, Cotrans, Seabridge, Santan Batubara and Cirebon Electric Power

Thank you

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