# COMPANY UPDATE
# FY 2017

**Indika Energy**

March 2018

# Disclaimer

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# 2017 Highlight

# Key Assumptions vs Actual

| Description | Unit | 2017 Budget | 1Q17 A | 1H17 A | 9M17 A | FY17 A |
|---|---|---|---|---|---|---|
| Exchange Rate Average | USD/IDR | 13,300.0 | 13,348.5 | 13,330.7 | 13,330.5 | 13,384.1 |
| Thermal Coal Price (NC) Average | USD/ton | 70.0 | 80.9 | 80.5 | 85.4 | 88.4 |
| **KIDECO** | | | | | | |
| Overburden Volume | BCM | 192.0 | 43.0 | 87.1 | 142.8 | 194.1 |
| Production Volume | Mt | 32.0 | 7.9 | 15.7 | 24.1 | 32.0 |
| Strip ratio | x | 6.0 | 5.4 | 5.6 | 5.9 | 6.1 |
| Capex | USD mn | 2.8 | 0.0 | 0.2 | 0.3 | 2.2 |
| **PTRO** | | | | | | |
| Overburden Volume | BCM | 110.4 | 17.3 | 33.2 | 59.5 | 97.6 |
| Backlog end of period | USD mn | 736.5 | 736.9 | 834.4 | 739.8 | 696.2 |
| Capex | USD mn | 68.3 | 1.7 | 18.6 | 28.3 | 49.6 |
| **MBSS** | | | | | | |
| Barging Volume | Mt | 17.8 | 4.9 | 9.9 | 14.2 | 18.5 |
| Floating Crane Volume | Mt | 13.6 | 2.4 | 5.4 | 7.0 | 8.7 |
| Backlog end of period | USD mn | 76.5 | 68.1 | 66.9 | 64.7 | 67.9 |
| Capex | USD mn | 11.5 | 1.4 | 4.3 | 7.4 | 10.7 |
| **Tripatra** | | | | | | |
| Backlog end of period | USD mn | 820.0 | 751.6 | 690.8 | 658.4 | 601.2 |
| Capex | USD mn | 0.0 | 0.0 | 0.0 | 0.0 | 0 |
| **Coal Trading** | | | | | | |
| Trade Volume | Mt | 8.0 | 1.5 | 3.0 | 5.4 | 6.8 |
| **MUTU** | | | | | | |
| Production Volume | Mt | 1.4 | 0.1 | 0.2 | 0.5 | 0.8 |
| Capex | USD mn | 7.3 | 0.6 | 2.1 | 3.7 | 5.3 |

# Development in 2017

- In April 2017, IE completed liability management for its 2018 Notes and bank loans in subsidiaries with a new bond maturing 2022 in the amount of USD265 million.
- In October 2017, Indika Energy issued a new bond of US$575.0 million, 5.875% Senior Notes due 2024. The use of proceed of this Notes to fund the acquisition of addition 45% shares in Kideco and related transaction costs.
- In October and November 2017, Indika Energy, as a 46% shareholder of Kideco, received interim and special dividends totaling US115 million from Kideco
- In November 2017, PT Cirebon Energi Prasarana ("CEPR") has successfully obtained Financial Closure with its senior lenders, a consortium between JBIC, NEXI and KEXIM. The construction of this 1000MW coal-fired power plant has already started and COD is expected to be completed in second semester of 2022.
- In December 2017, Indika Energy completed the acquisition of additional 45% shares in Kideco with total considerations of US$517.5 million paid upon closing and a deferred payment of US$160 million or 25.0% shares of Kideco (at Indika Energy's option) at the time of CCOW conversion.
- As of 31 December 2017, Indika Energy's new composition of shareholdings are as follows:
  - PT Indika Inti Investindo (previously name as PT Indika Kawan Sejati) : 37.79%
  - PT Teladan Resources : 30.65%
  - Public : 31.56%

  Mr Agus Lasmono and Mr Wiwoho Basuki Tjokronegoro & Family remain the ultimate majority shareholders of Indika Energy.

- Approved Dividend

| Company | Dividend Declared (US$ million) | Indika Energy Portion (US$ million) |
|---|---|---|
| Kideco : 2016 performance | 85.0 | 39.1 |
| Kideco : 2017 interim and special Dividend | 250.0 | 115.0 |
| Cotrans : 2016 performance | 11,3 | 5,4 |
| TPE : 2017 interim (US$12m) & 2016 performance (US$0.1m) | 12.1 | 12.1 |
| TPEC : 2016 performance | 9.1 | 9.1 |
| | | |
| Cash Return from CEP | 27,0 | 5.4 |
| **Total** | | **186.1** |

# Developments in 2017 (2)

## Accounting Treatment Impacts Post Kideco Transactions

### One-Off Gain on Revaluation Calculation

| Description | UoM | |
|---|---|---|
| Transaction value 46% Kideco | US$m | 529.0 |
| Book Value 46% Kideco | US$m | (144.8) |
| Gain on Revaluation | US$m | **384.2** |

### Amortization Calculation

| Description | UoM | Until LoC (2023)/ 5.33yr |
|---|---|---|
| Intangible assets | US$m | 701.7 |
| Amortization exp/year | US$m | 131.6 |
| Deferred tax liability | US$m | **(327.3)** |
| Deferred tax liability/ year | US$m | (61.4) |
| Net Amortization | US$m | 70.2 |

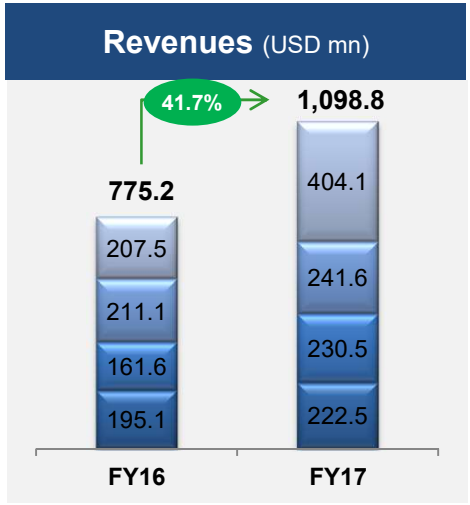
### Goodwill Calculation

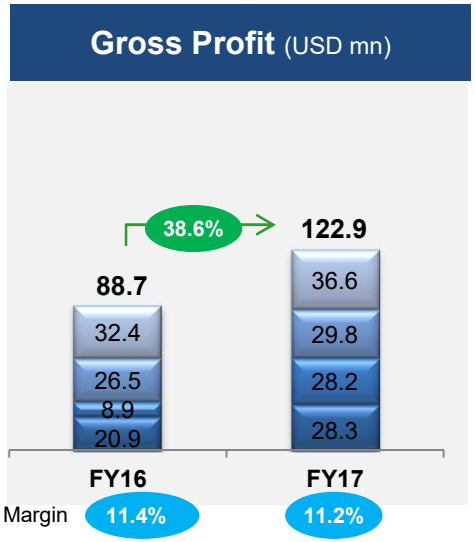
| Description | UoM | |
|---|---|---|
| Cash consideration paid | US$m | 517.5 |
| Transaction Value 46% Kideco | US$m | 529.0 |
| Contingent consideration obligation | US$m | **127.5** |
| 91% net asset Kideco* | US$m | (538.8) |
| Goodwill | US$m | 635.2 |

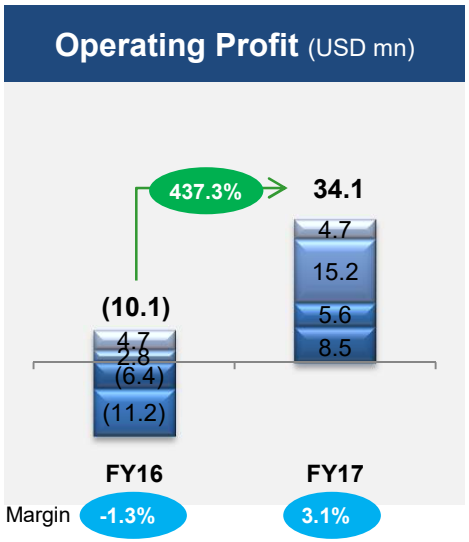
**) based on independent appraisal*

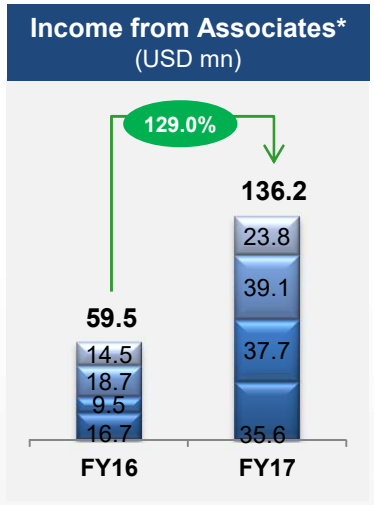
# Indika Energy's Financial Highlights (1)

The Company's financial statement has consolidated Kideco's financials from 1 December to 31 December 2017



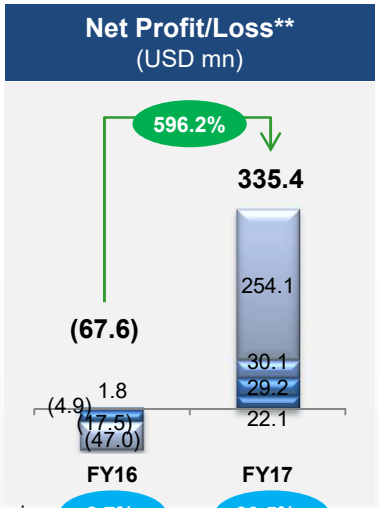













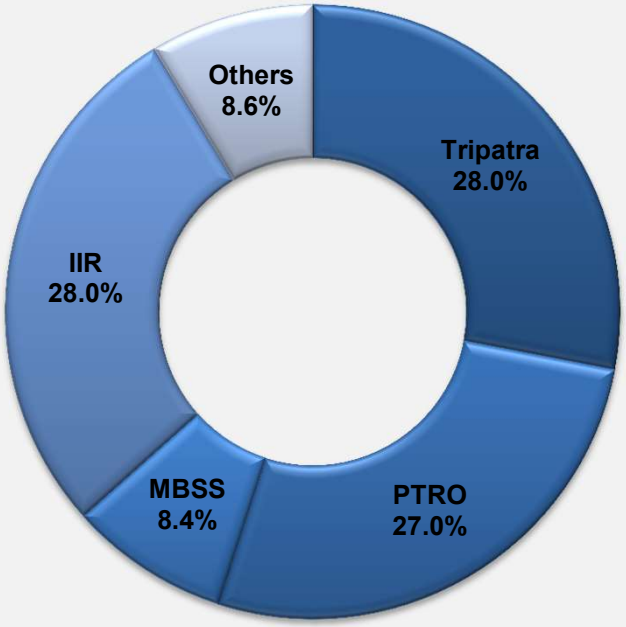
Q1 Q2 Q3 Q4

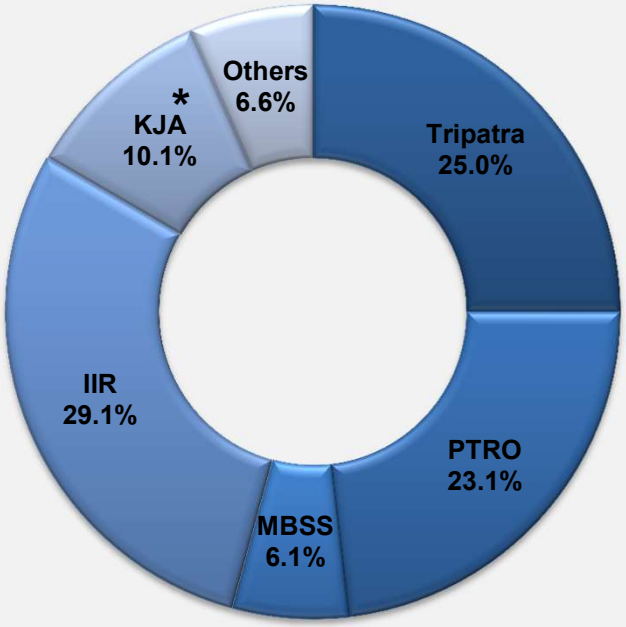
* *Income from associates of Kideco for eleven months in 2017*
** *Profit/loss for the period attributable to owners of the company*

*** *Core Profit/Loss defined as Net Profit/Loss for the year Attributable to Owners of the Company excluding one-off non-operating gains or losses (amortization of intangible assets, impairment of assets and gain on revaluation of assets) and related taxes.*

# Indika Energy's Financial Highlights (2)

## Revenues




**2016: USD775.2 million**

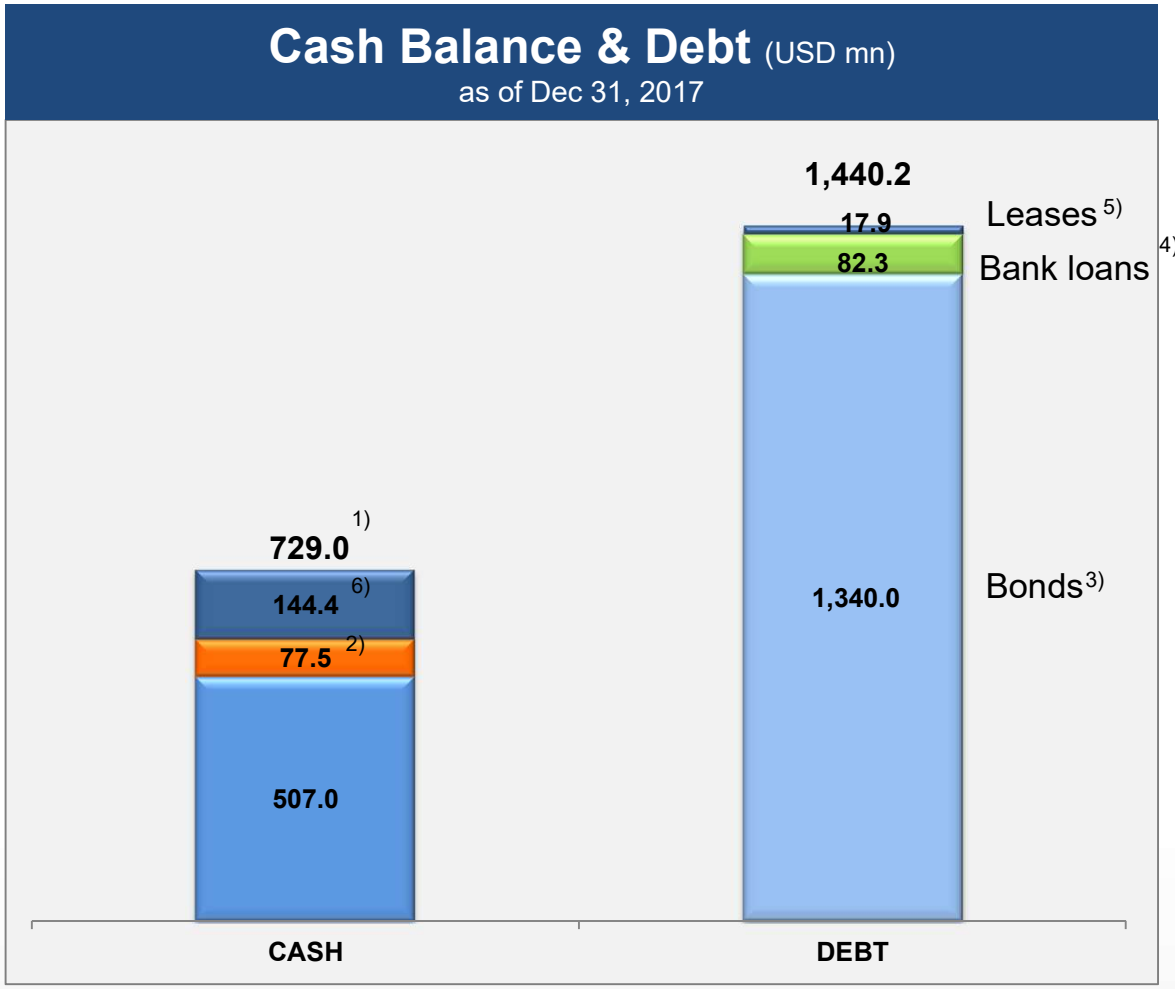
*TPE: USD217.3 mn*
*PTRO: USD208.9 mn*
*MBSS: USD65.3 mn*
*Coal trading: USD216.7 mn*
*Others: USD67.0 mn*

**2017: USD1,098.8 million**

*TPE: USD274.8 mn*
*PTRO: USD254.3 mn*
*MBSS: USD67.1 mn*
*Coal trading: USD319.8 mn*
*Kideco: USD110.5 mn**
*Others: USD72.2 mn*

*) Kideco's revenue for December 2017

# Indika Energy's Financial Highlights (3)




1) *Consists of : Petrosea: US$59.6 mn, MBSS: USD34.6 mn, Tripatra: US$152.5 mn, Kideco: US$144.4m; Indika Holding: US$337.9 mn (including IIC, IIR, ILSS and Others).*

2) *Other financial assets.*

3) *US$265.0 mn due 2022 (Senior notes V), US$500 mn due 2023 (Senior Notes IV), and US$575 due 2024 (Senior Notes VI).*

4) *Bank Loan: Petrosea: US$10.6 mn, MBSS US$0.9 mn, Tripatra: US$15.0 mn, IIR: US$25.7 mn, Indika Holding: US$30.0 mn*

5) *Lease: PTRO US$17.9 mn.*

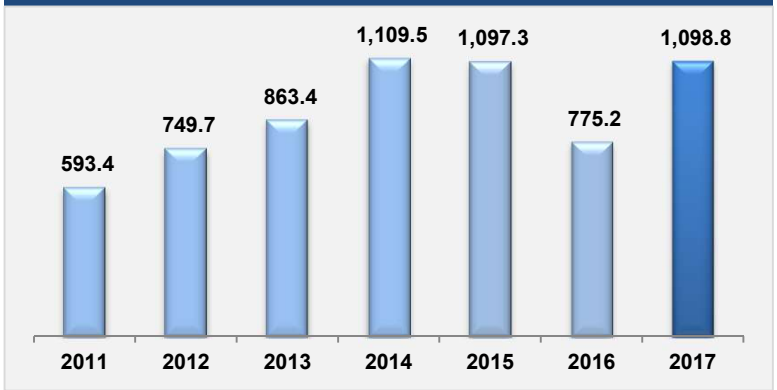
6) *Kideco's cash: US$144.4*

# Indika Energy's Financial Highlights (4)
# Capex Spending

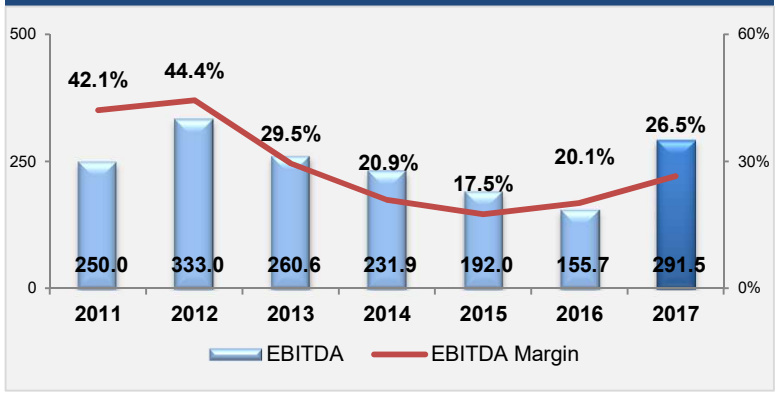
| Capex Allocation | 2017 B (USD mn) | 1Q17 Actual | 1H17 Actual | 9M17 Actual | FY17 Actual | Realization |
|---|---|---|---|---|---|---|
| IE Holding | 0.5 | 0.0 | 0.0 | 0.3 | 1.5 | 300.8% |
| PTRO | 68.4 | 1.7 | 18.6 | 28.3 | 49.6 | 72.6% |
| MBSS | 11.5 | 1.4 | 4.3 | 7.4 | 10.7 | 92.7% |
| Tripatra | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | N/A |
| Resources | 7.7 | 0.0 | 1.4 | 3.0 | 3.8 | 49.1% |
| Total | 88.1 | 3.1 | 24.4 | 39.0 | 65.6 | 74.5% |

# Indika Energy's Key Business Indicators

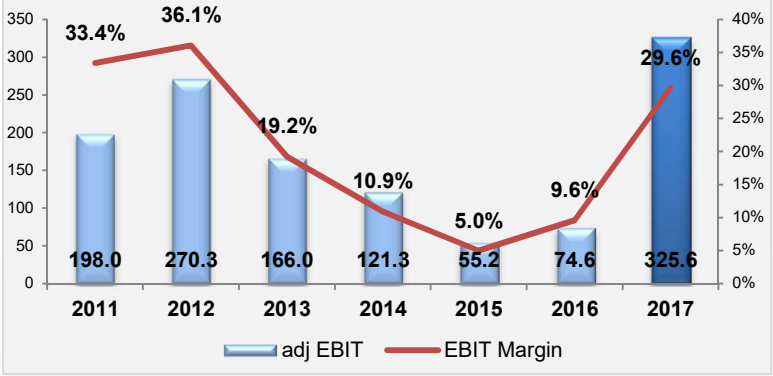
## Revenues (USD mn)



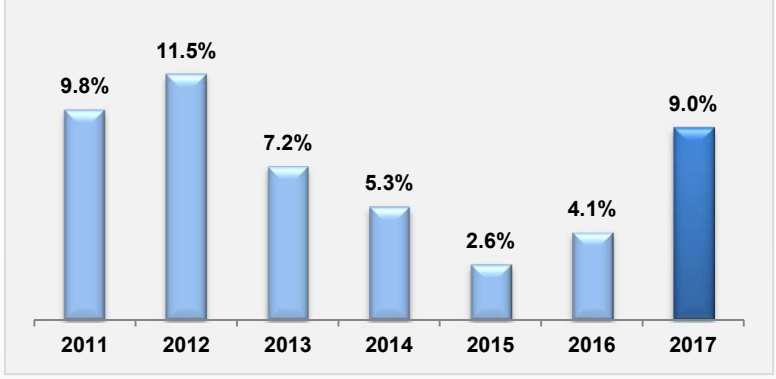

## Adj. EBITDA (USD mn) & EBITDA Margin (%)




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



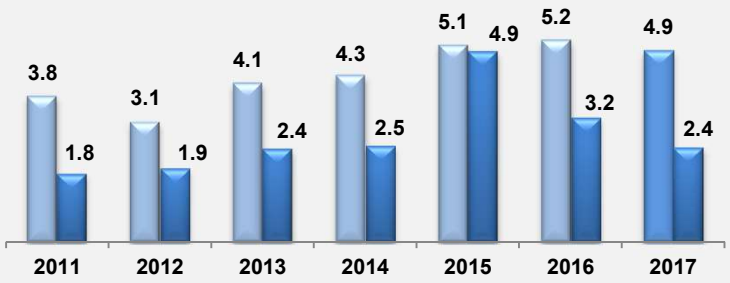

## Adj. EBIT to Assets (ROA)



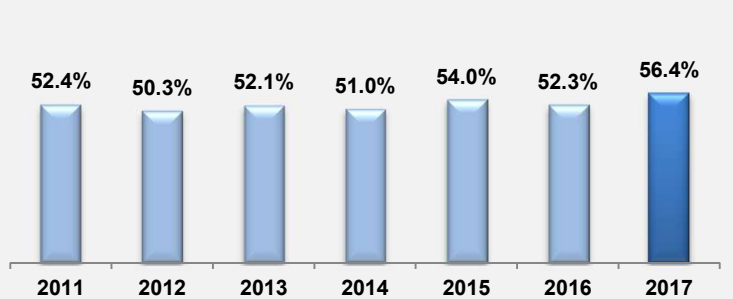

** Adjusted EBITDA / EBIT includes consolidated EBITDA / EBIT plus dividends from Kideco, Cotrans, SBS, Santan Batubara and CEP*

# Indika Energy's Key Credit Ratios (1)

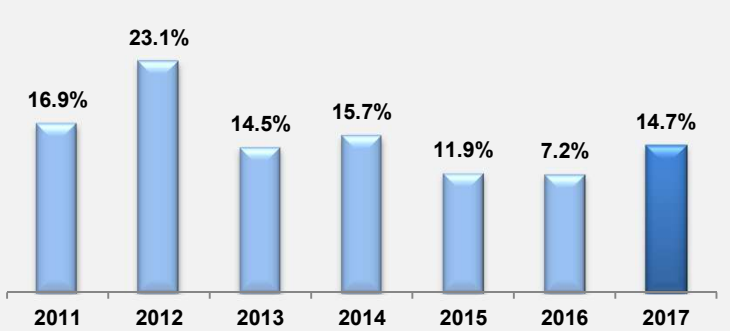
## Gross Debt & Net Debt / Adj. EBITDA (x)




## Debt / Capital (%)




## Adj. FFO / Debt (%)

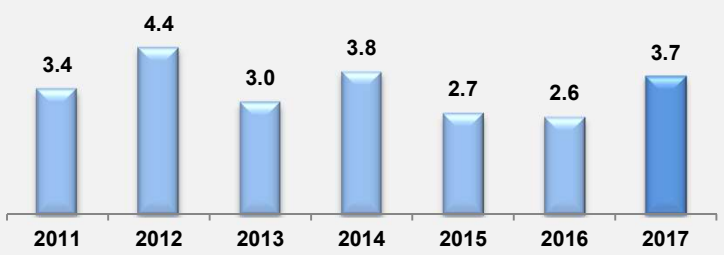



## Adj. FCF / Debt (%)



# Indika Energy's Key Credit Ratios (2)

## Adj EBITDA / Interest (x)




## Adj EBIT / Interest (x)




## FFO + Interest / Interest (x)

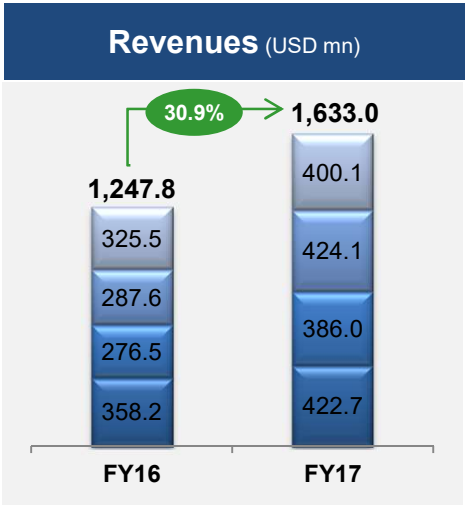


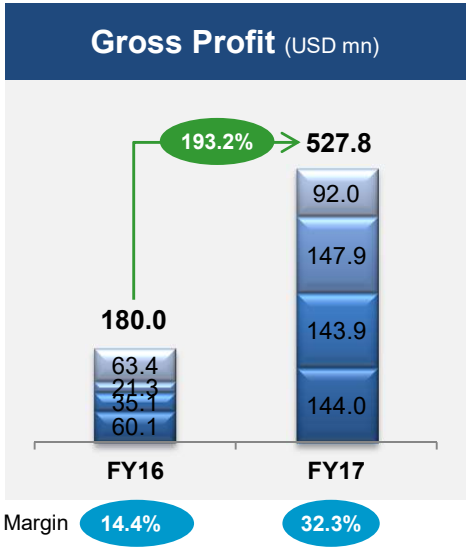

## Adj EBITDA Less Capex / Interest (x)

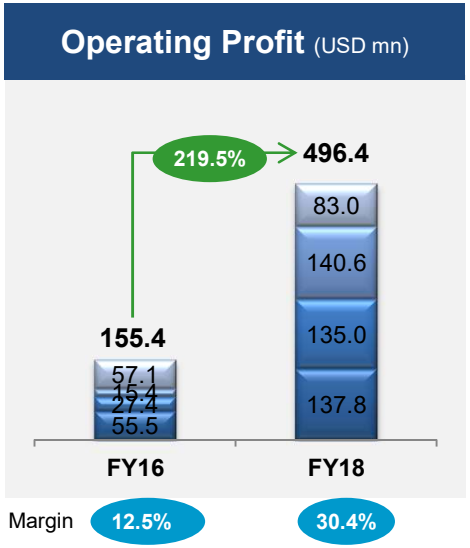


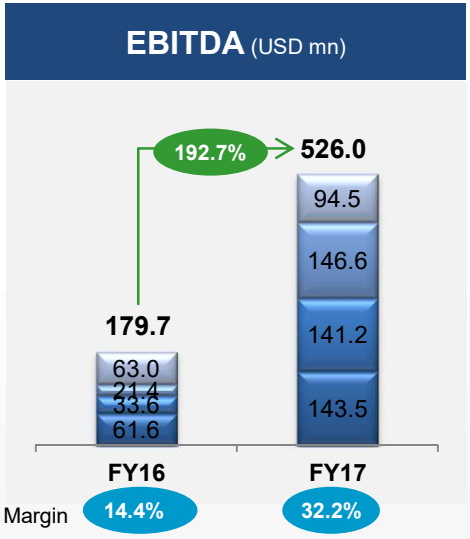

* Adjusted EBITDA / EBIT includes consolidated EBITDA / EBIT plus dividends from Kideco, Cotrans, SBS, Santan Batubara and CEP

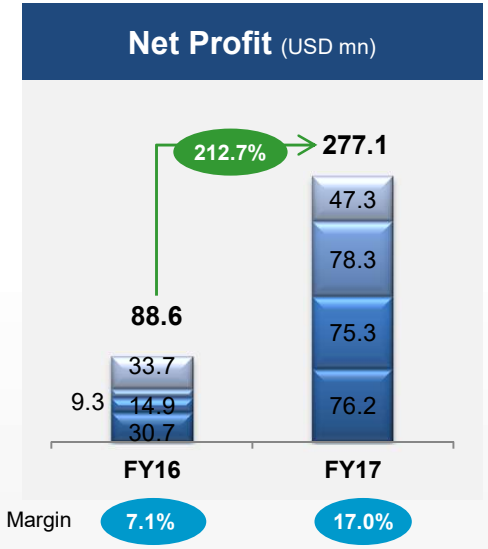
# Kideco's Financial Highlights FY2017 (1)



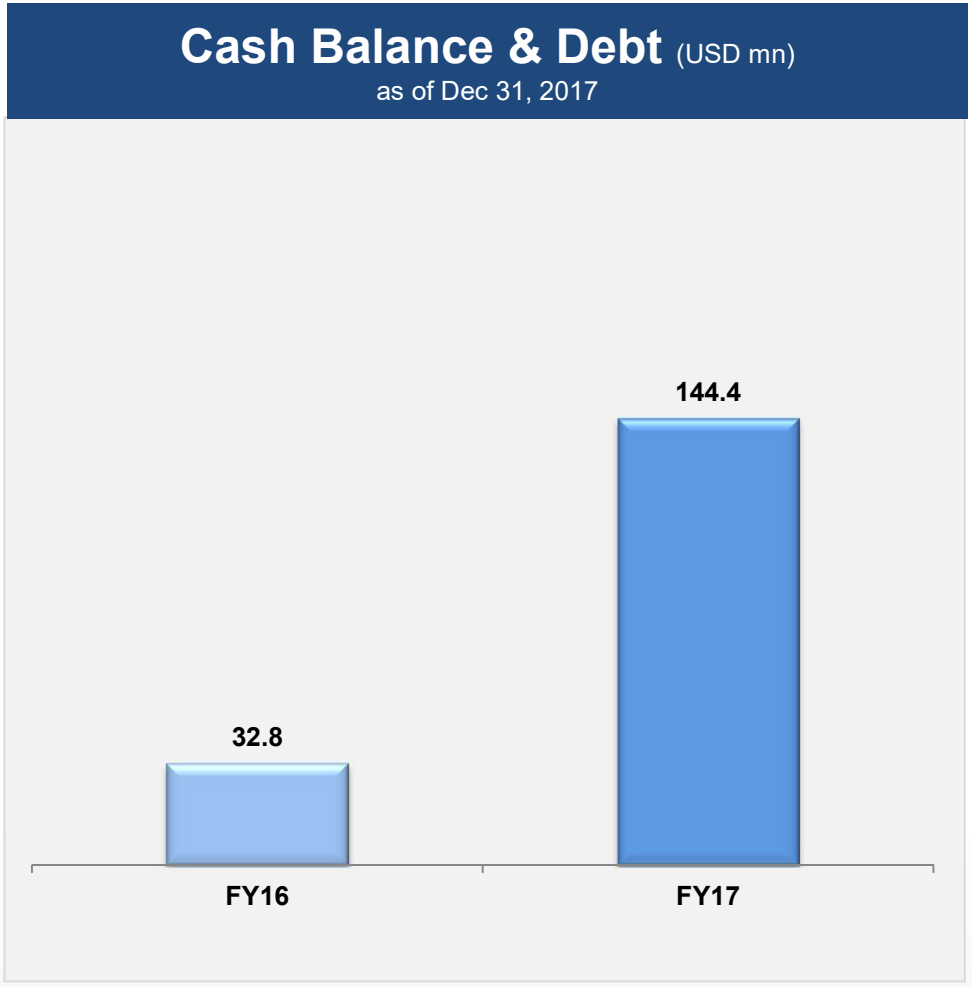



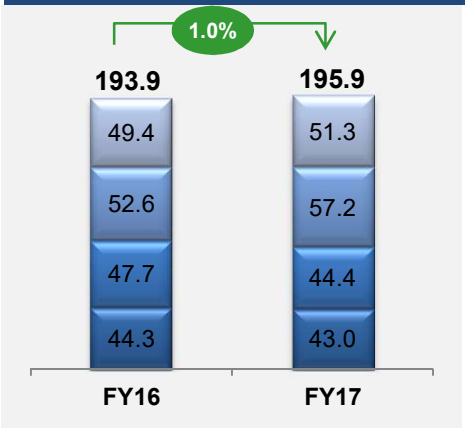
# Kideco's Financial Highlights FY2017 (2)



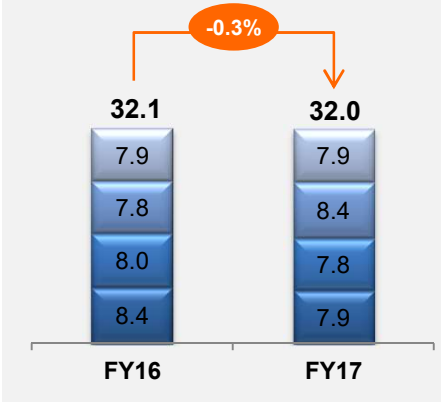

**CASH**

# Kideco's Operating Highlights FY2017

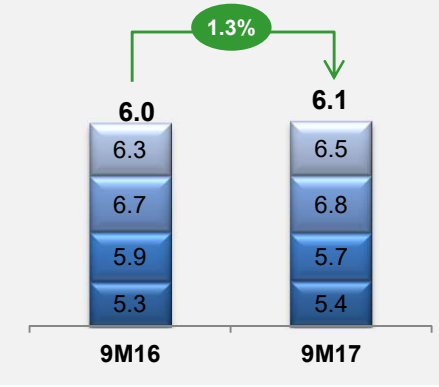
## Overburden Removal
(mn bcm)



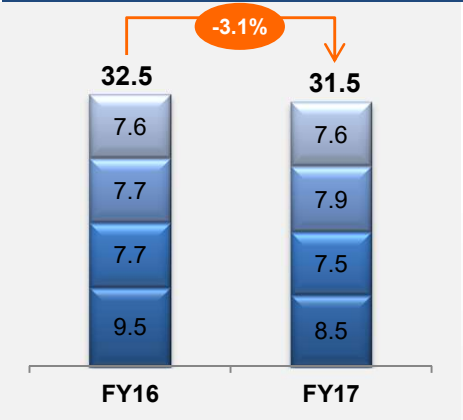

## Coal Production
(mn ton)



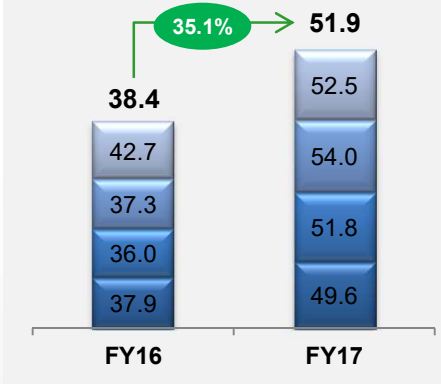

## Stripping Ratio
(x)




## Coal Sales
(mn ton)




## Average Selling Price
(USD/ton)

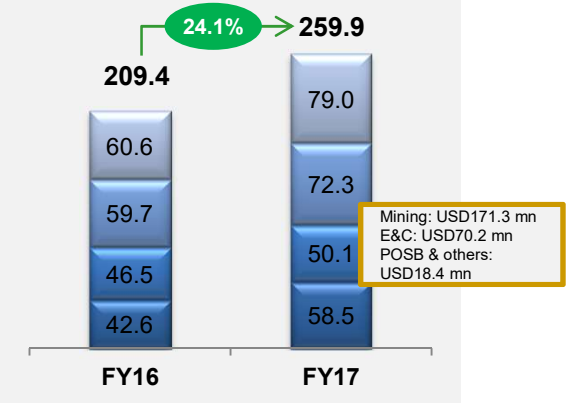



## Cash Cost Excl./Incl. Royalty
(USD/ton)

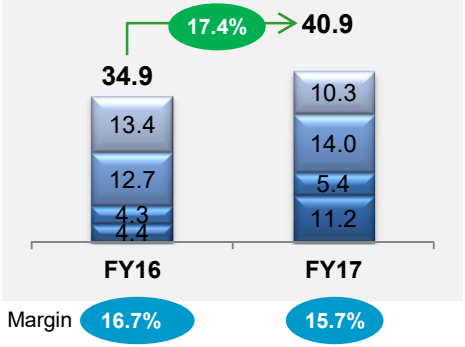


# Petrosea's Financial Highlights

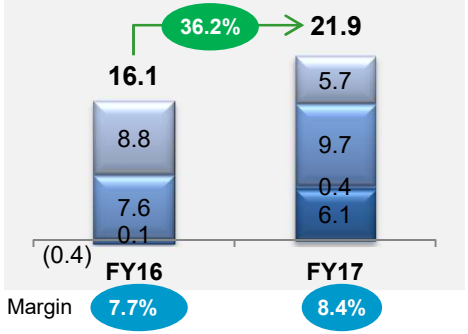
## Revenues
(USD mn)



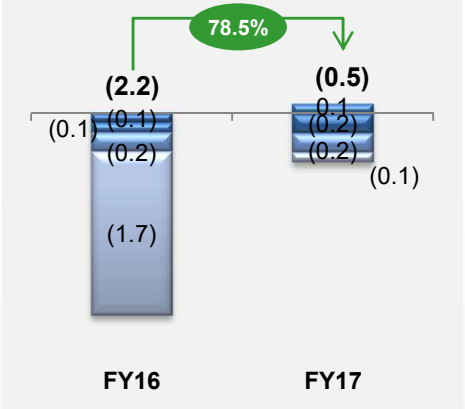

## Gross Profit
(USD mn)



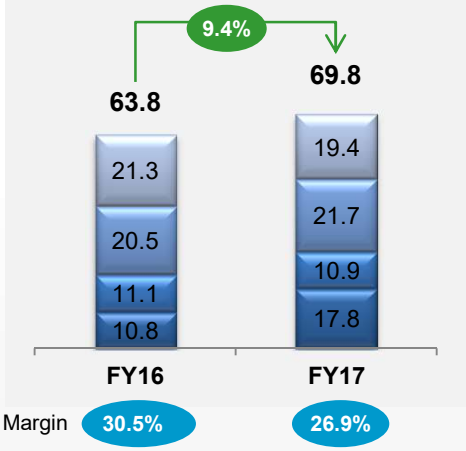

## Operating Profit
(USD mn)



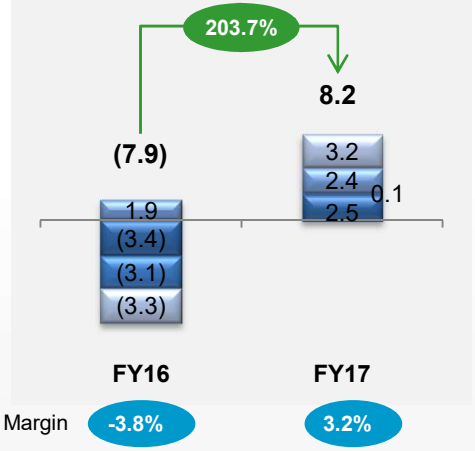

## Income from Associates
(USD mn)




## EBITDA
(USD mn)



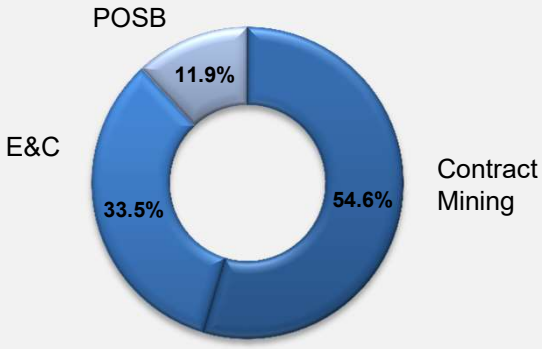

## Net Profit/Loss*
(USD mn)



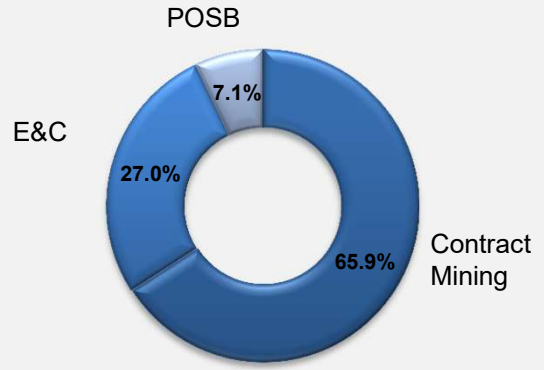

** Profit/loss for the period attributable to owners of the company*

# Petrosea's Financial Highlights (2)

## Revenues Breakdown by Value

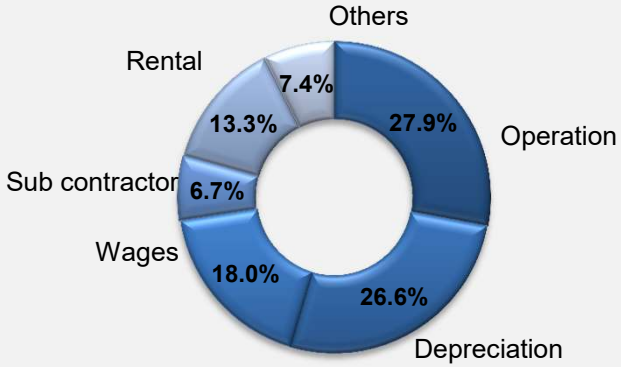



**2016: USD209.4 mn**

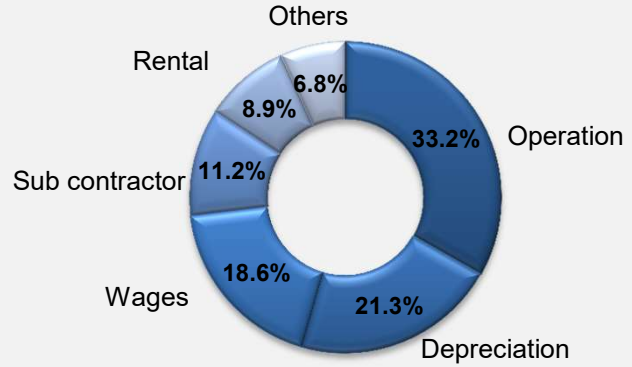



**2017: USD259.9 mn**

## Cost Structure



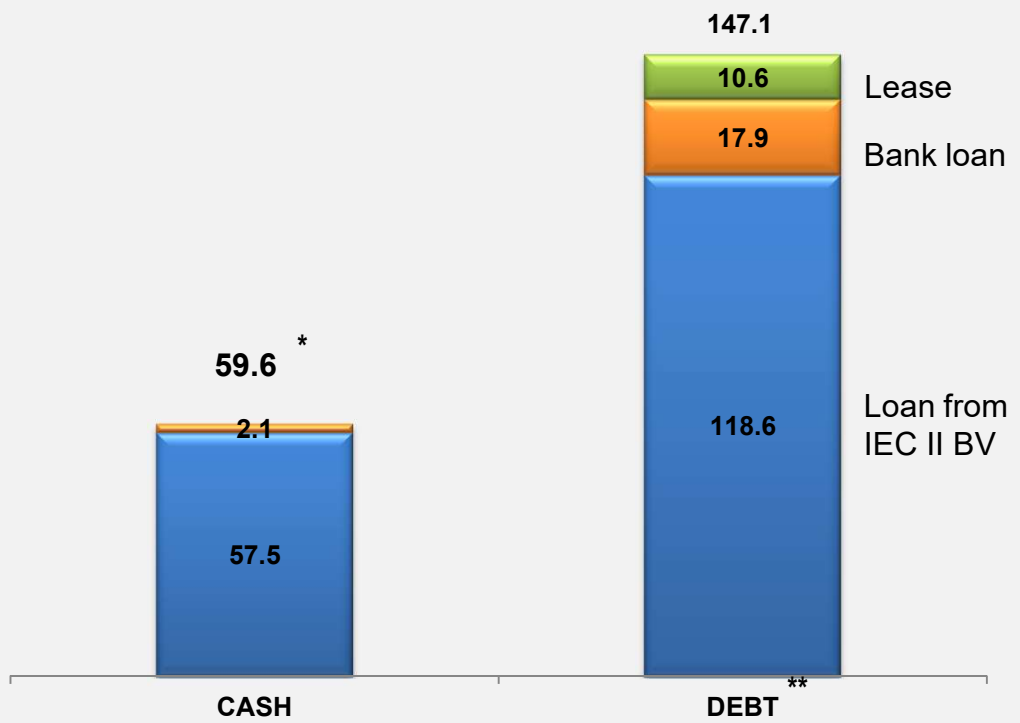

**2016: USD174.5 mn**




**2017: USD218.9 mn**

# Petrosea's Financial Highlights (3)

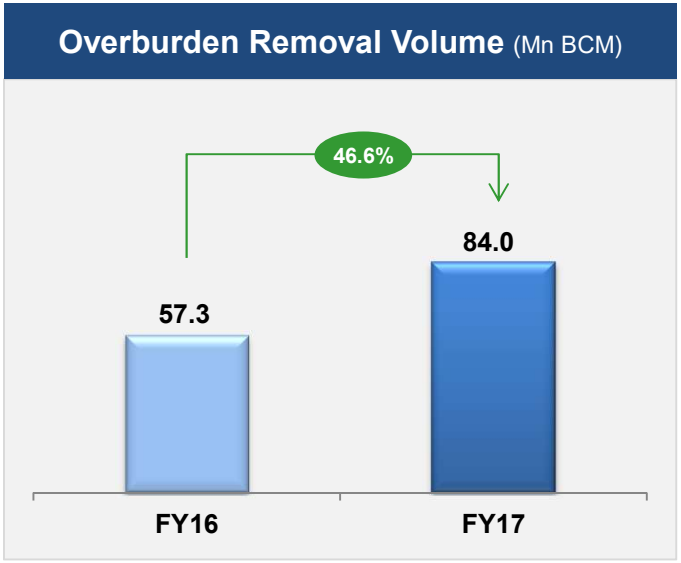
## Cash Balance & Debt (USD mn)
as of Dec 31, 2017



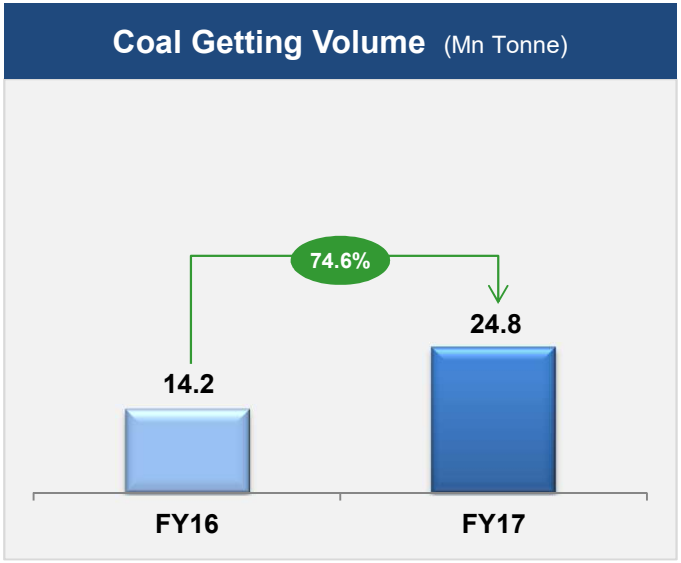

* *Includes other financial assets*
** *includes accrued interest*

# Petrosea's Contract Mining Operation

## Overburden Removal Volume (Mn BCM)




## Coal Getting Volume (Mn Tonne)

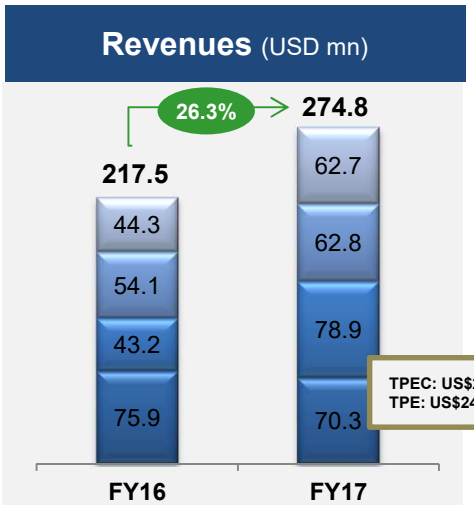


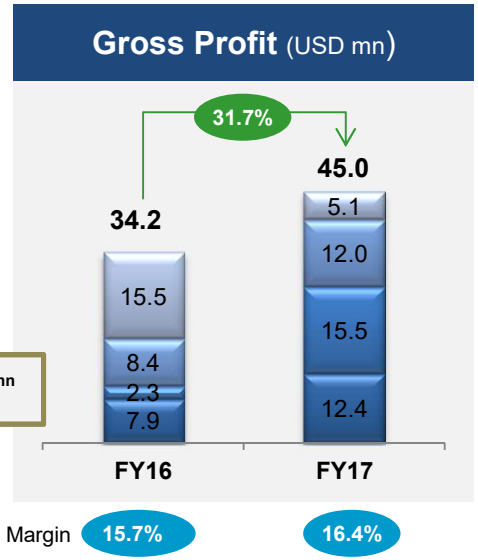

| Client | FY16 | FY17 |
|---|---|---|
| Kideco Jaya Agung | 27.9 | 31.0 |
| Tabang *) | 7.6 | 32.3 |
| Indoasia Cemerlang | 11.1 | 11.6 |
| Anzawara Satria | 1.8 | 3.9 |
| Binuang | 18.8 | 18.8 |
| **Total Volume (Mn bcm)** | **57.3** | **97.6** |
| **Revenue from Contract Mining (USD mn)** | **114.3** | **171.3** |
| Contract Mining Revenue/Bcm | **2.0** | **2.0** |

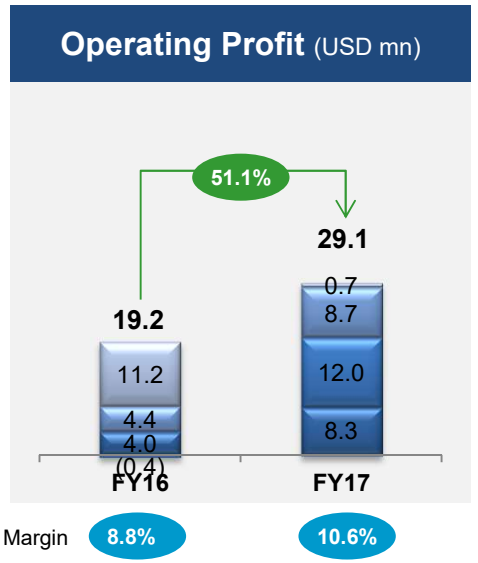
| Client | FY16 | FY17 |
|---|---|---|
| Kideco Jaya Agung | 6.9 | 6.2 |
| Tabang | 5.9 | 13.6 |
| Indoasia Cemerlang | 0.0 | 0.8 |
| Anzawara Satria | 0.3 | 0.5 |
| Binuang | 1.1 | 3.7 |
| **Total Volume (Mn ton)** | **14.2** | **24.8** |

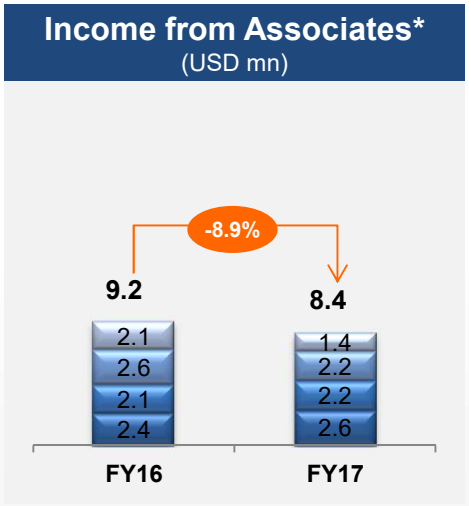
*) including coal getting

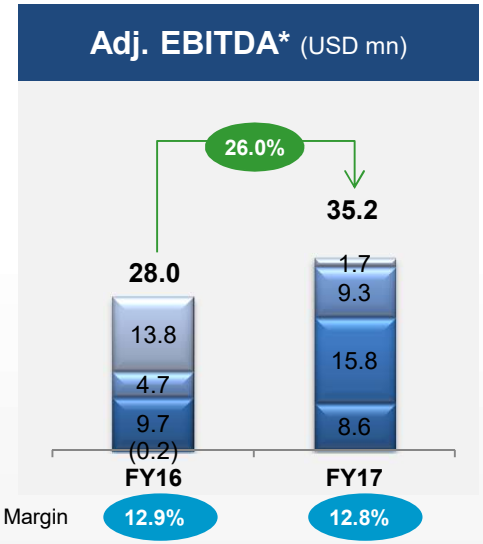
# Tripatra's Financial Highlights

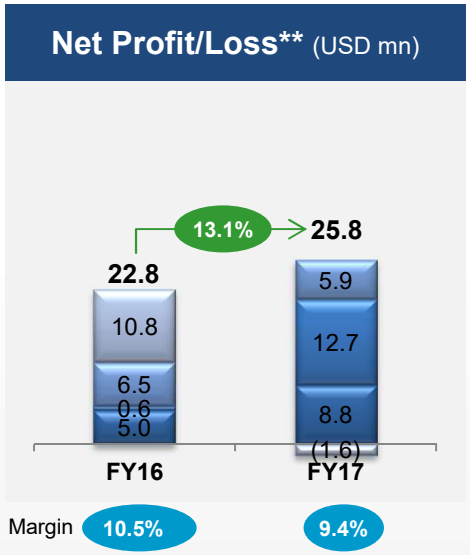


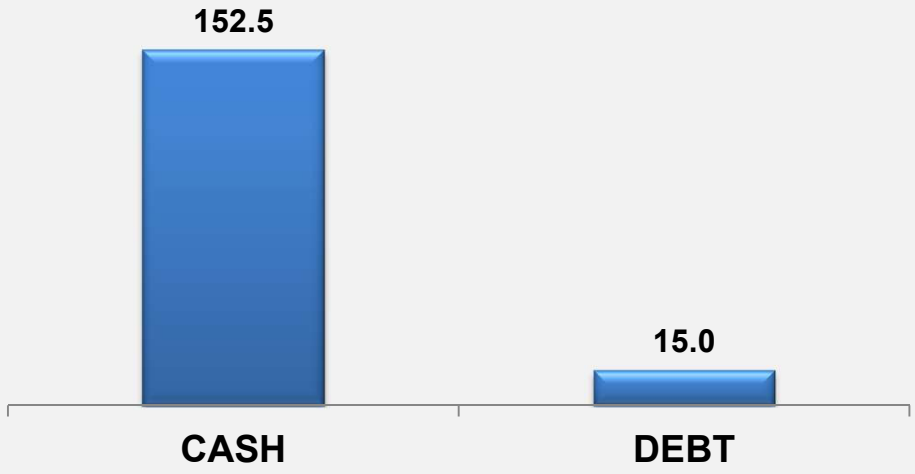




* *Including dividends from associates*
** *Profit/loss for the period attributable to owners of the company*

# Tripatra's Financial Highlights (3)

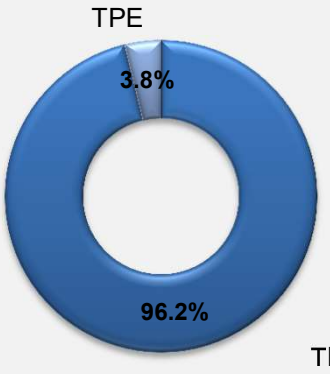
## Cash Balance & Debt (USD mn)

As of Dec 31, 2017

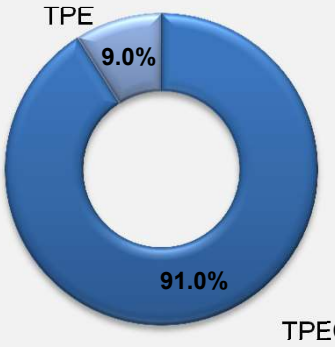


# Tripatra's Financial Highlights (2)

## Revenues Breakdown by Value

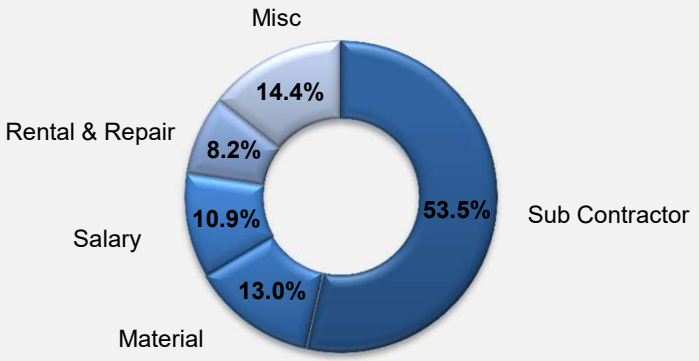



**2016: USD217.5 mn**

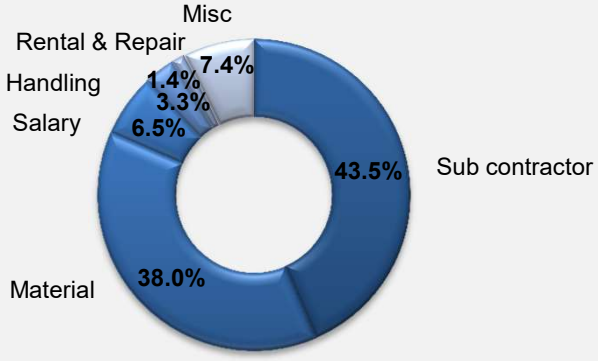



**2017: USD274.8 mn**

## Cost Structure




**2016: USD183.4 mn**

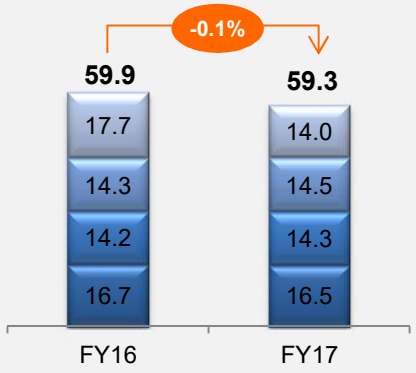



**2017: USD229.8 mn**

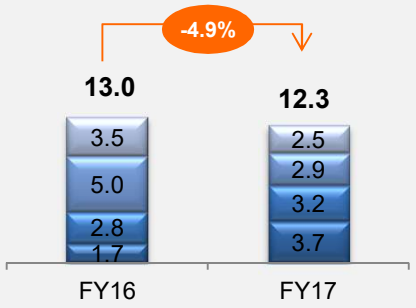
# Tripatra's Financial Highlights (1)

## Cotrans Asia's Operation

**Revenues** (USD mn)

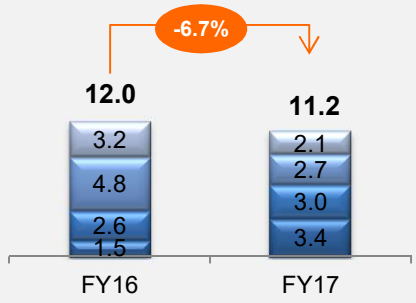



**Gross Profit** (USD mn)



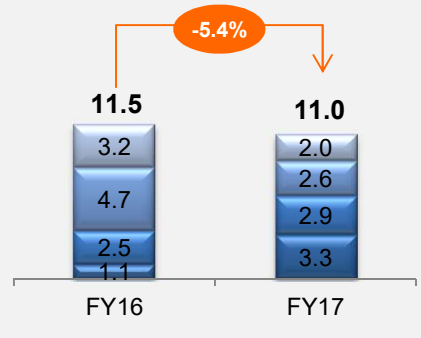

| Margin | 21.6% | 20.8% |
|---|---|---|

**Operating Profit** (USD mn)



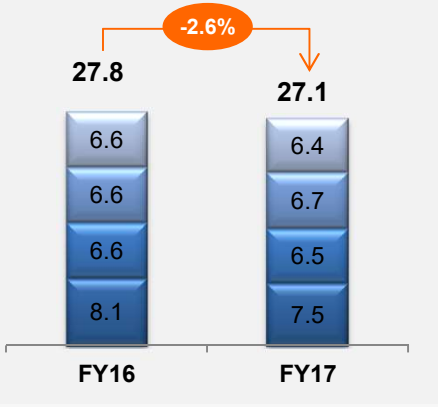

| Margin | 20.1% | 18.9% |
|---|---|---|

**Net Profit** (USD mn)




| Margin | 19.2% | 18.4% |
|---|---|---|

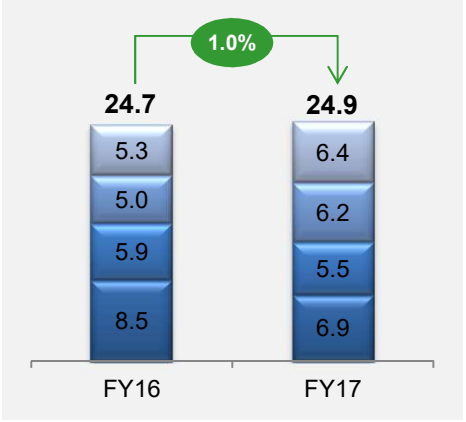
**Coal Handling** (mn tons)



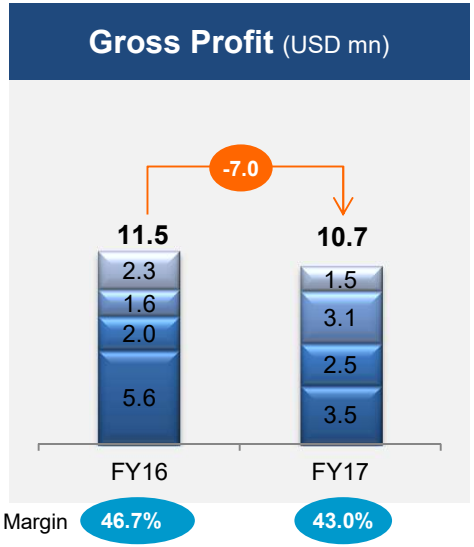
# Tripatra's Financial Highlights (2)

## Sea Bridge Shipping's Operation

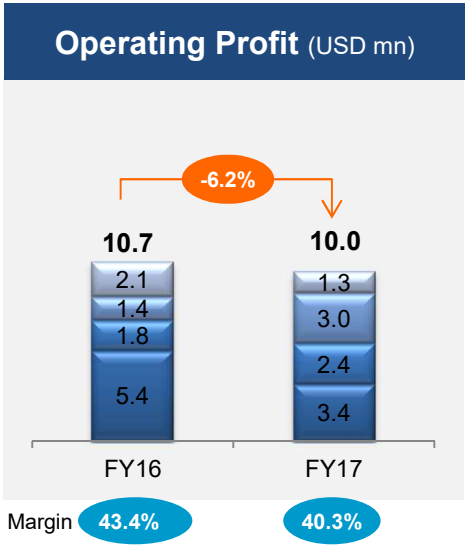
**Revenues** (USD mn)



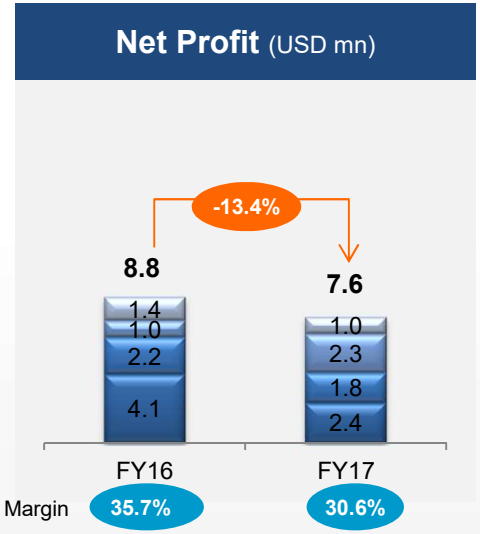

**Gross Profit** (USD mn)



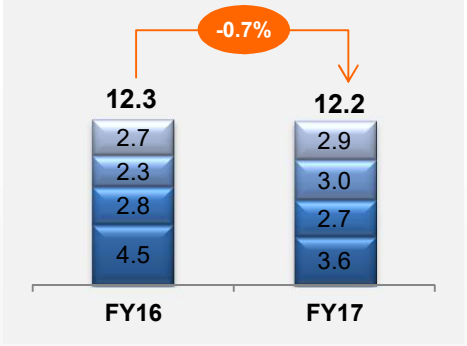

**Operating Profit** (USD mn)



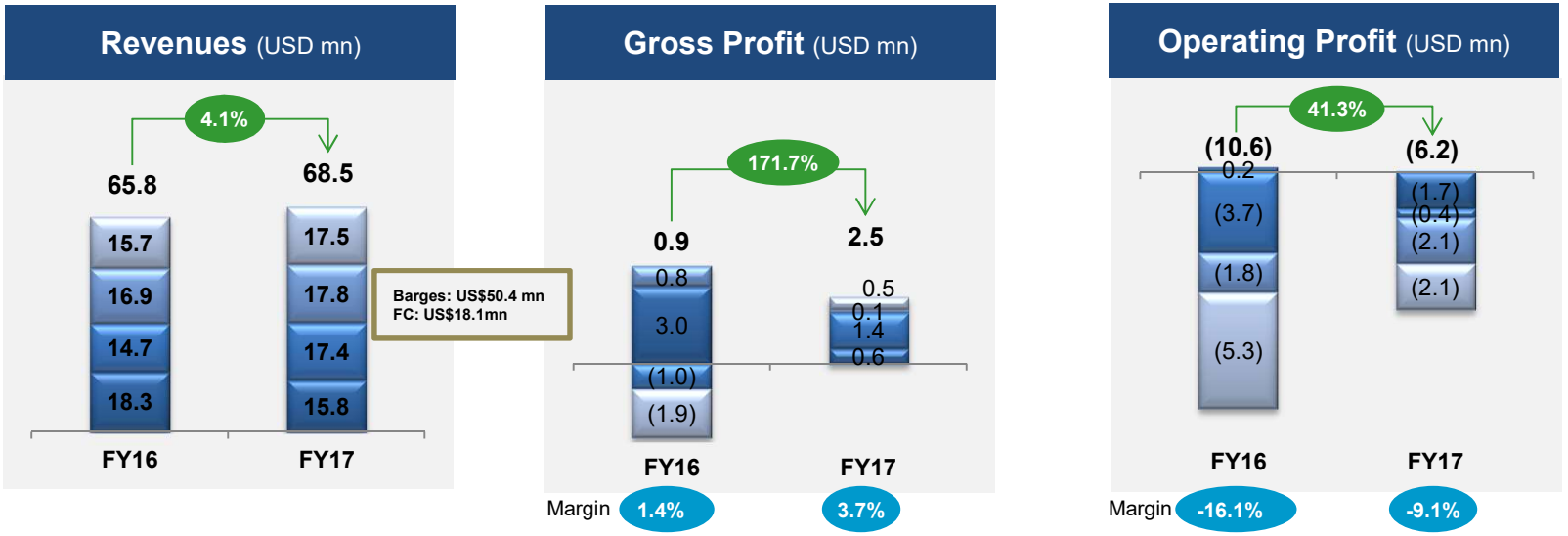

**Net Profit** (USD mn)

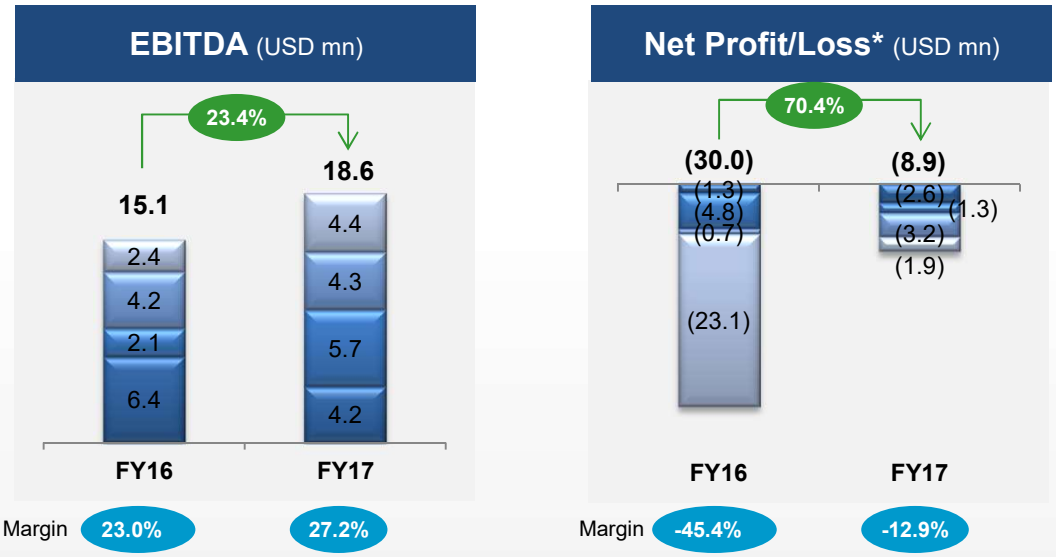



**Coal Handling** (mn tons)



# MBSS' Financial Highlights (1)

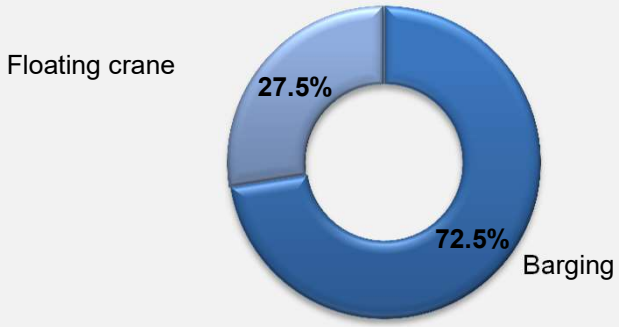


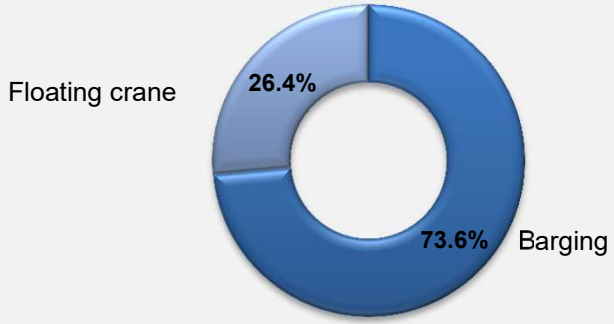

** Net income/Loss attributable to owners of the company*

# MBSS' Financial Highlights (2)

## Revenues Breakdown

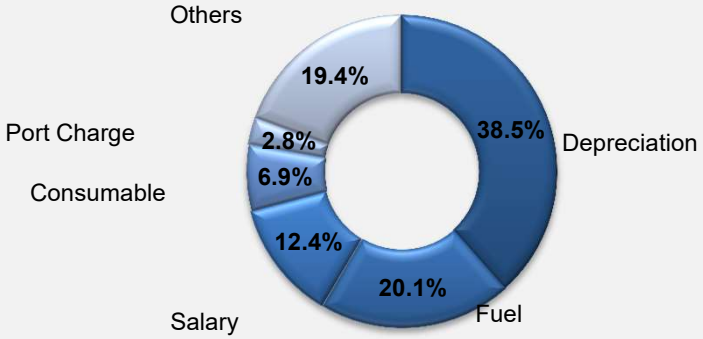



**FY16: USD65.8 mn**

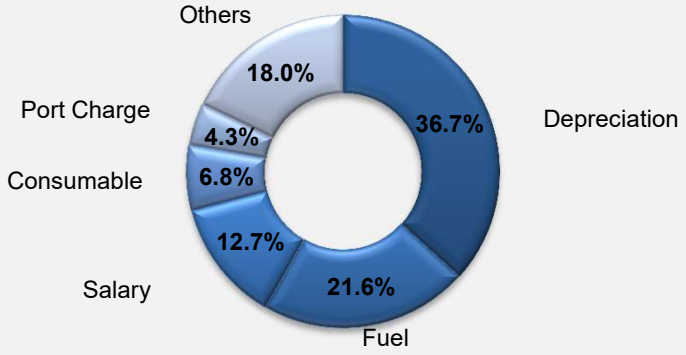



**FY17: USD68.5 mn**

## Cost Structure




**FY16: USD64.8 mn**




**FY17: USD65.9 mn**

# MBSS' Financial Highlights (3)

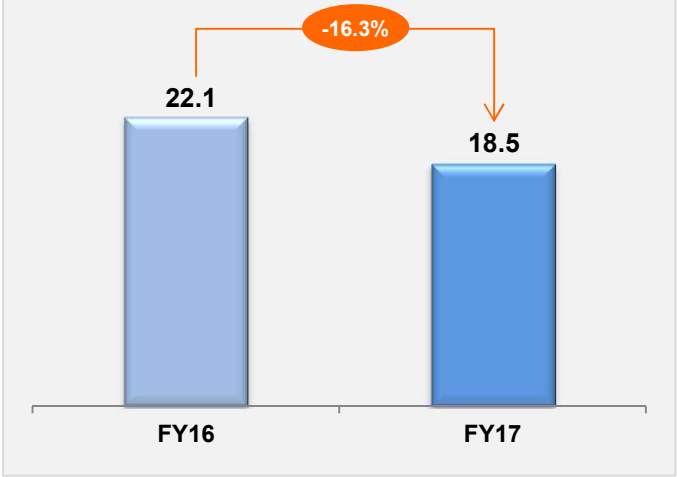
## Cash Balance & Debt (USD mn)

As of Dec. 31, 2017



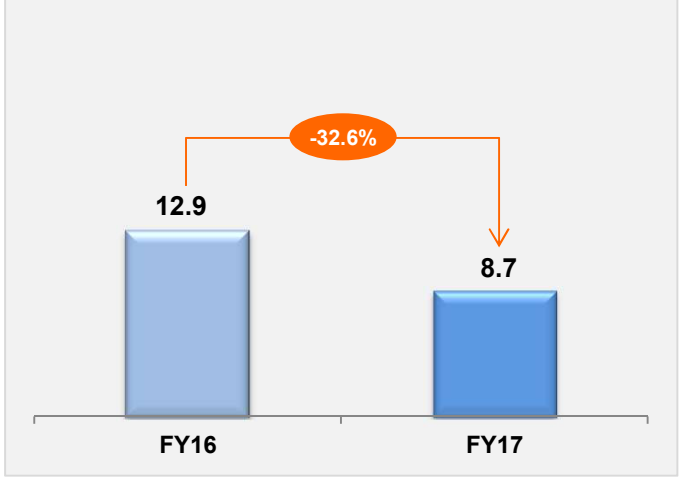
# MBSS' Operating Highlights

**Barging** (mn ton)




| Clients | FY16 | FY17 |
|---|---|---|
| ADRO | 4.6 | 3.2 |
| Contrans | 9.9 | 9.3 |
| BCS | 1.9 | 0.3 |
| MMS | 1.2 | 1.4 |
| KPC | 0.2 | 0 |
| BSSR | 0.1 | 0 |
| Others | 4.2 | 1.1 |
| SPOT | | 3.1 |
| **Total Volume*** | **22.1** | **18.5** |
| **Revenue (USD mn)** | **47.7** | **50.4** |
| **Revenue/ton** | **2.2** | **2.7** |

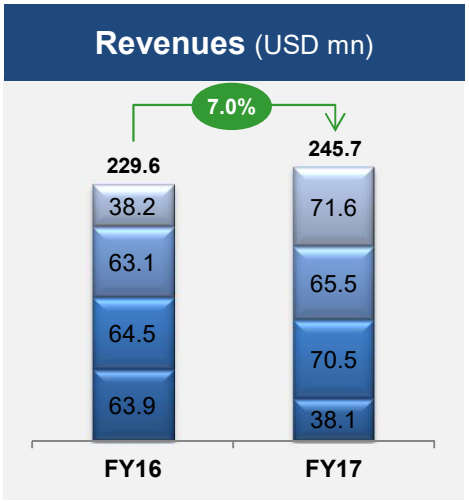
**Floating Crane** (mn ton)

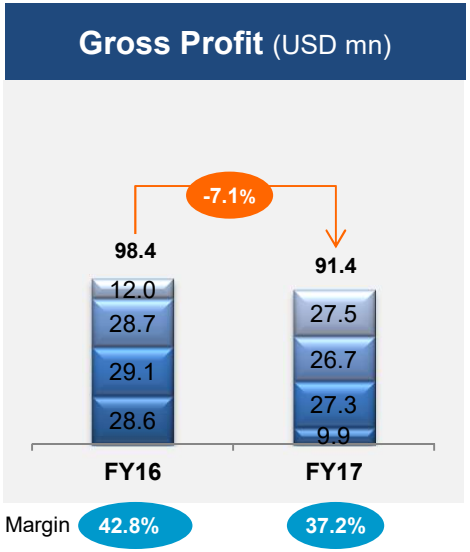


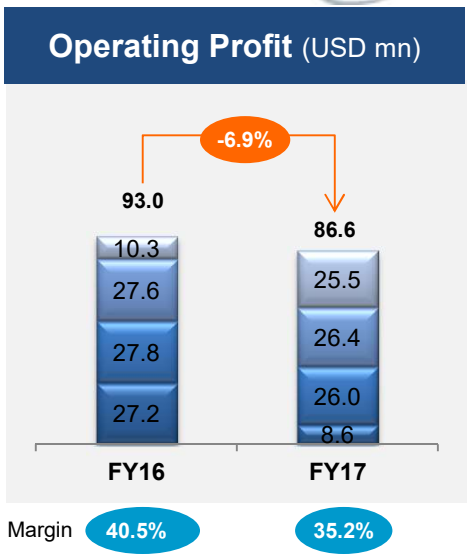

| Clients | FY16 | FY17 |
|---|---|---|
| KJA | 4.9 | 4.1 |
| BRAU | 5.0 | 0.5 |
| BCS | 2.1 | 2.2 |
| Others | 0.9 | 1.9 |
| **Total Volume** | **12.9** | **8.7** |
| **Revenue (USD mn)** | **18.1** | **18.1** |
| **Revenue/ton** | **1.4** | **2.1** |

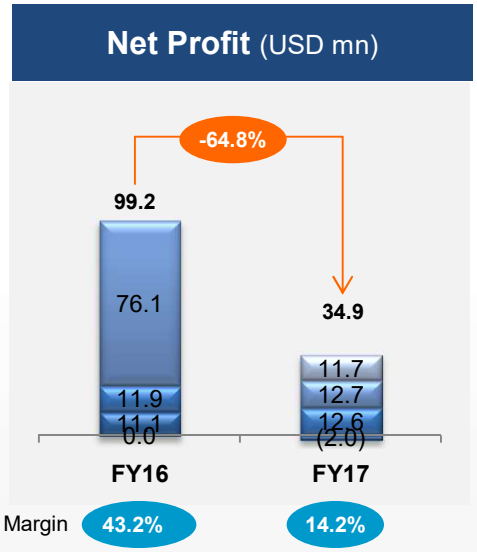
* *Includes time charter*

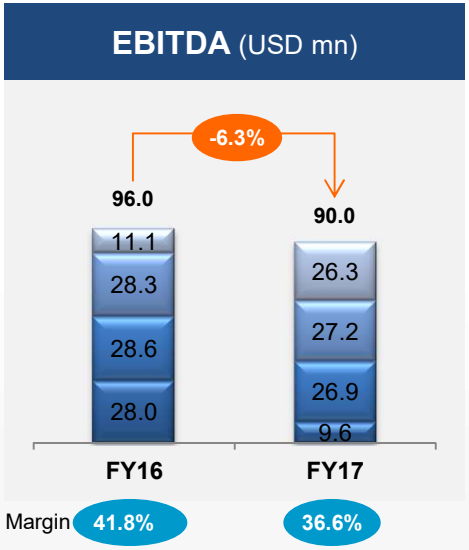
# Cirebon Electric Power's Financial Highlights (1)



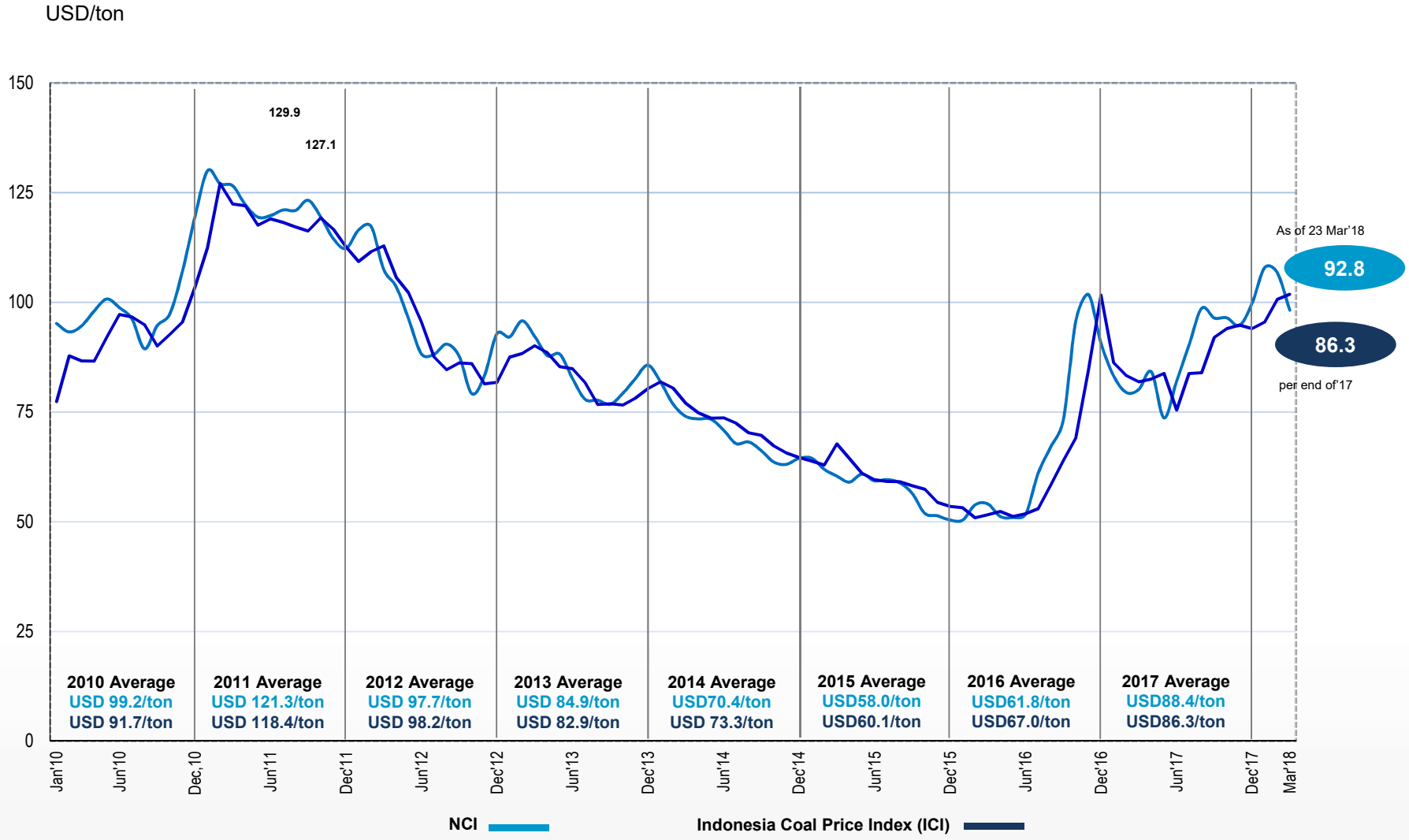
# Cirebon Electric Power's Financial Highlights (2)

## Cash Balance & Debt (USD mn)

As of Dec 31, 2017

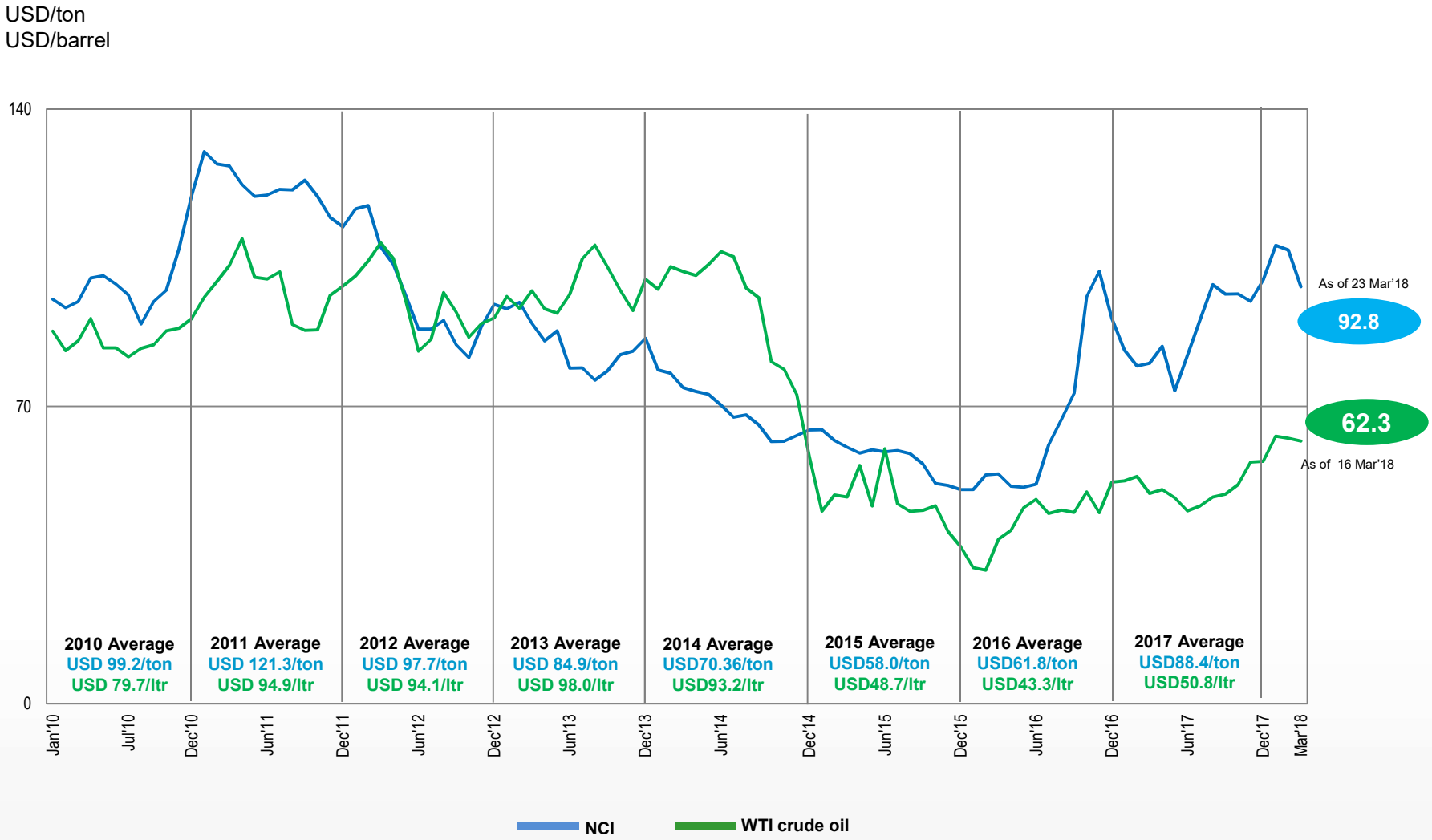


# Coal price had been remained strong for past one year




*Source: Platts & ICI ESDM (monthly based index)*

# Coal Price remains strong while oil price starting to recover




*Source: Platts & US Energy Information Administration*

# Content


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# 2018 Outlook

# Key assumptions in 2018 budget

| Description | Unit | 2018 Budget |
|---|---|---|
| Exchange Rate Average | USD/IDR | 13500.0 |
| Thermal Coal Price (NC) Average | USD/ton | 85.0 |
| **KIDECO** | | |
| Overburden Volume | BCM | 202.0 |
| Production Volume | Mt | 32 – 34 |
| Strip ratio | x | 5.9 |
| Capex | USD mn | 7.6 |
| **PTRO** | | |
| Overburden Volume | BCM | 133.9 |
| Backlog Beg of Period | USD mn | 696.2 |
| Capex | USD mn | 112.6 |
| **MBSS** | | |
| Barging Volume | Mt | 22.7 |
| FC Volume | Mt | 8.2 |
| Backlog Beg of Period | USD mn | 67.9 |
| Capex | USD mn | 7.2 |
| **Tripatra** | | |
| Backlog Beg of Period | USD mn | 601.2 |
| Capex | USD mn | 0.0 |
| **Coal Trading** | | |
| Coal Trading Volume | Mt | 8.6 |
| **MUTU** | | |
| Production Volume | Mt. | 1.5 |
| Capex | USD mn | 13.8 |

| CAPEX Allocation | Unit | 2018 Budget |
|---|---|---|
| IE Holding | USD mn | 1.3 |
| PTRO | USD mn | 112.6 |
| MBSS | USD mn | 7.2 |
| Tripatra | USD mn | 0.0 |
| ILSS | USD mn | 0.3 |
| Kideco | USD mn | 7.6 |
| Resources | USD mn | 13.8 |
| **Total** | **USD mn** | **142.8** |

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# Business Review



# ENERGY RESOURCES

Kideco Jaya Agung
Santan Batubara
Multi Tambangjaya Utama

# Indika Energy's Coal Reserves and Resources

| Coal Assets | Reserves | Resources | Concession Areas |
|---|---|---|---|
| Kideco | 422.0 | 1,375.00 | 50,921 |
| Santan | 100.7 | 754.5 | 24,930 |
| MUTU | 40.6 | 75.2 | 24,970 |

(Mn ton)

JORC Standard

Reserves: 563.3 mn tons

Resources: 2,204.7 mn tons

# Kideco Jaya Agung

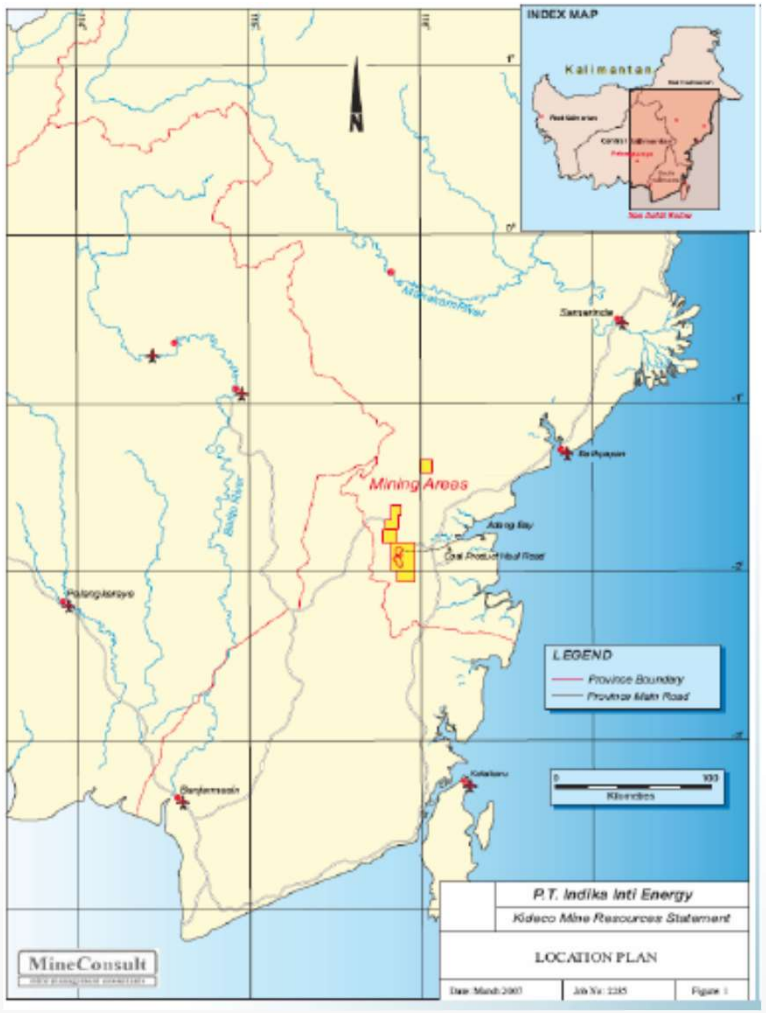
Indika Energy owns 91% of Kideco, the third-largest coal producer in Indonesia with 50,921 Ha concession in East Kalimantan

Kideco engages in surface open-cut mining since 1993

First-generation Coal Contract of Work valid through 2023

JORC resources as of June 2015 at 1,375mt and reserves at 422mt

Kideco produces a range of sub-bituminous, ultra-low sulphur (0.1%) and low ash (average between 2.1% to 4.9%) coal



# Indika Energy is solely controlling shareholder in Kideco

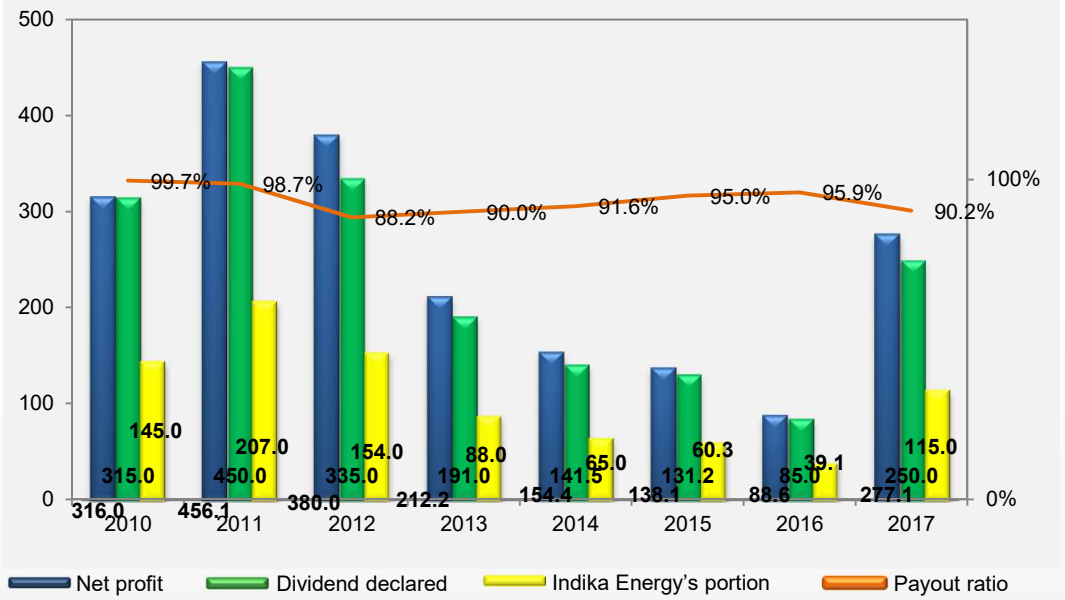
| | INDIKA | SAMTAN |
|---|---|---|
| **Shareholding** | 91% | 9% |
| **Role** | • Indonesian expertise and local access<br>• Business opportunities via the energy platform of Indika Energy | • Leading Korean energy company<br>• 45 years of mining experience<br>• Marketing agent |

Indika Energy and Samtan are ensuring smooth transition with no disruption in the operation of Kideco

Indika Energy appoints Samtan as Marketing agent and will be reviewed annualy

Certainty of cash flows from 80% minimum dividend payout obligation

**Kideco's dividend history**



# Kideco's Abundant Reserves and Resources

## Reserves* (mn ton)

| Area | Calorific Value (kcal)** | Proved | Probable | Total |
|---|---|---|---|---|
| Roto South | 4,890.0 | 43.0 | 19.0 | 62.0 |
| Roto North | 5,630.0 | - | 9.0 | 9.0 |
| Roto Middle | 4,820.0 | 14.0 | 8.0 | 22.0 |
| Susubang | 5,110.0 | 1.0 | 3.0 | 4.0 |
| Samarangau | 4,390.0 | 96.0 | 221.0 | 317.0 |
| Roto South G. | 4,860.0 | 0.0 | 8.0 | 8.0 |
| **Total/Average** | **4,530.0** | **154.0** | **268.0** | **422.0** |

## Resources* (mn ton)

| Area | Measured | Indicated | Inferred | Total |
|---|---|---|---|---|
| Roto South | 60.0 | 72.0 | 44.0 | 175.0 |
| Roto North | - | 23.0 | 17.0 | 40.0 |
| Roto Middle | 55.0 | 68.0 | 64.0 | 187.0 |
| Susubang | 1.0 | 5.0 | 3.0 | 9.0 |
| Samarangau | 142.0 | 585.0 | 208.0 | 935.0 |
| Roto South G | - | 12.0 | 21.0 | 33.0 |
| **Total** | **250.0** | **775.0** | **350.0** | **1,375.0** |

** Based on latest JORC (June 2015) with long term coal price USD65/ton assumption*
*** GAR basis*

# Well developed infrastructure with end-to-end control of mining process…

**Overburden Removal Process**

1



**Production of "Run of Mine" (ROM) Coal**

2



**Crushing (3-11km)**

3



- Five Crushers
- Stockpile of 400,000 tons
- New crushing plant at Km 35

**Exclusive All-weather Hauling Road (38km)**

4



- 38 km dedicated two-way haul road

**Stockpiling at TMCT**

5



- 700,000 storage capacity

**Barging and Shipping (58km)**

6



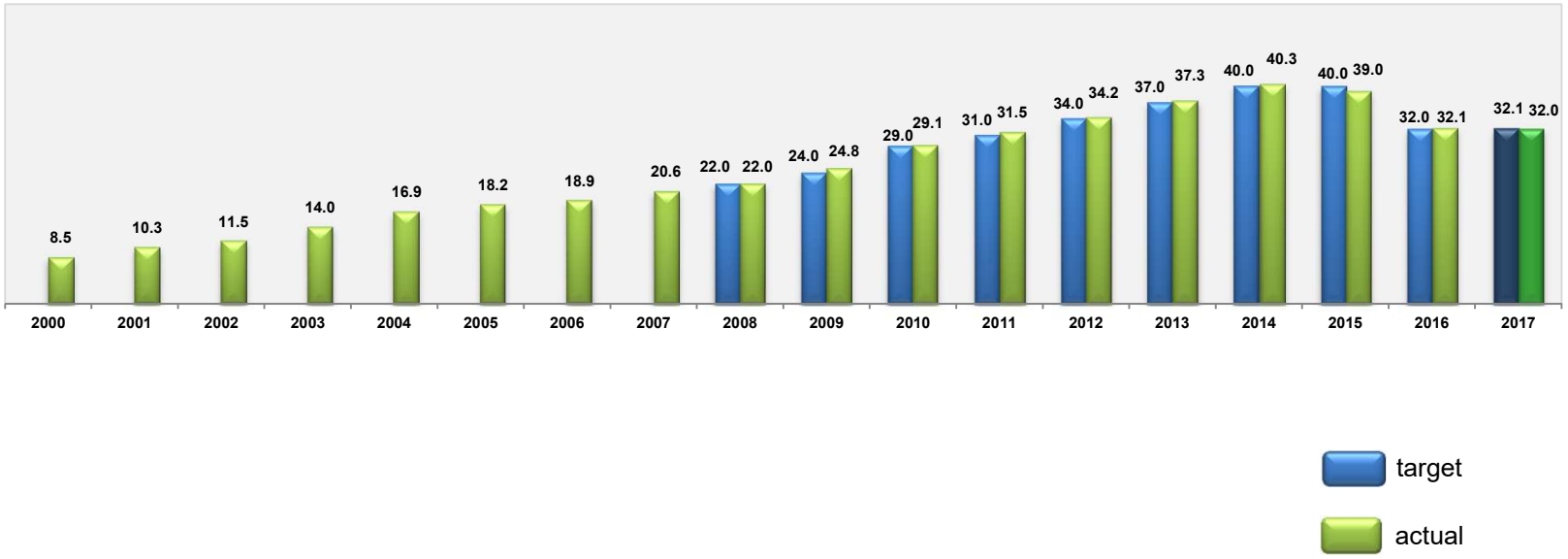
- Capable of loading a number of vessels simultaneously

**Total Distance: 99 – 107km**

# …supported with reputation as the most reliable supplier

## Unmatched Track Record of Production Achievement

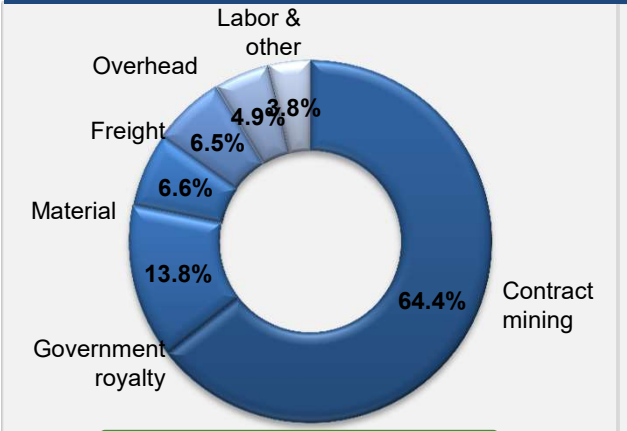
(mn ton)



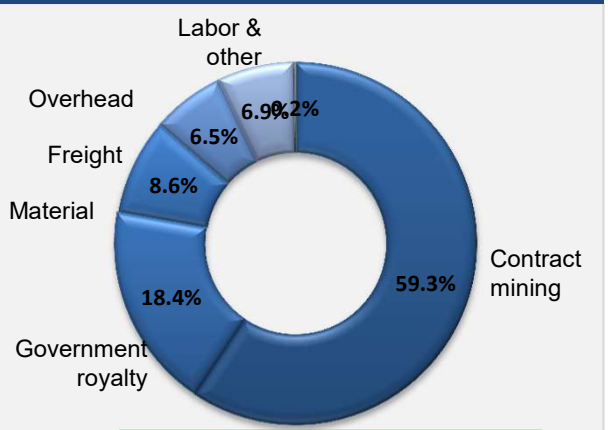

- ✓ Zero occurrence of force majeure since 1993
- ✓ Uninterrupted supply of coal even During Bad Weather Conditions
- ✓ Flexibility to Increase Production with Minimal Capex Requirement
- ✓ Enhanced Brand Credibility among Buyers
- ✓ Industry leader in terms of reliability
- ✓ Support from reputable sub-contractors

# One of the lowest cost coal producers in Indonesia

## Cash Cost Component




FY16: USD1,043.5 mn



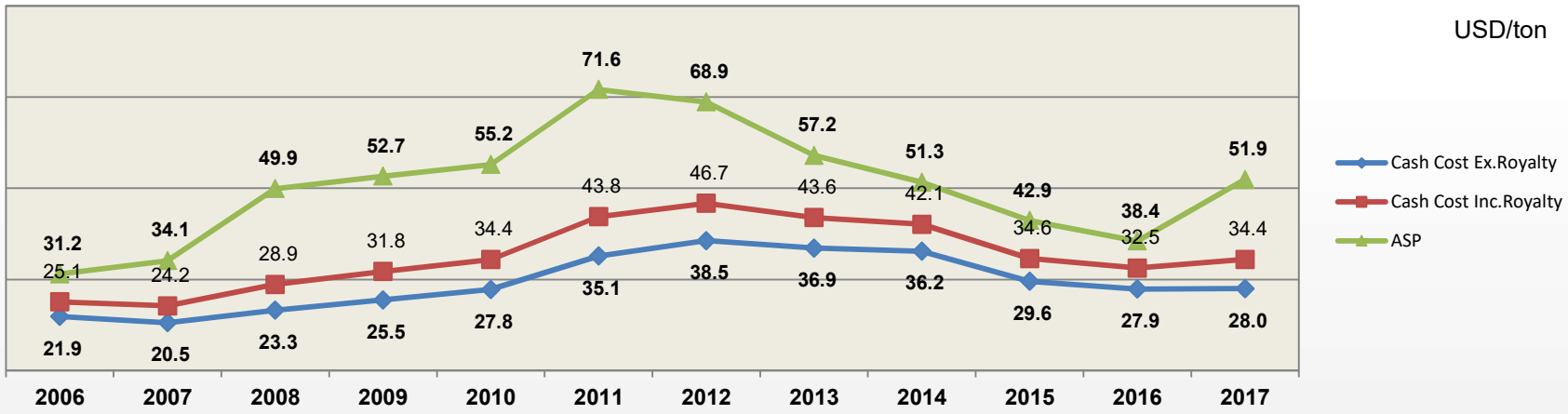

FY17: USD1,081.3mn

## USD Cash Cost / ton

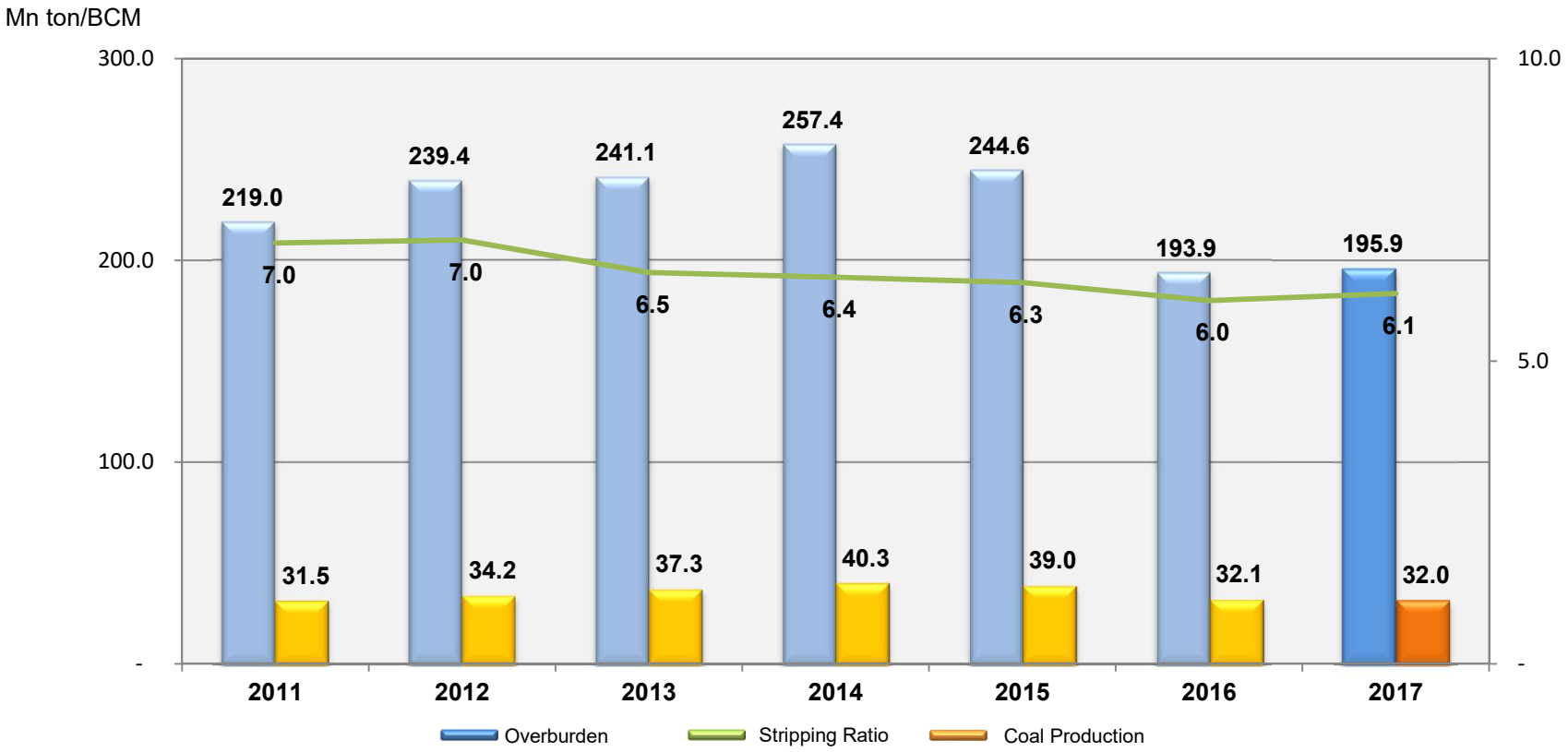
2016 (divided by sales vol.)
USD32.1 incl. royalty
USD27.6 excl. royalty

2017 (divided by sales vol.)
USD34.4 incl. royalty
USD28.0 excl. royalty

## Average Selling Price and Cash Cost



# Kideco Operational Performance

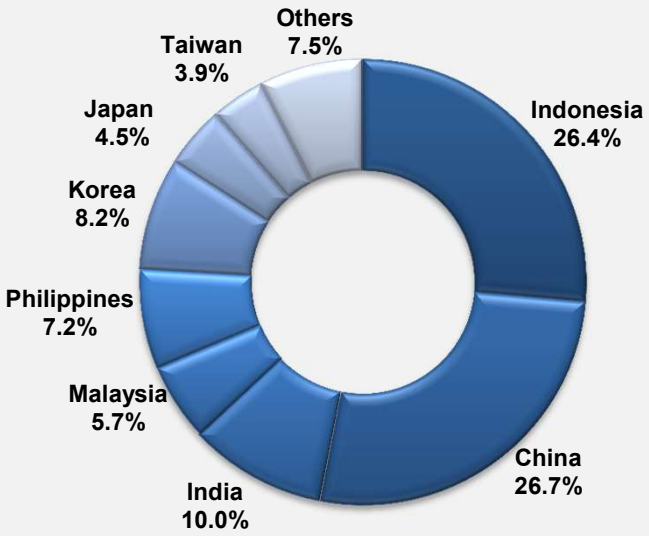



| | Roto North | Roto South | Roto Middle | Samarangau | Susubang | Total |
|---|---|---|---|---|---|---|
| OB | 7.0 | 78.2 | 20.5 | 86.5 | 3.6 | 195.9 |
| Production | 1.2 | 10.1 | 2.4 | 17.8 | 0.5 | 32.0 |
| SR | 5.9 | 7.8 | 8.5 | 4.8 | 7.5 | 6.1 |

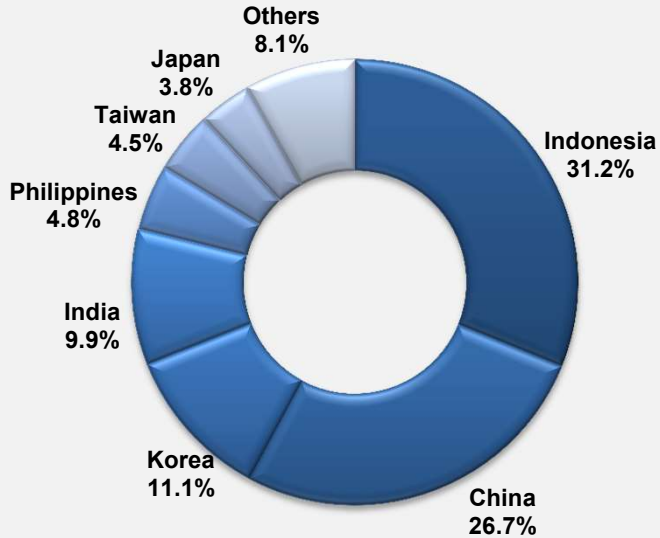
# Kideco Sales by Destination

**Strong presence in traditional & new market and strong customer based – mostly power plant**

**FY16 – Total Sales Volume: 32.5mn tons**




**FY17 – Total Sales Volume: 31.5mn ton**




**Customers**:
TNBJ, Suralaya, Jawa Power, CEP, Ming Sheng, Kepco, PEC, Minmetal, OPG, Aboitiz, etc.

**Customers**:
Jawa Power, CEP, Suralaya, JPU, Taipower, Aboitiz, TNBJ, CLP. SCGT and others.

# Santan Batubara

Petrosea owns 50% of Santan, the third-generation Coal Contract of Work with 24,930 Ha concession in East Kalimantan and valid through 2038

Petrosea engages coal mining services and Harum Energy who owns other 50% stake in Santan, engages coal marketing services

Santan engages in surface open-cut mining since April 2009

JORC resources as of March 2011 at 61.5 mt and reserves at 17.3 mt

Non-JORC resources as of March 2011 at 222.2 mt and reserves at 100.7 mt

Hauling distance from Separi Pit : 35 km
Hauling distance from Uskap Pit : 56 km

Transshipment distance from Muara Jawa : 123.2 km
Transshipment distance from Muara Berau : 227.8 km

As of 2Q14 Santan has temporarily suspended production due to curretnt market conditions



# Multi Tambangjaya Utama



Central and South Kalimantan

MUTU is a bituminous thermal and coking coal producer based in Central Kalimantan, holding a third generation CCOW expiring in 2039.

Mine is located about 30km northeast of Ampah City and about 250km north of Banjarmasin, the capital of South Kalimantan.

Hauling road : 63 km & barging : 290 km.

The concession covers an area of 24,970 ha located in Barito Selatan, Barito Timur and Barito Utara, Central Kalimantan.

MUTU has developed infrastructure and logistics which includes haul roads, a conveyor jetty, crusher and barge port.

The mine has obtained all necessary permits and licenses to produce, but management decided to defer production to review the min plan going forward considering current market conditions.




# ENERGY SERVICES

Tripatra & Subsidiaries
Petrosea

# Tripatra has 40 years track record in the energy services

- Established in 1973
- Multi-discipline engineering / EPC and project capabilities
- Well-established track record with highly rated multinational companies
- Long-term relationships with key customers including Chevron, Exxon Mobil and HESS
- Leading EPC and O&M services company with the large workforce of engineers in Indonesia



# Tripatra's subsidiaries

## PT Cotrans Asia

- Establish in June 2004, Tripatra has 45% equity interest in Cotrans
- Cotrans provides offshore coal transportation and transshipment services to any transshipment point in Adang Bay. It also provides floating crane facility to gearless vessels
- Tug-boat : 21 units & Barge : 23 units



## PT Sea Bridge Shipping

- Establish in October 2008 Started (commercial operation in March 2009), Tripatra has 46% equity interest in Sea Bridge Shipping (SBS)
- SBS provides domestic coal transshipment service for Kideco (Cabotage Regulation)
- FLF : 2 units & F/C 2 units



# Tripatra's Backlog in FY2017

USD mn

| Descriptions | Remaining Contract Value | New Contract/ Adjustment Value in 2017 | Revenue Recognition | Remaining Contract Value |
|---|---|---|---|---|
| | Per 31 Dec 2016 | | Period ended 31 Dec 2017 | Per 31 Dec 2017 |
| Tripatra Engineers & Constructors | 761.6 | 52.6 | 249.9 | 564.3 |
| Tripatra Engineering | 49.4 | 14.5 | 27.0 | 36.9 |
| **Total** | **811.0** | **67.1** | **276.9** | **601.2** |

# Petrosea



- Petrosea is a multi-disciplinary engineering, construction and mining company with a track record of achievement in Indonesia since 1972
- Today, Petrosea is recognised as one of Indonesia's leading engineering and construction contractors
- Petrosea's strategy is to be an Indonesian mining house which will provide a complete mining solution (from Pit to Port – PTP) delivering enhanced margin and return on assets through integrated capability

# Petrosea's Backlog in FY2017

USD mn

| Descriptions | Remaining Contract Value | New Contract/ Adjustment Value in 2017 | Revenue Recognition | Remaining Contract Value |
|---|---|---|---|---|
| | Per 31 Dec 2016 | | Period ended 31 Dec 2017 | Per 31 Dec 2017 |
| Contract mining | 658.6 | 6.4 | 177.8 | 487.2 |
| E&C | 100.5 | 119.6 | 80.0 | 140.1 |
| POSB | 59.9 | 26.6 | 17.6 | 68.9 |
| **Total** | **819.0** | **152.6** | **275.4** | **696.2** |

** Early termination of ABN contract*

# Petrosea Offshore Supply Base

**FACILITIES:**

- Quay (inner : 4-6 meters & outer 5-8 meters water depth)
- Storage:
  - Undercover (13,500 square meters) & Open (80,000 square meters)
  - Oil (4,000 cubic meters) & diesel (3,000 cubic meters)
  - Barite silos (8,000 cubic feet) & cement silos (5,000 cubic feet)
  - Drill water (100 cubic meters/hour – delivery rate)
  - Fresh water (80 cubic meters/hour – delivery rate)
  - Tubular (250-plus racks)
- Area:
  - Cargo marshalling area
  - Chemical drum containment area
- Building:
  - Fully serviced offices
  - Machine & workshop facilities
- Helipad & Roro
- A 250 LCT which connects the POSB to Balikpapan
- Incinerator
- All power is generated on site with a 1.5 Mega power house

**EQUIPMENT**:

- 8 various type Cranes
- 9 various type Fork lifts
- 4 prime mover and trailers

**HIGH QUALITY CLIENTELE:**

Chevron, Total, ExxonMobil, Eni, Halliburton, M-I SWACO






# ENERGY INFRASTRUCTURE

Mitrabahtera Segara Sejati
Cirebon Electric Power

# Mitrabahtera Segara Sejati

MBSS is an integrated coal transport and logistics (one-stop-solution) service company incorporated in 1994. Since 1998 MBSS has shown its commitment to customers by being the first company in Indonesia to sign a contract with a dispatch and demurrage provision clause, thus exhibits a reliable service in terms of punctuality.

| Material Handling | Barging | Transshipment |
|---|---|---|
| The operations cover: crushing, screening, quality control, stockpile management, dan conveyor system operation. | Transport from loading port to anchorage for transshipment and transport from loading port to unloading port (direct barging) | Transfer of coal from barge to mother vessel which can be executed in 2 ways: stevedoring (transfer of coal by using geared vessel) and intermediate facilities (floating cranes) |
|  |  |  |

- ✓ A leading integrated one stop solutions of coal transportation that provides services from coal handling management, port management and operations, barging and transshipment
- ✓ Operational excellence: with the advanced technologies and robust underlying business process enables MBSS to optimize cost control and crew managements that lead to higher productivity and higher return (Fuel Optimalization System, GPS System, Performance Based System)
- ✓ With diversified customer base, MBSS has increased flexibility for its fleet slot allocation, thereby improving utilization and minimizing idle fleet capacity

# MBSS' Backlog in FY017

USD mn

| Clients | Remaining Contract Value | New Contract/ Adjustment Value in 2017 | Revenue Recognition | Remaining Contract Value |
|---|---|---|---|---|
| | Per 31 Dec 2016 | | Period ended 31 Dec 2017 | Per 31 Dec 2017 |
| Barging | 27.1 | 62.9 | 49.9 | 40.1 |
| Floating Crane | 49.4 | -2.4 | 19.2 | 27.8 |
| **Total** | **76.5** | **60.5** | **69.1** | **67.9** |

# Large Fleet of Vessels

| | As of Dec 31, 2016 | Additional up to Dec 31, 2017 |
|---|---|---|
| **Barges** |  | |
| | 75 | -6 |
| | **Total** | **69** |
| **Tug** |  | |
| | 86 | -5 |
| | **Total** | **81** |
| **Support Vessel** |  | |
| | 1 | 0 |
| | **Total** | **1** |
| **Floating Crane** |  | |
| | 4 | 0 |
| | **Total** | **4** |

# Cirebon Electric Power (1)

| | |
|---|---|
| Location | Cirebon, Java |
| Capacity | 1x660MW |
| Shareholding | Marubeni Corp.: 32.5%<br>KOMIPO Co.: 27.5%<br>Samtan Co.: 20.0%<br>Indika Energy: 20.0% |
| Off-taker | PLN |
| Power Purchase Agreement | 30 Years |
| Tariff | USD0.0443/kwh* |
| Commercial Operation Date | 27 July 2012 |
| Sources of Coal | Kideco : 1.85 mn tons p.a<br>Other : 1.0 mn tons p.a |



* Coal is passed through to PLN.

# Cirebon Electric Power (2)

## CEP Performance in FY17

**Availability Factor**

- Projected Availability Factor (AFpm) FY2017 = 80%
- Actual Availability Factor (billing/AFa) FY17 = 78.8%

**Production**

- Energy Generated Gross = 4,392,324 MWh
- Electric Energy Exported = 4,041,044 MWh

**Net Income**

- CEP's net income in 2017 is US$34.9 million
- Indika portion (20%) in 9M2017 is US$7.0 million

**Cash Return Distribution**

- Indika received US$5.4 million which distributed in April and Sept 2017

**Coal Consumption**

- Total coal consumption in 2017 is 2,224,802 tons which delivered by Kideco 1,467,950 tons.

# Cirebon Electric Power (3)

## Cirebon Power Expansion, 1 x 1,000 MW Coal Fired Power Plant

- On October 23, 2015, CEPR (PT Cirebon Energi Prasarana), in which Indika has a 25% stake through PEC (PT Prasarana Energi Cirebon), signed a 25-year Power Purchase Agreement (PPA) with PT PLN (Persero).

- Project Sponsors:
  - Marubeni Corp. : 35%
  - Indika Energy : 25%
  - Samtan Co. : 20%
  - KOMIPO Co. : 10%
  - Chubu Electric Power Co : 10%

- In August 2017, Indika Energy transfer its right of participation interest to the ultimate shareholder of Indika Energy. Effectively, Indika Energy owns 6.25% in CEPR
- The project will be funded non-recourse project financing by JBIC – KEXIM  NEXIS covered. The financial closing was in Nov 2017.
- The CEPR has started the construction and trying to achieve Commercial Operation Date in 51 months

# Content


- **FY17 Highlight**
- **2018 Outlook**
- **Business Review** **37**
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  - Energy Services 50
  - Energy Infrastructure 57
- **Appendix** **65**

# Appendix

# Kideco's Financial and Operating Highlights (1)

| Descriptions (USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| Sales | 1,633.0 | 1,247.8 | 1,658.2 | 2,059.4 |
| Gross profit | 527.8 | 180.0 | 281.3 | 328.3 |
| Operating profit | 496.4 | 155.4 | 253.6 | 295.6 |
| **Net income** | **277.1** | **88.6** | **138.1** | **154.4** |
| EBITDA | 526.0 | 179.7 | 281.8 | 328.7 |
| Gross margin | 32.3% | 14.4% | 17.0% | 15.9% |
| Operating margin | 30.4% | 12.5% | 15.3% | 14.4% |
| Net margin | 17.0% | 7.1% | 8.3% | 7.5% |
| EBITDA margin | 32.2% | 14.4% | 17.0% | 16.0% |
| Overburden (mn bcm) | 195.9 | 193.9 | 244.6 | 257.4 |
| Production volume (mn tons) | 32.0 | 32.1 | 39.0 | 40.3 |
| Sales volume (mn tons) | 31.5 | 32.5 | 38.6 | 40.2 |
| Stripping ratio (X) | 6.1 | 6.0 | 6.3 | 6.4 |
| Average selling price (US$/ton) | 51.9 | 38.4 | 42.9 | 51.3 |

# Kideco's Financial and Operating Highlights (2)

| Descriptions (USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| Sales | 1,633.0 | 1,247.8 | 1,658.2 | 2,059.4 |
| Gross profit | 527.8 | 180.0 | 281.3 | 328.3 |
| Operating profit | 496.4 | 155.4 | 253.6 | 295.6 |
| **Net income** | **277.1** | **88.6** | **138.1** | **154.4** |
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| Operating margin | 30.4% | 12.5% | 15.3% | 14.4% |
| Net margin | 17.0% | 7.1% | 8.3% | 7.5% |
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| Sales volume (mn tons) | 31.5 | 32.5 | 38.6 | 40.2 |
| Stripping ratio (X) | 6.1 | 6.0 | 6.3 | 6.4 |
| Average selling price (US$/ton) | 51.9 | 38.4 | 42.9 | 51.3 |

# Petrosea's Financial Highlights (1)

| Descriptions (in USD mn) | 2017 audited | 2016 audited | 2015 audited | 2014 audited |
|---|---|---|---|---|
| **Total revenues** | **259.9** | **209.4** | **206.8** | **348.0** |
| Mining | 171.3 | 114.3 | 146.3 | 294.2 |
| E&C | 70.2 | 70.1 | 26.7 | 18.2 |
| Services & others | 18.4 | 24.9 | 33.8 | 35.6 |
| **Gross profit** | **40.9** | **34.9** | **29.1** | **66.7** |
| General and administrative expenses | 19.0 | 18.8 | 19.4 | 26.5 |
| **Operating profit** | **21.9** | **16.1** | **9.7** | **40.2** |
| Share jointly-controlled entities | (0.5) | (2.2) | (1.4) | (3.9) |
| Interest income | 0.6 | 0.6 | 1.0 | 1.9 |
| Interest expenses & financial charges | 9.2 | 9.5 | 9.7 | 12.3 |
| Final tax expenses | 2.2 | 2.6 | 1.8 | 1.1 |
| Others- net | 0.1 | (11.2) | (7.4) | (3.8) |
| Profit (Loss) Income before tax | 10.8 | (8.8) | (9.6) | 21.0 |
| Profit (Loss) for the year/period : | 8.3 | (7.8) | (12.7) | 2.4 |
| **Profit (Loss) attributable to owners of the company** | **8.2** | **(7.9)** | **(12.7)** | **2.4** |
| Profit (Loss) attributable to non-controlling Interest | 0.1 | 0.1 | 0.0 | 0.0 |
| EBITDA | 69.8 | 63.8 | 60.2 | 107.5 |
| Gross margin | 15.7% | 16.7% | 14.1% | 19.2% |
| Operating margin | 8.4% | 7.7% | 4.7% | 11.6% |
| Net margin | 3.2% | -3.8% | -6.1% | 0.7% |
| EBITDA margin | 26.9% | 30.5% | 29.1% | 30.9% |

# Petrosea's Financial Highlights (2)

| Descriptions (in USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| Cash balance* | 59.6 | 67.8 | 55.0 | 66.7 |
| Current assets | 161.1 | 147.7 | 141.2 | 175.5 |
| Total assets | 436.8 | 393.4 | 425.4 | 467.7 |
| Current liabilities | 97.4 | 68.4 | 90.9 | 107.5 |
| Total debt | 147.1 | 151.5 | 178.0 | 194.2 |
| Shareholder equity | 178.5 | 170.4 | 178.3 | 192.2 |
| Current ratio (X) | 1.1 | 2.2 | 1.6 | 1.6 |
| Debt to equity (X) | 0.8 | 0.9 | 1.0 | 1.0 |
| Net debt to rquity (x)** | 0.5 | 0.5 | 0.7 | 0.7 |
| ROA | 1.9% | -2.0% | -3.0% | 0.5% |
| ROE | 4.6% | -4.6% | -7.1% | 1.2% |

** Includes other financial asset*

***Total cash balance deducted from total debt divided by shareholders equity*

# MBSS' Financial Highlights (1)

| Descriptions (USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| **Total revenues** | **68.5** | **65.8** | **89.8** | **135.3** |
| Tug & Barge | 50.4 | 47.7 | 57.4 | 94.3 |
| Transshipment | 18.1 | 18.1 | 32.3 | 41.0 |
| **Gross profit** | **2.5** | **0.9** | **15.1** | **43.4** |
| Selling and general & administrative expenses | 8.8 | 11.5 | 12.2 | 13.7 |
| **Operating profit** | **(6.2)** | **(10.6)** | **2.9** | **29.7** |
| Interest income | 0.3 | 0.2 | 0.6 | 1.0 |
| Interest expenses & financial charges | 3.7 | 3.4 | 4.2 | 4.9 |
| Loss from impairment of assets | 0.0 | 0.0 | 2.8 | (0.1) |
| Final tax expense | 0.8 | 0.8 | 1.1 | 0.0 |
| Others- net | 1.5 | (15.2) | (5.7) | (2.4) |
| Profit (Loss) Income before tax | (8.9) | (29.8) | (10.2) | 23.3 |
| Profit (Loss) for the year/period : | (8.9) | (29.8) | (10.2) | 21.7 |
| **Profit (Loss) attributable to owners of the company** | **(8.9)** | **(29.9)** | **(12.0)** | **20.2** |
| Profit (Loss) attributable to non-controlling Interest | (0.1) | 0.1 | 1.9 | 1.5 |
| EBITDA | 18.6 | 15.1 | 29.4 | 53.6 |
| Gross margin | 3.7% | 1.4% | 16.8% | 32.1% |
| Operating margin | -9.1% | -16.1% | 3.3% | 22.0% |
| Net margin | -12.9% | -45.4% | -13.4% | 15.0% |
| EBITDA margin | 27.2% | 23.0% | 32.8% | 39.7% |

# MBSS' Financial Highlights (2)

| Descriptions (USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| Cash balance* | 34.6 | 33.7 | 41.7 | 48.1 |
| Current assets | 52.8 | 56.4 | 81.5 | 95.4 |
| Total assets | 240.1 | 260.5 | 307.8 | 351.6 |
| Current liabilities | 8.8 | 43.2 | 39.0 | 38.9 |
| Total debt | 42.0 | 52.3 | 70.9 | 85.9 |
| Shareholder equity | 187.9 | 197.1 | 227.1 | 253.9 |
| Current ratio (X) | 6.0 | 1.3 | 2.1 | 2.5 |
| Debt to equity (X) | 0.2 | 0.3 | 0.3 | 0.3 |
| Net debt to equity (X)** | 0.0 | 0.1 | 0.1 | 0.1 |
| ROA | -3.7% | -11.5% | -3.9% | 5.8% |
| ROE | -4.7% | -15.2% | -5.3% | 8.0% |

** Includes restricted cash*

*** Total cash balance deducted from total debt divided by shareholders equity*

# Tripatra's Financial Highlights (1)

| Descriptions (in USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| **Total revenues** | **274.8** | **217.5** | **475.9** | **418.6** |
| **Gross profit** | **45.0** | **34.2** | **18.9** | **39.4** |
| General and administrative expenses | 15.9 | 14.9 | 15.0 | 14.6 |
| **Operating profit** | **29.1** | **19.2** | **3.9** | **24.8** |
| Equity in net earnings (loss) of associate (including amortization of goodwill) | 8.4 | 9.2 | 9.6 | 8.8 |
| Interest income | 1.5 | 1.0 | 1.3 | 2.4 |
| Interest expenses & financial charges | 0.3 | 0.4 | 0.6 | 1.0 |
| Final tax expense | 12.1 | 6.9 | 1.2 | 0.0 |
| Others- net | (0.6) | 1.1 | (5.4) | (2.2) |
| Profit (Loss) Income before tax | 26.0 | 23.3 | 7.6 | 32.8 |
| Profit (Loss) for the year/period : | | | | |
| **Profit (Loss) attributable to owners of the company** | **25.8** | **22.8** | **(5.5)** | **19.4** |
| Profit (Loss) attributable to non-controlling Interest | 0.0 | 0.0 | 0.0 | 0.0 |
| Adjusted EBITDA* | 35.2 | 28.0 | 11.5 | 39.9 |
| Gross margin | 16.4% | 15.7% | 4.0% | 9.4% |
| Operating margin | 10.6% | 8.8% | 0.8% | 5.9% |
| Net margin | 9.4% | 10.5% | -1.2% | 4.6% |
| Adj. EBITDA margin | 12.8% | 12.9% | 2.4% | 9.5% |

* *includes dividend from associates*

# Tripatra's Financial Highlights (2)

| Descriptions (in USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| Cash balance* | 152.5 | 60.3 | 39.9 | 60.7 |
| Current assets | 230.4 | 254.2 | 354.1 | 248.1 |
| Total assets | 278.6 | 307.4 | 398.6 | 318.4 |
| Current liabilities | 120.2 | 166.4 | 262.7 | 160.9 |
| Total debt | 15.0 | 62.9 | 88.6 | 24.5 |
| Shareholder equity | 152.0 | 135.7 | 119.9 | 138.5 |
| Current ratio | 1.9 | 1.5 | 1.3 | 1.5 |
| Debt to equity | 0.1 | 0.5 | 0.7 | 0.2 |
| Net debt to equity** | (0.9) | 0.0 | 0.4 | (0.3) |
| ROA | 9.3% | 7.4% | -1.4% | 6.1% |
| ROE | 17.0% | 16.8% | -4.6% | 14.0% |

* *includes restricted cash*

** *total cash balance deducted from total debt devided by shareholder equity*

# CEP's Financial Highlights (1)

| Descriptions (USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| Sales | 245.7 | 229.6 | 261.9 | 254.1 |
| Gross profit | 91.4 | 98.4 | 109.9 | 90.7 |
| Operating profit | 86.6 | 93.0 | 104.2 | 84.1 |
| **Net income** | **34.9** | **99.2** | **38.9** | **22.5** |
| EBITDA | 89.9 | 96.0 | 106.8 | 84.4 |
| Gross margin | 34.3% | 42.8% | 42.0% | 35.7% |
| Operating margin | 31.9% | 40.5% | 39.8% | 33.1% |
| Net margin | 9.7% | 43.2% | 14.8% | 8.8% |
| EBITDA margin | 33.6% | 41.8% | 40.8% | 33.2% |

# CEP's Financial Highlights (2)

| Descriptions (USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| Cash balance* | 76.8 | 71.7 | 73.5 | 49.7 |
| Current assets | 188.8 | 144.0 | 180.4 | 161.1 |
| Total assets | 841.1 | 854.7 | 875.9 | 893.3 |
| Current liabilities | 127.8 | 96.3 | 131.1 | 139.3 |
| Debt | 452.2 | 507.6 | 588.3 | 653.8 |
| Total equity | 331.7 | 291.2 | 187.9 | 143.6 |
| Current ratio (X) | 1.5 | 1.5 | 1.4 | 1.2 |
| Debt to Equity (X) | 1.4 | 1.7 | 3.1 | 4.6 |
| Net Debt to Equity (X) | 1.1 | 1.5 | 2.7 | 4.2 |
| ROA | 4.2% | 11.6% | 4.4% | 2.5% |
| ROE | 10.5% | 34.1% | 20.7% | 15.6% |

* *includes restricted cash*

# Indika Energy's Financial Highlights (1)

| Descriptions (in USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| **Total revenues** | **1,098.8** | **775.2** | **1,097.3** | **1,109.5** |
| Tripatra | 274.8 | 217.3 | 475.1 | 417.7 |
| Petrosea | 254.3 | 208.9 | 206.8 | 347.9 |
| MBSS | 67.1 | 65.3 | 89.8 | 134.1 |
| IIR | 319.8 | 216.7 | 263.4 | 143.0 |
| Kideco | 110.5 | 0.0 | 0.0 | 0.0 |
| Others | 72.2 | 67.0 | 62.2 | 66.8 |
| **Gross profit** | **122.9** | **88.7** | **88.3** | **161.0** |
| General and administrative expenses | 88.8 | 98.8 | 103.8 | 132.3 |
| **Operating profit** | **34.1** | **(10.1)** | **(15.4)** | **28.8** |
| Equity in net profit of associates & jointly-controlled entities | 136.2 | 59.5 | 72.6 | 73.5 |
| Investment income | 9.0 | 5.0 | 9.8 | 10.9 |
| Finance cost | 76.9 | 60.4 | 71.5 | 69.4 |
| Amortization of intangible assets | 18.0 | 26.0 | 35.2 | 36.6 |
| Impairment of assets | 170.4 | 30.3 | 57.2 | 0.0 |
| Gain on revaluations | 384.2 | 0.0 | 0.0 | 0.0 |
| Others- net | 17.8 | (41.7) | 24.6 | (9.5) |
| Final tax | 15.9 | 11.0 | 15.6 | 15.8 |
| **Profit (Loss) Income before tax** | **300.1** | **(115.0)** | **(87.9)** | **(18.2)** |
| Profit (Loss) for the year/period : | 321.6 | (104.2) | (76.8) | (30.6) |
| **Profit (Loss) attributable to owners of the company** | **335.4** | **(67.6)** | **(44.6)** | **(27.6)** |
| Profit (Loss) attributable to non-controlling Interest | (13.8) | (36.6) | (32.3) | (3.0) |
| Adjusted EBITDA | 291.5 | 155.7 | 192.0 | 231.8 |
| Core Profit of the Company | 94.5 | (43.3) | (38.7) | (11.0) |
| Gross margin | 11.2% | 11.4% | 8.0% | 14.5% |
| Operating margin | 3.1% | -1.3% | -1.4% | 2.6% |
| Net margin | 30.5% | -8.7% | -4.1% | -2.5% |
| Adjusted EBITDA Margin | 26.5% | 20.1% | 17.5% | 20.9% |

# Indika Energy's Financial Highlights (2)

| Descriptions (in USD mn) | 2017 *audited* | 2016 *audited* | 2015 *audited* | 2014 *audited* |
|---|---|---|---|---|
| Cash balance* | 729.0 | 311.9 | 339.4 | 411.1 |
| Current assets | 1,353.8 | 667.4 | 827.3 | 831.4 |
| Total assets | 3,635.7 | 1,822.3 | 2,150.4 | 2,290.3 |
| Current liabilities | 659.5 | 313.0 | 505.6 | 396.7 |
| Total net interest bearing debt** | 1,440.2 | 806.0 | 976.8 | 1,025.7 |
| Shareholder equity | 1,115.0 | 741.1 | 831.5 | 913.9 |
| Current ratio (X) | 2.1 | 2.1 | 1.6 | 2.1 |
| Debt to equity (X) | 1.3 | 1.1 | 1.2 | 1.1 |
| Net debt to equity (X)*** | 0.6 | 0.7 | 0.8 | 0.7 |
| ROA | 9.2% | -3.7% | -2.1% | -1.2% |
| ROE | 30.1% | -9.1% | -5.4% | -3.0% |

* *includes restricted cash*

** *includes unamortized bond issuance costs*

*** *total cash balance deducted from total debt devided by shareholder equity*

# Fast facts

# Indika Energy, Indonesia's leading fully integrated energy company

PT Indika Energy Tbk.

## 1 Energy Resources

- KIDECO
  - 3rd largest coal producer
  - Resources 1,375.0 MT, reserves 422.0 MT
  - 91.0% ownership as of 6 Dec. 2017
- MUTU (MULTI TAMBANGJAYA UTAMA)
  - Bituminous thermal & coking coal
  - Resources 75.2 MT, reserves 40.6 MT
  - 85.0% ownership
- INDIKA TRADING
  - Coal trading, ~7.0 MT volume
- SANTAN BATUBARA
  - 35.0% ownership
  - Bituminous, sub-bituminous and thermal coal reserves

## 2 Energy Services

- TRIPATRA
  - Established since 1973
  - Leading EPC and O&M services in oil & gas
  - 100% ownership
- PETROSEA
  - Established since 1972
  - Coal contract mining and E&C capabilities in mining and oil and gas
  - 69.8% ownership

## 3 Energy Infrastructure

- mbss
  - Transshipment and water transportation
  - 51.0% ownership
- CIREBON ELECTRIC POWER
  - 20.0% owned 660MW, enviro-friendly supercritical technology
  - 6.25% owned 1000MW expansion , ultra supercritical technology
- PETROSEA

  *Offshore Supply Base*
  - Pusat Logistik Berikat in Balikpapan
  - Logistic base for offshore operations
- INDIKA LOGISTICS, KPI
  - 100% owned, integrated logistic services
  - Port Business Entity license to operate and provide port and logistic services at all Indonesia major ports

*Companies within Indika Energy Group mentioned on this slide are non-exhaustive

# Indika Energy Group companies cover end-to-end coal business value chain

A well-integrated energy platform across the entire value chain

**Energy resources**



- Identification / acquisition of assets — INDIKA ENERGY, KIDECO, MUTU
- Exploration — INDIKA ENERGY
- Economic and feasibility study — PETROSEA

**Energy services**



- Engineering and construction — PETROSEA, TRIPATRA
- Production — PETROSEA
- Processing — PETROSEA

**Energy infrastructure**



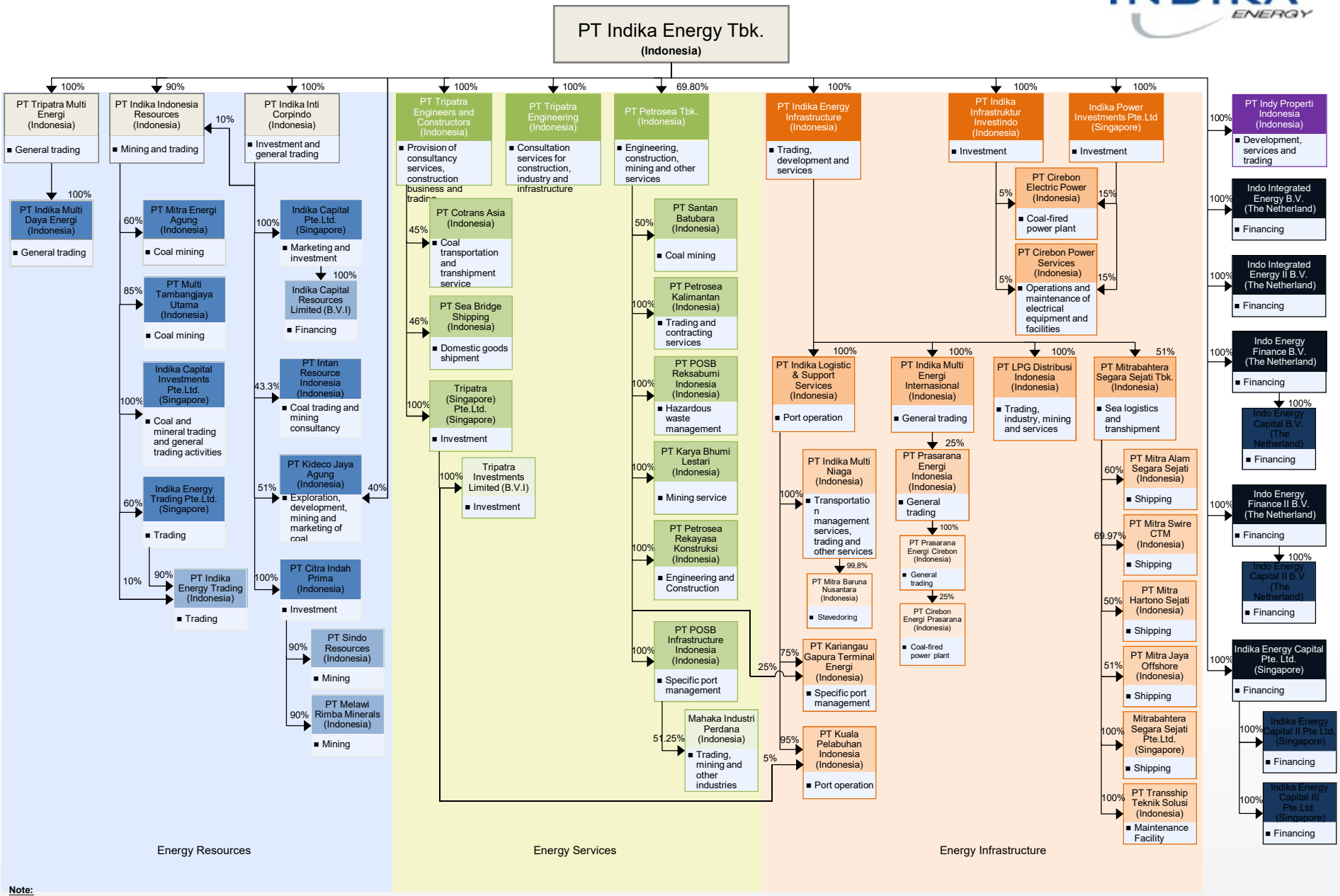
- Land transportation — PETROSEA
- Barging — mbss
- Loading / transshipment — mbss



- Power generation — CIREBON ELECTRIC POWER
- Offtake sales — INDIKA ENERGY

- Operational synergies from intra-group cross-selling opportunities
  - part of Kideco's overburden removal, coal barging and transshipment services outsourced to Petrosea and MBSS
  - Kideco contracted to provide 1.9mt of coal per year to CEP
  - discussion underway amongst MUTU, Petrosea and MBSS for the provision of overburden removal, coal barging and transshipment services
- Cost synergies from integrated operations - work-share and knowledge-share amongst Tripatra, Petrosea and MBSS
- Increasingly stable earnings and cashflow from continued diversification

# Corporate Structure




**Note:**
* 100% share ownership of Indonesian limited liability company (PT) held by 2 shareholders both of which are PT Indika Energy Tbk. and or its subsidiaries.

# Notes Outstanding

The Senior Notes are rated:

Moody's: Ba 3
Outlook Stable (as of Dec. 2017)

Fitch Ratings: B + / Positive Outlook
International Ratings (as of Dec. 2017)

A / Positive Outlook
National Ratings (as of Dec. 2017)

**Indo Energy Finance II B.V.**

USD500.0 mn
6.375% 10-year Senior Notes
Reg S / 144A
due 2023

January 2013

**Indo Energy Capital II Pte. Ltd.**

USD265.0 mn
6.875% 5-year Senior Notes
Reg S / 144A
due 2022

April 2017

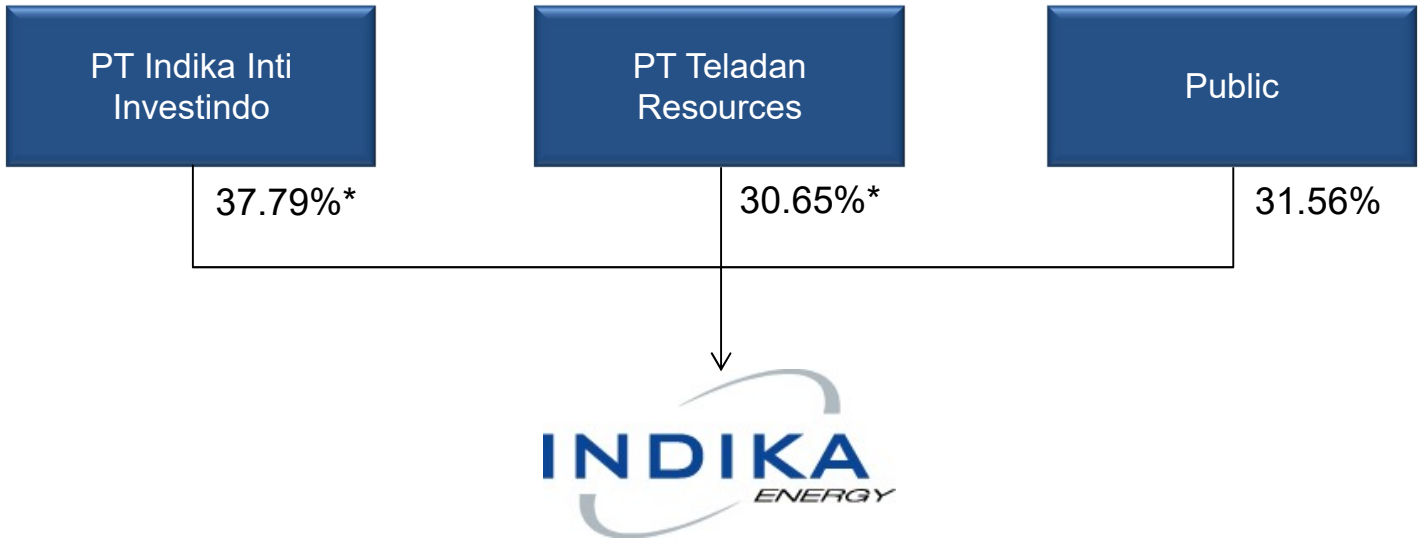
**Indo Energy Capital III Pte. Ltd.**

USD575.0 mn
5.875% 7-year Senior Notes
Reg S / 144A
due 2024

November 2017

*Subsequent to a tender offer to repurchase $128 .6 mm of principal amount in December 2015

# INDY shareholding structure




PT Indika Energy Tbk. (INDY) listed in the Indonesia Stock Exchange on June 11, 2008

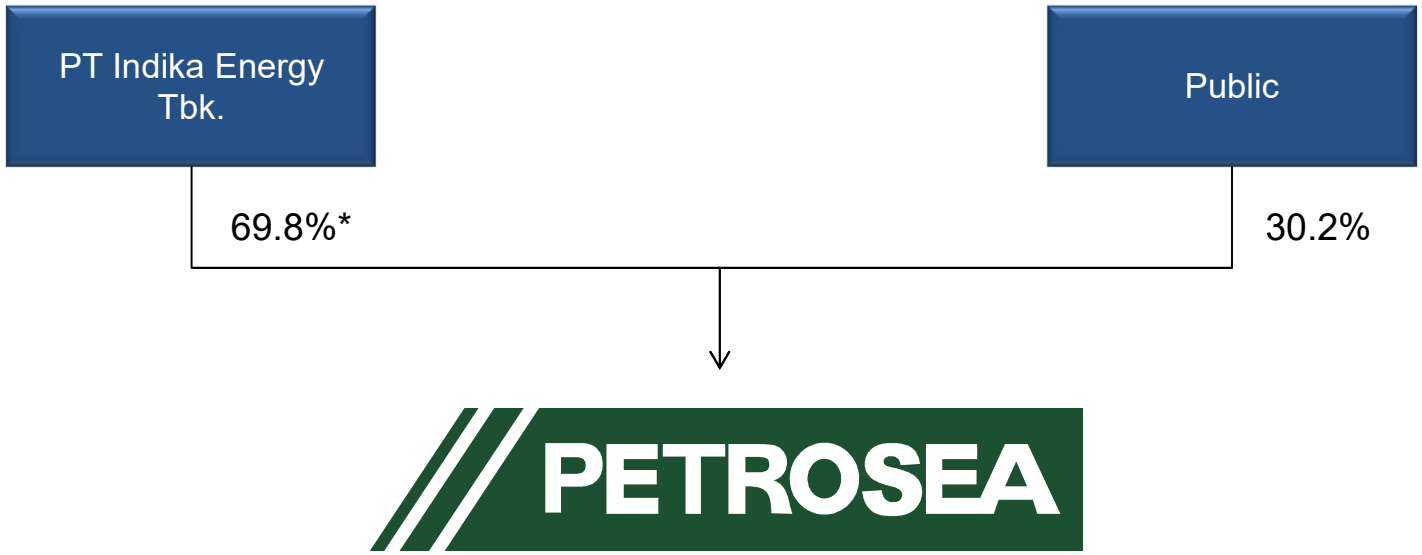
Number of shares: 5,210,192,000

Part of IDX's LQ 45 Index and MSCI Indonesia Index

Market Cap. as of 29 Dec. 2017 – IDR15,9 trillion (USD1,177.5 million)**

* As of Dec 6, 2017
** Bloomberg IDR3.060,0/share; BI: IDR13.539,5/USD

# PTRO shareholding structure



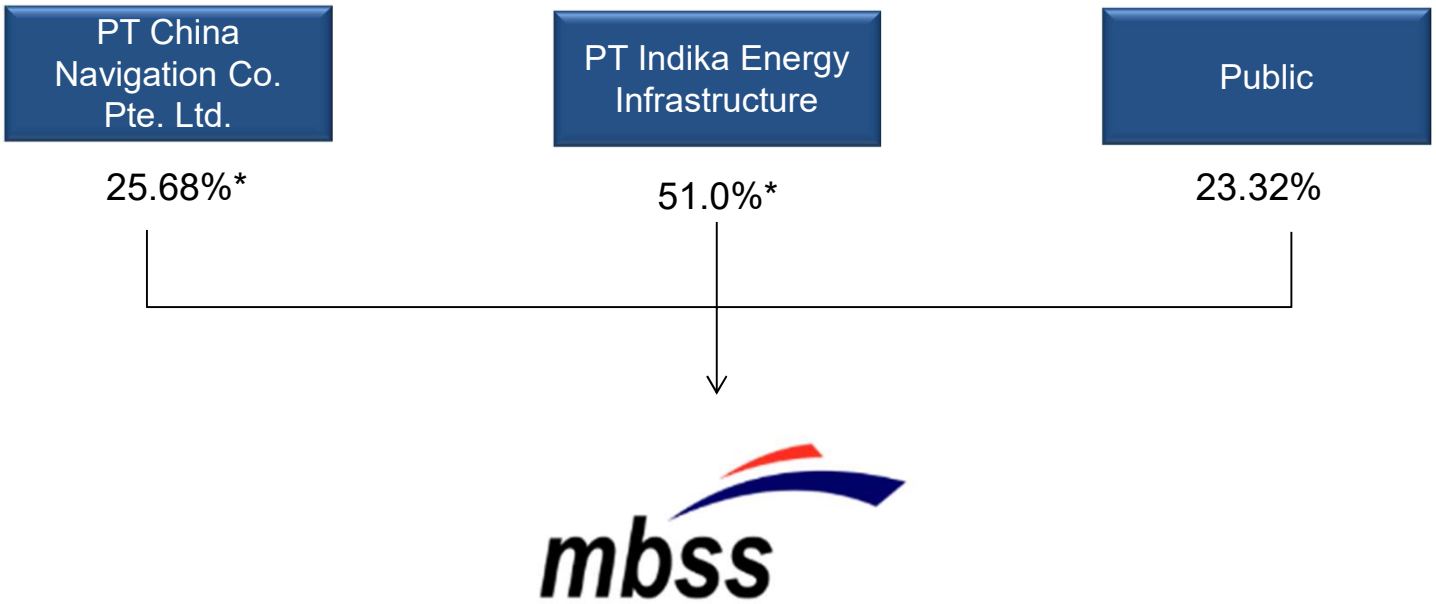

PT Petrosea Tbk. (PTRO) listed in the Indonesia Stock Exchange on May 21, 1990

Number of shares: 1,008,605,000**

Market Cap. as of 29 Dec. 2017 – IDR1.7 trillion (USD123.7 million)***

* Since February 09, 2012 (Indika Energy completed Petrosea refloating)
** Since March 06, 2012 (Petrosea stock split 1:10)
*** Bloomberg IDR1.660,0/share; BI: IDR13.539,5/USD

# MBSS shareholding structure




PT Mitrabahtera Segara Sejati Tbk. (MBSS) listed in the Indonesia Stock Exchange on April 06, 2011

Number of shares: 1,750,026,639

Market Cap. as of 29 Dec. 2017 – IDR1,0 trillion (USD76.3 million)**

* Since March 31, 2015
** Bloomberg IDR590.0/share, BI: IDR13.539,5/USD

# THANK YOU

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