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## FOR IMMEDIATE DISTRIBUTION

27 April 2017

### INDIKA ENERGY RESULTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

Jakarta - PT Indika Energy Tbk. (IDX: INDY) Indonesia's leading integrated energy company, reported its unaudited financial statements for the 3-months ended March 31, 2017.

- **Revenues of US\$222.5 million increased 14.1% yoy** from US\$195.1 million reported in 1Q16 due mainly to higher revenue contribution from Petrosea and coal trading.
- **Gross profit inclined 35.2% yoy to US\$28.3 million** from US\$20.9 million reported in 1Q16.
- **The company reported a US\$8.5 million operating income** as compared to a US\$6.4 million operating loss in 1Q16.
- **Equity in Net Profit of Associates and Jointly Controlled Entities increased by 112.6% to US\$35.6 million** mainly as a result of the higher earnings contribution from PT Kideco Jaya Agung ("Kideco"). Kideco's reported unaudited net profit of US\$76.2 million (148.3% yoy) as a result of increased in the average selling prices.
- **The company registered a US\$22.1 million Profit Attributable to Owners of the Company** vs a US\$4.9 million loss in 1Q16.
- **Adjusted EBITDA (LTM) was US\$130.6 million** for the period ending March 31, 2017
- **Cash and Other Financial Assets reported were US\$297.8 million.**
- **Capex realization spending during 1Q17 increased 137.4% to US\$8.5 million** from US\$3.1 million reported in 1Q16

#### PT Indika Energy Tbk.

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## PT Indika Energy Tbk.

Descriptions (in USD mn)	1Q16 unaudited	1Q17 unaudited	Changes YoY
<b>Total revenues</b>	<b>195.1</b>	<b>222.5</b>	<b>14.1%</b>
Tripatra	75.7	70.3	-7.1%
Petrosea	42.1	58.5	38.9%
MBSS	18.3	15.6	-14.9%
Coal trading	42.3	60.6	43.2%
Others	16.5	17.5	6.1%
<b>Gross profit</b>	<b>20.9</b>	<b>28.3</b>	<b>35.2%</b>
General and administrative expenses	27.3	19.7	-27.7%
<b>Operating profit</b>	<b>(6.4)</b>	<b>8.5</b>	<b>233.9%</b>
Equity in net profit of associates & jointly-controlled entities	16.7	35.6	112.6%
Investment income	1.3	0.8	-40.6%
Finance cost	15.8	19.2	21.2%
Amortization of intangible assets	6.4	1.8	72.8%
Others- net	2.7	0.0	-99.3%
Final tax	2.9	3.4	-17.9%
<b>Loss Income before tax</b>	<b>(10.7)</b>	<b>20.6</b>	<b>292.9%</b>
Loss for the year/period :	(8.1)	20.2	350.4%
<b>Loss attributable to owners of the company</b>	<b>(4.9)</b>	<b>22.1</b>	<b>554.5%</b>
Loss attributable to non-controlling Interest	(3.2)	(1.8)	42.6%
Adjusted EBITDA	53.6	28.5	-46.9%
LTM - Adjusted EBITDA*	210.8	130.6	-38.1%
Gross margin	10.7%	12.7%	
Operating margin	-3.3%	3.8%	
Net margin	-2.5%	9.9%	
Adjusted EBITDA Margin	27.5%	12.8%	
LTM - Adjusted EBITDA margin	21.6%	16.3%	

\* Includes dividends from associates (last twelve months period ended 31 Mar. 2017)

**The company's 1Q17 Revenues increased 14.1% yoy to US\$222.5 million as a result of:**

- a) **Lower Revenues from Tripatra (-7.1%, US\$75.7 million yoy) to US\$70.3 million**, mostly driven by the following EPC projects: 1) Pertamina-Medco E&P Tomori Sulawesi US\$0.1 million in 1Q17 vs. US\$10.1 million in 1Q16; 2) Eni Muara Bakau US\$25.3 million in 1Q17 vs. US\$25.7 million in 1Q16; 3) Exxon Mobil Cepu US\$3.6 million in 1Q17 vs. US\$34.2 in 1Q16 million. On the other hand, the new project, BP Tangguh which awarded in 2016, started generating revenues of US\$34.4 million in 1Q17.

- b) **Revenue from Coal trading business and coal sales increased 43.3% yoy to US\$60.6 million in 1Q17** on 1.5 million MT coal from US\$42.3 million in 1Q16. The higher revenue contribution from coal trading business mainly due to higher coal prices. At the same time, MUTU started production and shipped 7,000 MT of coal value US\$ 0.6 million in 1Q17.
- c) **Petrosea's Revenues +38.6% yoy to US\$58.5 million in 1Q17** primarily as a result of higher contributions from contract mining (78.5% yoy from US\$20.4 million to US\$36.3 million). Overburden removal volume inclined 57.6% yoy from 11.0 million BCM in 1Q16 to 17.3 million BCM in 1Q17 mainly contribution from new contracts from BMB and higher volume from Tabang, IAC and ANZ in 1Q17. Revenue from E&C increased 12.1% yoy to US\$16.8 million in 1Q17 compared US\$ 15.0 million in 1Q16. On the other hand, Petrosea Offshore Supply Base ("POSB") revenue decreased 22.1% yoy to US\$5.3 million in 1Q17.
- d) **MBSS' 1Q17 Revenues declined 14.8% yoy to US\$15.6 million** from US\$18.3 million in 1Q16 mainly due to lower coal volume transported by floating crane (-31.4% yoy from 3.5 Mt in 1Q16 to 2.4 Mt in 1Q17 and lower barging volumes (-20.2% yoy from 6.1 Mt in 1Q16 to 4.9 Mt in 1Q17).

**Gross Profit increased to US\$28.3 million in 1Q17**, up 35.2% yoy from US\$20.9 million reported in the same period last year, gross margin slightly increased from 10.7% to 12.7%.

**General and Administrative expenses decreased 27.7% yoy from US\$27.3 million in 1Q16 to US\$19.7 million in 1Q17** mainly due to company's cost saving initiatives and shifting partial depreciation cost to cost of sales in 2017 in relation to MUTU started its production activity.

**Equity in Net Profit of Associates & Jointly Controlled Entities increased 112.6% from US\$16.7 million in 1Q16 to US\$35.6 million in 1Q17** mainly due to higher earnings contribution from Kideco which increased 169.1% yoy Indika portion US\$33.3million.

**Finance Costs increased to US\$19.2 million (21.2%yoy) in 1Q17.** The higher finance cost in 1Q17 was contributed by acceleration of amortization of bonds issuance cost on Senior Notes 2018 amounting to US\$ 5.0 million.

**The company registered Profit Attributable to the Owners of the Company in the amount of US\$22.1 million in 1Q17**, significant improvement compared to Loss Attributable to the Owners of the Company in the amount of US\$4.9 million in 1Q16.

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Descriptions (in USD mn)	1Q16 unaudited	1Q17 unaudited	Changes YoY
Cash balance*	396.4	297.8	-24.9%
Current assets	887.1	721.9	-18.6%
Total assets	2,133.5	1,899.1	-11.0%
Current liabilities	499.6	368.6	-26.2%
Total net interest bearing debt**	989.9	788.9	-20.3%
Shareholder equity	822.7	764.3	-7.1%
Current ratio (X)	1.8	2.0	
Debt to equity (X)	1.1	1.0	
Net debt to equity (X)***	0.7	0.6	

\* includes restricted cash

\*\* includes unamortized bond issuance costs

\*\*\* total cash balance deducted from total debt divided by shareholder equity

## PT KIDECO JAYA AGUNG

Descriptions (USD mn)	1Q16 unaudited	1Q17 unaudited	Changes YoY
Sales	358.2	422.7	18.0%
Gross profit	60.0	144.0	140.1%
Operating profit	55.3	137.8	149.1%
<b>Net income</b>	<b>30.7</b>	<b>76.2</b>	<b>148.3%</b>
EBITDA	61.6	143.7	133.1%
Gross margin	16.7%	34.1%	
Operating margin	15.4%	32.6%	
Net margin	8.6%	18.0%	
EBITDA margin	17.2%	34.0%	
Cash balance*	152.9	138.6	-9.4%
Current assets	398.4	448.6	12.6%
Total assets	554.2	582.4	5.1%
Debt	0.0	0.0	0.0%
Current liabilities	315.2	239.6	-24.0%
Total equity	222.7	321.8	44.5%
ROA*	22.2%	22.2%	
ROE*	55.1%	55.1%	

\* includes restricted time deposit

**Kideco's Revenues increased 18.0% to US\$422.7 million in 1Q17.** Kideco reported lower coal sales volume 8.5 Mt from 9.5 Mt in 1Q16 and but with higher ASP of US\$49.6 per ton. At the same time, cash

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cost excluding royalty improved from US\$29.8/Ton to US\$25.8/Mt primarily as a result of lower stripping ratio and improve contract mining .

Descriptions (USD mn)	1Q16 unaudited	1Q17 unaudited	Changes YoY
Overburden (mn bcm)	44.3	43.0	-2.9%
Production volume (Mt)	8.4	7.9	-5.5%
Sales volume (Mt)	9.5	8.5	-9.8%
Stripping ratio (X)	5.3	5.4	2.7%
Average selling price (US\$/ton)	37.9	49.6	30.9%

In addition to the improvement in cash cost and the significant increase in ASP in 1Q17, Kideco posted a 148.3% increased in net profit to US\$76.2 million.

## Recent Developments

- April 2017 – PT Indika Energy Tbk (“Indika Energy”) successfully launched and priced a landmark 5NC3-year bond issuance of USD265 million in aggregate principal amount with a coupon of 6.875%, and a reoffer yield 6.950%.
- April 2017, Moody’s upgraded Indika’s rating ‘B2’ from ‘CCC’ with Stable Outlook and Fitch Rating also upgraded Indika’s rating ‘B-’ from ‘Caa1’ with Stable Outlook.
- Approved dividends

Company	Net Profit 2016	Dividend Declared	Indika Energy Portion
Kideco	88,6	85,0	39,1
Cotrans	11,6	11,3	5,1
<b>Total</b>			<b>44,2</b>

**April 27, 2017, the shareholders of PT Indika Energy Tbk has approves the following during the Shareholders’ Annual General Meeting**

1. The AGM Approved Indika Energy financial statement for year ended December 31, 2016

2. The AGM approved to give the authority to Board of Commissioners of the company to appoint Public Accountant to perform audit the company financial statement for year ended December 31, 2017
3. The AGM approved changes in the Board of Commissioners and Board of Directors. The new composition of Board of Directors and Board of Commissioners are as follows:

#### **Board of Commissioners**

President Commissioners	: Agus Lasmono
Commissioners	: Richard Bruce Ness
Independent Commissioners	: Muhamad Chatib Basri
Independent Commissioners	: Boyke Wibowo Mukijat

#### **Board of Directors**

President Director	: M. Arsjad Rasjid P.M.
Director	: Azis Armand
Independent Director	: Eddy Junaedy Danu

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#### **ABOUT PT INDIKA ENERGY TBK.**

PT Indika Energy Tbk. ("Indika Energy") is Indonesia's leading integrated energy company through its strategic investments in the areas of **Energy Resources** – coal production (PT Kideco Jaya Agung, PT Santan Batubara, PT Multi Tambangjaya Utama, PT Mitra Energi Agung), **Energy Services** – EPC - oil & gas (PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC – contract mining (PT Petrosea Tbk.), and **Energy Infrastructure** – marine transportation, ports & logistics for bulk goods and natural resources (PT Mitrahahtera Segara Sejati Tbk., PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); coal-fired power plant (PT Cirebon Electric Power).

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#### **FURTHER INFORMATION**

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