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**FOR IMMEDIATE DISTRIBUTION**

30 August 2017

### **INDIKA ENERGY RESULTS FOR THE PERIOD ENDED JUNE 30, 2017**

**Jakarta** - PT Indika Energy Tbk. (IDX: INDY) Indonesia's leading integrated energy company, reported its unaudited consolidated financial statements for the six-month period ended June 30, 2017.

- **Revenues of US\$453.0 million increased 27.0% YoY** from US\$356.6 million reported in 6M16 due mainly to higher revenues contribution from Tripatra, Petrosea, and coal trading.
- **Gross profit inclined 89.3% YoY to US\$56.5 million** from US\$29.8 million reported in 6M16.
- **The company reported US\$14.2 million operating profit** as compared to a US\$17.6 million operating loss in 6M16.
- **Equity in profit of associates and jointly controlled entities increased 179.2% YoY** to US\$73.3 million from US\$26.1 million due mainly to higher earnings contribution from PT Kideco Jaya Agung ("Kideco"). Kideco reported net profit of US\$ 151.5 million (232.3% yoy) in 6M17 as a result of higher the average selling prices.
- The company registered a **US\$51.2 million profit attributable to the owners of the company** vs. a US\$22.4 million loss in 6M16.
- **Adjusted EBITDA (LTM) was US\$161.4 million for the period ending June 30, 2017.**
- **Cash and other financial assets were US\$335.2 million as of June 30, 2017.**
- **Capex realization for the period ended 6M17 was US\$24.4 million.**

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## PT Indika Energy Tbk.

Descriptions (in USD mn)	6M16 unaudited	6M17 unaudited	Changes YoY
<b>Total revenues</b>	<b>356.6</b>	<b>453.0</b>	<b>27.0%</b>
Tripatra	118.8	149.2	25.6%
Petrosea	88.6	108.5	22.4%
MBSS	33.1	32.7	-1.2%
Coal trading	83.3	129.5	55.4%
Others	32.8	33.2	1.3%
<b>Gross profit</b>	<b>29.8</b>	<b>56.5</b>	<b>89.3%</b>
General and administrative expenses	47.4	42.3	-10.9%
<b>Operating profit</b>	<b>(17.6)</b>	<b>14.2</b>	<b>-180.5%</b>
Equity in net profit of associates & jointly-controlled entities	26.2	73.3	179.2%
Investment income	2.7	2.1	-23.1%
Finance cost	31.1	33.9	9.0%
Amortization of intangible assets	12.9	3.5	-72.8%
Others- net	4.0	(0.1)	-103.1%
Final tax	6.0	6.1	2.4%
<b>Profit (Loss) Income before tax</b>	<b>(34.7)</b>	<b>45.8</b>	<b>232.3%</b>
Profit (Loss) for the year/period :	(31.0)	47.1	252.0%
<b>Profit (Loss) attributable to owners of the company</b>	<b>(22.4)</b>	<b>51.2</b>	<b>329.0%</b>
Profit (Loss) attributable to non-controlling Interest	(8.6)	(4.1)	52.6%
Adjusted EBITDA	64.9	70.6	8.8%
LTM - Adjusted EBITDA*	171.4	161.4	-5.8%
Gross margin	8.4%	12.5%	
Operating margin	-4.9%	3.1%	
Net margin	-6.3%	11.3%	
Adjusted EBITDA Margin	18.2%	15.6%	
LTM - Adjusted EBITDA margin	20.5%	18.5%	

\* Includes dividends from associates (last twelve months period ended 30 June 2017)

**The company's 1H17 Revenues increased 27.0% YoY to US\$453.0 million as result of:**

- a) **Revenues contribution from Tripatra up 25.6% to \$149.2 million from \$118.8 million in 1H16** largely driven by contribution from BP Berau, US\$75.2 million
- b) **Revenues from coal trading jumped 55.4% to US\$129.5 million** from US\$83.3 million in 6M16 is driven by higher ASP (US\$40.5/Mt in 6M17 versus US\$23.4/Mt in 6M16), with relatively stable volume 3.0 Mt coal traded.

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- c) **Petrosea's revenues increased 22.4% to US\$108.5 million in 6M17 from \$88.6 million in 6M16** mainly contributed from contract mining revenue reported at US\$68.4 million, a 64.8% inclined YoY, resulting from 52.3% improved to, 33.2mn BCM in overburden removal volume from Tabang and Kideco. However, improvement in contract mining business was negatively affected from POSB and ENC business. POSB revenue down 30.7% YoY from US\$12.7 million to US\$8.8 million reported in 6M17. Revenues from ENC business dropped by 10.2% YoY to US\$30.4 million.
- d) **MBSS' revenues slightly decreased 1.2% to US\$32.7 million** in 6M17 from US\$33.1 million in 6M16. Coal volumes transported by barging declined 12.0% to 9.9 mn tons and transshipment volumes declined 16.3% to 5.4 mn tons.

**Gross profit increased 89.3% to US\$56.5 million** from US\$29.8 million reported in 6M16 driven by higher gross profit contribution resulting from higher gross margin at the operating subsidiaries, mainly from Tripatra, Petrosea, and the coal trading business. The gross profit margin increased from 8.4% in 6M16 to 12.5% in 6M17.

**General and administrative expenses declined 10.9%** YoY from US\$47.4 million in 6M16 to US\$42.3 million in 6M17 (down US\$5.1 million) due to further cost saving initiatives across the companies.

**Equity in profit of associates & jointly controlled entities significantly increased 179.2% from US\$26.2 million in 6M16 to US\$73.3 million in 6M17** due to higher earnings derived from Kideco.

- **Kideco reported net profit of US\$151.5 million** (+232.3% YoY) on revenue of US\$808.7 million in 6M17. ASP increased 38.3% from US\$36.8 per ton in 6M16 to US\$50.9 per ton in 6M17 meanwhile sales volumes declined 7.9% from 17.3 mm tons to 15.9 mm tons due to weather condition that slowing the production and shipment.

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- **SBS** reported **net profit of US\$4.3 million** (-32.8% YoY) on revenue of US\$12.4 million (-13.9% YoY) in 6M17. Total coal volume in 6M17 dropped to 6.1 Mt versus 7.3Mt in 6M16. **Cotrans** reported **net profit of US\$6.2 million** (+72.2% YoY) on revenue of US\$30.8 million (-0.3% YoY) in 6M17. Total transported coal volume decreased to 14.1 Mt in 6M17 versus 14.7Mt in 6M16.

**Finance Costs** increased to **US\$33.9 million** in 6M17 compared to US\$31.1 million in 6M16 related to issuance cost related US\$265 million senior notes due 2022.

The company registered a **US\$51.2 million profit attributable to the owners of the company** vs. a US\$22.4 million loss in 6M16.

### PT Indika Energy Tbk

Descriptions (in USD mn)	6M16 unaudited	6M17 unaudited	Changes YoY
Cash balance*	348.8	335.2	-3.9%
Current assets	756.3	742.0	-1.9%
Total assets	1,989.4	1,914.8	-3.7%
Current liabilities	397.6	278.9	-29.9%
Total net interest bearing debt**	911.2	801.4	-12.0%
Shareholder equity	799.6	792.9	-0.8%
Current ratio (X)	1.9	2.7	
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

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## PT Kideco Jaya Agung

Descriptions (USD mn)	1H16 audited	1H17 audited	Changes YoY
Sales	634.7	808.7	27.4%
Gross profit	95.3	287.9	202.2%
Operating profit	82.9	272.8	229.1%
<b>Net income</b>	<b>45.6</b>	<b>151.5</b>	<b>232.3%</b>
EBITDA	95.3	284.4	198.5%
Gross margin	15.0%	35.6%	
Operating margin	13.1%	33.7%	
Net margin	7.2%	18.7%	
EBITDA margin	15.0%	35.2%	
Overburden (mn bcm)	91.5	87.1	-4.9%
Production volume (Mt)	16.9	15.7	-7.2%
Sales volume (Mt)	17.3	15.9	-7.9%
Stripping ratio (X)	5.4	5.6	2.5%
Average selling price (US\$/ton)	36.8	50.9	38.3%

**Kideco's Revenues increased 27.4%** from US\$634.7 million in 6M16 to US\$808.7 million in 6M17 due to higher ASP realized. ASP increased 38.2% from US\$36.8 million per ton in 6M16 to US\$50.9 million per ton in 6M17. Sales volumes declined 7.9% from 17.3 mm tons to 15.9 mm tons.

**Cash cost including royalty** increased from US\$31.2/Mt to US\$32.0/Mt in 6M17 mainly as a result of higher stripping ratio at 5.6x in 6M17 compared to 5.4x in 6M16 and higher royalty expenses.

**Reported net profit** jumped significantly 232.3% from **US\$45.6 million in 6M16 to US\$151.5 million in 6M17.**

Descriptions (USD mn)	1H16 audited	1H17 audited	Changes YoY
Cash balance*	110.4	199.3	80.4%
Current assets	327.6	467.1	42.6%
Total assets	502.5	632.6	25.9%
Debt	0.0	0.0	
Current liabilities	215.8	232.3	7.6%
Total equity	237.6	347.2	46.1%
ROA*	18.2%	47.9%	
ROE*	38.4%	87.3%	

\* includes restricted time deposit

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### Latest Development

On 9 June 2017, Petrosea and PT Freeport Indonesia entered into an agreement for the Garsberg Wannagon Mining Services project in Sorong, Papua. The contract duration is 25 months.

On 16 June 2017, Petrosea and PT Maruwai Coal entered into an agreement for the Road, Bridge, and Earthworks Construction project in East Kalimantan. The Contract value is Rp 1.27 trillion or equivalent to US\$95.5 million with contract duration of 2 years.

On 23 June 2017, Petrosea awarded a new contract from BP Berau Ltd for Petrosea Offshore Supply Base (POSB) in Sorong, Papua. The Contract value is Rp 734 billion or equivalent to US\$55.2 million with contract duration of 8 years until August 2025.

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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 Mitrabahtera 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 and PT Cirebon Energi Prasarana).

[www.indikaenergy.co.id](http://www.indikaenergy.co.id)

### FURTHER INFORMATION

Retina Rosabai – Head of Investor Relations & Corporate Finance

Nicky Kurniawan – Senior Manager of Investor Relations & Corporate Finance

E [investor.relations@indikaenergy.co.id](mailto:investor.relations@indikaenergy.co.id)

T +62 21 2557 9888



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