

Rising coal price puts Indika Energy back in the black

JAKARTA, Publicly listed coal mining company Indika Energy is back in the black, after being in the red throughout 2016.

It recorded a consolidated operating profit of US\$8.5 million in the first quarter of 2017, marking a turnaround from a loss of \$6.4 million in same period of last year.

The income recovery was supported by an increase in first-quarter revenue to \$222.5 million, up 14 percent from \$195.1 million in the same period of last year, Indika Energy director Aziz Armand told reporters on Thursday.

“The revenue increase was supported by the increase of the global coal price, which stood at \$80.1 per ton in March,” Aziz said, adding that a reduction in the company’s general and administrative expenses by 28 percent to \$19.7 million from \$27.3 million in the same period of last year had also contributed to the positive result.

Twenty-seven percent of the revenue came from coal trading, 31.6 percent from its oil and gas engineering, procurement and construction subsidiary Tripatra, 26.3 percent from publicly listed miner Petrosea, and 7 percent from coal shipping company Mitrabahtera Segara Sejati (MBSS).

The latest figures mark a welcome financial improvement after Indika Energy recorded net losses of \$67.6 million in 2016 and \$44.6 million in 2015 as its revenue declined from \$1.09 billion in 2015 to \$775.3 million in 2016.

Source:

The Jakarta Post, <http://www.thejakartapost.com/news/2017/04/28/rising-coal-price-puts-indika-energy-back-in-the-black.html>