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27th November 2017

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

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

- **Revenues of US\$694.7 million increased 22.4% YoY** from US\$567.7 million reported in 9M16 due mainly to higher revenues contribution from Tripatra, Petrosea, and coal trading.
- **Gross profit inclined 53.3% YoY to US\$86.3 million** from US\$56.3 million reported in 9M16.
- **The company reported US\$29.4 million operating profit** as compared to a US\$14.8 million operating loss in 9M16.
- **Equity in profit of associates and jointly controlled entities jumped to US\$112.4 million** from US\$45.0 million reported in 9M16, due to higher coal sales price realized at PT Kideco Jaya Agung ("Kideco").
- **The Company reported Profit attributable to the owners of the company at US\$81.4 million** vs. Loss of US\$20.6 million over the same period last year.
- **Adjusted EBITDA (LTM) was US\$159.3 million for the period ending September 30, 2017.**
- **Cash and other financial assets at US\$394.1 million as of September 30, 2017.**

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PT Indika Energy Tbk.

| Descriptions (in USD mn) | 9M16 unaudited | 9M17 unaudited | Changes YoY |
|--|-------------------|-------------------|----------------|
| Total revenues | 567.7 | 694.7 | 22.4% |
| Tripatra | 172.9 | 212.0 | 22.6% |
| Petrosea | 148.4 | 180.7 | 21.8% |
| MBSS | 49.9 | 50.3 | 0.8% |
| Coal trading | 147.9 | 206.4 | 39.6% |
| Others | 48.7 | 45.2 | -7.1% |
| Gross profit | 56.3 | 86.3 | 53.3% |
| General and administrative expenses | 71.1 | 56.9 | -20.0% |
| Operating profit | (14.8) | 29.4 | 298.4% |
| Equity in net profit of associates & jointly-controlled entities | 45.0 | 112.4 | 150.0% |
| Investment income | 3.9 | 3.7 | -5.7% |
| Finance cost | (45.7) | (48.2) | 5.4% |
| Amortization of intangible assets | (19.3) | (5.3) | -72.8% |
| Impairment of assets | (0.9) | 0.0 | -100.0% |
| Others- net | 5.7 | 0.1 | -98.8% |
| Final tax | (8.3) | (13.1) | -57.3% |
| Profit (Loss) Income before tax | (34.5) | 79.0 | 329.2% |
| Profit (Loss) for the year/period : | (31.7) | 76.0 | 339.6% |
| Profit (Loss) attributable to owners of the company | (20.6) | 81.4 | 495.1% |
| Profit (Loss) attributable to non-controlling Interest | (11.1) | (5.3) | -52.2% |
| Adjusted EBITDA | 118.5 | 122.1 | 3.0% |
| LTM - Adjusted EBITDA* | 190.2 | 159.3 | -16.3% |
| Gross margin | 9.9% | 12.4% | |
| Operating margin | -2.6% | 4.2% | |
| Net margin | -3.6% | 11.7% | |
| Adjusted EBITDA Margin | 20.9% | 17.6% | |
| LTM - Adjusted EBITDA margin | 23.2% | 17.7% | |

* Includes dividends from associates (last twelve months period ended 30 Sept. 2017)

The company's 9M17 Revenues increased 22.4% YoY to US\$694.7 million as result of:

- a) Revenues contribution from Tripatra up 22.6% to \$212.0 million from \$172.9 million in 9M16 largely driven by contribution from BP Berau, US\$118.3 million, Eni Muara Bakau BV US\$61.6 million, and Mobil Cepu US\$10.8 million.

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- b) **Petrosea's revenues increased 21.8% to US\$180.7 million in 9M17 from \$148.4 million in 9M16** mainly from contract mining revenue reported at US\$121.5 million (+58.0% YoY) on the back of 59.5mn BCM overburden removal (+52.6% YoY) and 17.9 MT in coal getting (+186.6% YoY). However, improvement in contract mining business was negatively affected by POSB and ENC business. POSB revenue down 33.7% YoY to US\$11.7 million and ENC revenue dropped by 11.3% YoY to US\$47.5 million.
- c) **MBSS' revenues remain stable to US\$50.3 million** in 9M17. Despite coal volumes transported by barging declined 15.8% to 14.2 MT and transshipment volumes declined 27.0% to 7.0 MT, MBSS able to secure higher rate on barging and transshipment.
- d) **Revenues from coal trading improved 25.3% YoY to US\$181.1 million** from US\$144.6 million. This is driven by higher ASP (US\$33.6 per ton in 9M17 versus US\$26.7 per ton in 9M16). Coal traded was 5.4 MT in 9M17.
- e) **MUTU's revenues jumped to US\$25.3 million in 9M17 from US\$3.3 million in 9M16** on the back of higher ASP (US\$77.4 per ton in 9M17 versus US\$63.9 per ton in 9M16), and higher volume coal sales (0.3 MT in 9M17 versus 0.1 MT in 9M16)

Gross profit increased 53.3% to US\$86.3 million from US\$56.3 million reported in 9M16 driven by higher gross profit contribution resulting at the operating subsidiaries, mainly from Tripatra, Petrosea, MUTU and the coal trading business. The gross profit margin expanded from 9.9% in 9M16 to 12.4% in 9M17.

General and administrative expenses declined 20.0% YoY from US\$71.1 million in 9M16 to US\$56.9 million in 6M17 (down US\$14.2 million) of which US\$9.5 million expenses related to on-going rationalization process up to September 2017.

Equity in profit of associates & jointly controlled entities significantly increased 150.0% from US\$45.0 million in 9M16 to US\$112.4 million in 9M17 due to higher earnings derived from Kideco.

- **Kideco reported net profit of US\$229.8 million** (+318.7% YoY) on revenue of US\$1,232.9 million in 9M17 resulting from higher average coal sales price realized.
- **SBS reported net profit of US\$6.6 million** (-10.6% YoY) on revenue of US\$18.5 million (-4.2% YoY) in 9M17. Total coal volume in 9M17 slightly dropped to 9.3 MT versus 9.6MT in 9M16.

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- **Cotrans** reported **net profit of US\$8.8 million** (+6.3% YoY) on revenue of US\$45.3 million (+0.4% YoY) in 9M17. Total transported coal volume decreased to 20.8 MT in 9M17 versus 21.3 MT in 9M16.

Finance Costs increased to **US\$48.2 million** in 9M17 compared to US\$45.7 million in 9M16 mainly due to write off of unamortized bond issuance costs of Senior Notes 2018 resulting from early redemption.

The company registered a **US\$81.4 million profit attributable to the owners of the company** vs. a US\$20.6 million loss in 9M16.

PT Indika Energy Tbk

| Descriptions (in USD mn) | 9M16 unaudited | 9M17 unaudited | Changes YoY |
|-----------------------------|-------------------|-------------------|----------------|
| Cash balance* | 314.0 | 394.1 | 25.5% |
| Current assets | 746.6 | 715.7 | -4.1% |
| Total assets | 1,976.5 | 1,931.4 | -2.3% |
| Current liabilities | 387.3 | 262.6 | -32.2% |
| Total Debt** | 886.7 | 819.9 | -7.5% |
| Shareholder equity | 804.0 | 821.1 | 2.1% |
| Current ratio (X) | 1.9 | 2.7 | |
| Debt to equity (X) | 1.1 | 1.0 | |
| Net debt to equity (X)*** | 0.7 | 0.5 | |

* includes restricted cash

** Total debt with interest bearing

*** total debt minus total cash balance divided by shareholder equity

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PT Kideco Jaya Agung

| Descriptions (USD mn) | 9M16 <i>unaudited</i> | 9M17 <i>unaudited</i> | Changes YoY |
|----------------------------------|--------------------------|--------------------------|----------------|
| Sales | 922.4 | 1,232.9 | 33.7% |
| Gross profit | 116.6 | 435.8 | 273.6% |
| Operating profit | 98.3 | 413.4 | 320.6% |
| Net income | 54.9 | 229.8 | 318.7% |
| EBITDA | 116.6 | 431.3 | 269.8% |
| Gross margin | 12.6% | 35.3% | |
| Operating margin | 10.7% | 33.5% | |
| Net margin | 6.0% | 18.6% | |
| EBITDA margin | 12.6% | 35.0% | |
| Overburden (mn bcm) | 144.5 | 142.8 | -1.2% |
| Production volume (Mt) | 24.2 | 24.1 | -0.5% |
| Sales volume (Mt) | 24.8 | 23.8 | -4.1% |
| Stripping ratio (X) | 6.0 | 5.9 | -0.6% |
| Average selling price (US\$/ton) | 37.1 | 51.7 | 39.3% |

Kideco's Revenues increased 33.7% from US\$922.4 million in 9M16 to US\$1,232.9 million in 9M17 due to higher ASP realized. ASP increased 39.3% from US\$37.1 per ton in 9M16 to US\$51.7 per ton in 9M17. However, sales volumes declined 4.1% from 24.8 MT to 23.8 MT due to slow down in shipment because of unfavourable weather condition.

Cash cost including royalty increased from US\$31.7 per ton to US\$32.7 per ton on higher ASP realized.

Reported net profit jumped significantly 318.7% to **US\$229.8 million in 9M17**.

| Descriptions (USD mn) | 9M16 <i>unaudited</i> | 9M17 <i>unaudited</i> | Changes YoY |
|--------------------------|--------------------------|--------------------------|----------------|
| Cash balance* | 96.7 | 358.7 | 270.9% |
| Current assets | 320.5 | 603.8 | 88.4% |
| Total assets | 465.7 | 762.0 | 63.6% |
| Debt | 0.0 | 0.0 | N/A |
| Current liabilities | 195.4 | 283.9 | 45.3% |
| Total equity | 254.0 | 425.5 | 67.5% |
| Current ratio (x) | 1.6 | 2.1 | |
| Net Debt to Equity (X) | net cash | net cash | |

* includes restricted time deposit

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Latest Development

- PT Kideco Jaya Agung based on performance up to September 2017, has distributed interim and special dividends amounted to US\$250 million. Indika Energy as a 46% shareholders has received a total of US\$115 million, US\$69million on 22nd October 22, 2017 and US\$46 million on 13th November, 2017.
- PT Cirebon Energi Prasarana (“**CEPR**”) has successfully obtained financial closing 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 1H2022.
- Indika Energy’s founding shareholders through PT Indika Mitra Energi has completed a series of internal restructuring. The transaction was completed through crossing at Indonesia Stock Exchange on Nov 13, 2017. Post restructuring, Indika Energy’s composition of shareholdings are as follows:
 - PT Indika Kawan Sejati : 37.79%
 - PT Teladan Resources : 30.65%
 - Public : 31.56%

Mr Agus Lasmono and Mr Wiwoho Basuki Tjokronegoro & Family will remain the ultimate shareholders of Indika Energy, together holding 55.29%

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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); coal trading (Indika Capital Investment), **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



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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, ext. 18130

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