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27 April 2018

**INDIKA ENERGY RESULTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
AND
US\$40 MILLION DIVIDEND PAYOUT**

Jakarta - **PT Indika Energy Tbk. (IDX: INDY)** Indonesia's leading integrated energy company, **announced yesterday during Annual General Meeting Shareholders to pay US\$40 million dividend**, a 42.3% dividends payout from US\$94.5 million Core Profit reported in 2017. The company also reported its unaudited financial statements for the 3-months ended March 31, 2018 which has consolidated Kideco's financial following the completion of additional 45% shares acquisition in December 2017.

- **Revenues of US\$809.0 million increased 263.6% yoy** from US\$222.5 million reported in 1Q17 .
- **Gross profit increased 709.1% yoy to US\$228.8 million** from US\$28.3 million reported in 1Q17.
- **Operating income jumped 2,197.1% yoy to US\$196.1 million** from US\$8.5 million reported in 1Q17.
- **Equity in Net Profit of Associates and Jointly Controlled Entities decreased by 86.4% to US\$4.9 million.**
- **Profit Attributable to Owners of the Company increased 164.5% to US\$58.4 million** from US\$22.1 million reported in 1Q17.
- **Core Profit* of the company jumped 225.6% to US\$75.5 million** from US\$23.2 million reported in 1Q17.
- **Adjusted EBITDA (LTM) was US\$490.9 million** for the period ending March 31, 2018
- **Cash, Cash Equivalent and Other Financial Assets reported were US\$846.6 million.**
- **Capex realization spending during 1Q18 was US\$36.9 million**

**) Core Profit is defined Net Profit for the year Attributable to Owners of the Company excluding one-off non-operating gains or losses (amortization of intangible assets) and related taxes*

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PT Indika Energy Tbk.

Descriptions (in USD mn)	1Q18 unaudited	1Q17 unaudited	Changes YoY
Total revenues	809.0	222.5	263.6%
Kideco	527.8	0.0	100.0%
Indika Resources	126.0	60.6	107.7%
Petrosea	68.9	58.5	17.9%
Tripatra	60.3	70.3	-14.3%
MBSS	12.6	15.6	-19.1%
Others	13.5	17.5	-23.0%
Gross profit	228.8	28.3	709.1%
General and administrative expenses	-32.7	-19.7	65.8%
Operating profit	261.5	48.0	2197.1%
Equity in net profit of associates & jointly-controlled entities	4.9	35.6	-86.4%
Investment income	2.1	0.8	169.9%
Finance cost	(24.7)	-19.2	28.7%
Amortization of intangible assets	(33.9)	-1.8	1836.8%
Final tax	(3.0)	(3.4)	-11.5%
Others- net	(2.2)	0.0	-11755%
Profit (Loss) Income before tax	139.3	20.6	575.1%
Tax expense	(73.7)	(0.4)	17903.6%
Profit (Loss) for the year/period :	65.5	20.2	224.1%
Profit (Loss) attributable to owners of the company	58.4	22.1	164.5%
Profit (Loss) attributable to non-controlling Interest	7.2	(1.8)	-488.3%
Core Profit of the Company	75.5	23.2	225.6%
Adjusted EBITDA	227.5	28.5	698.5%
LTM - Adjusted EBITDA*	490.9	130.6	275.9%
EPS (USD/share)	0.0112	0.0042	
Gross margin	28.3%	12.7%	
Operating margin	32.3%	21.6%	
Net margin	7.2%	9.9%	
Adjusted EBITDA Margin	28.1%	12.8%	
LTM - Adjusted EBITDA margin	29.1%	16.3%	

* Includes dividends from associates (last twelve months period ended 31 March 2018)

First Quarter 2018 Revenues reported was US\$809.0 million, a 263.6% increased yoy resulting from:

- a) **Kideco's reported revenues of US\$527.8 million on 9.4 MT of coal at US\$56.4/ ton average selling price (vs US\$49.6 / ton in 1Q17). If we exclude 0.5 MT coal sold which was carried over**

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from 4Q17, 1Q18 sales volume could have been 8.9 MT (vs 8.5 MT in 1Q17). The recent price capped at US\$70 per ton for DMO regulation only impacted Kideco sales starting in March.

- b) **Indika Resources' revenue up by 107.7% yoy to US\$126.0 million in 1Q18 from US\$60.6 million in 1Q17** due mainly to 1) revenue contribution from coal trading increased 80.6% yoy to US\$108.5 million in 1Q18 on 2.2 million MT coal traded vs US\$60.0 million in 1Q17 on 1.5 MT coal traded; 2) revenue contribution from MUTU up by 2,850.0% yoy to US\$17.5 million on 0.2MT sales volume in 1Q18 vs US\$0.6 million on 0.0075 MT sales volume in 1Q17
- c) **Petrosea's Revenues up by 17.9% to US\$68.9 million in 1Q18 from US\$58.5 million in 1Q17** due to higher revenue contributions from contract mining. Contract mining revenue increased 61.2% yoy to US\$58.6 million in 1Q18 on overburden removal volume of 31.7 mn BCM. E&C revenue increased 54.4% yoy to US\$26.0 million in 1Q18 from US\$16.8 million in 1Q17. On the other hand, Petrosea Offshore Supply Base ("POSB") experienced 9.5% revenue declined yoy to US\$4.4 million in 1Q18.
- d) **Tripatra's revenue down by 14.3% to US\$60.3 million compared US\$70.3 million in 1Q17.** The lower revenue was driven primarily from nearly completion projects, ENI Muara Bakau BV where reported US\$2.4 million in 1Q18 vs US\$25.3 million in 1Q17. The lower revenue from ENI Muara Bakau was compensated with other projects contribution which improve Tripatra's revenue, mostly from : 1) BP Berau US\$46.3 million in 1Q18 vs US\$34.9 million in 1Q17; 2) CSTS Joint operation US\$7.9 million in 1Q18 vs US\$4.4 million in 1Q17; 3) PLN Nias US\$2.3 million in 1Q18 vs none in 1Q17 where the project started in the second semester of 2017.
- e) **MBSS revenues down by 19.1% yoy to US\$12.6 million** from US\$15.6 million in 1Q17 due to lower coal volume transported by floating crane (-4.3% yoy from 4.9 MT in 1Q17 to 4.7 MT in 1Q18) and lower barging volumes (-4.2% yoy from 2.4 MT in 1Q17 to 2.3 MT in 1Q18).

Gross Profit up 709.1% to US\$228.8 million from US\$28.3 million reported in 1Q17 due to inclusion of Kideco's gross profit which command higher margin. As a result, gross margin increased significantly from 12.7% to 28.3%.

Selling, General and administrative expenses increased 65.8% yoy from US\$19.7 million in 1Q16 to US\$32.7 million in 1Q18 due to full consolidation of Kideco's financial. However, 1Q18 SGA expenses against revenues have improved to 4.0% compared 8.9% in 1Q17

Equity in Net Profit of Associates & Jointly Controlled Entities decreased 86.4% from US\$35.6 million in 1Q17 to US\$4.9 million in 1Q18 due to exclusion of Kideco's profit.

- a) **CEP's net income contribution to Indika increased from US\$0.2 million loss in 1Q17 to US\$1.5 million profit in 1Q18.** CEP net income increased to US\$7.6 million in 1Q18 from US\$1.2 million loss in 1Q17 when major overhaul maintenance was performed.
- b) **SBS's net income contribution to Indika increased from US\$1.2 million in 1Q17 to US\$1.7 million in 1Q18.** SBS reported net profit of US\$3.7 million, increased from US\$2.5 million in 1Q17

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(+48.0% YoY) on revenue of US\$ 8.9 million in 1Q18. **Cotrans' net income contribution to Indika increased from US\$1.5 million in 1Q17 to US\$1.6 million in 1Q18.** Cotrans reported net profit of US\$3.5 million (+ 6.1% YoY) on revenue of US\$ 18.3 million.

Finance Costs increased from US\$19.2 million in 1Q17 (28.7% YoY) to US\$24.7 million in 1Q18 due mainly to additional interest expenses on the new Senior Notes of US\$575m due 2024 issued in October 2017 to finance the acquisition of additional 45% shares in Kideco

The company registered Profit Attributable to the Owners of the Company in the amount of US\$58.4 million in 1Q18, significant improvement compared US\$22.1 million in 1Q17 due to higher profit contribution from Kideco.

Core Profit of the company jumped 225.6% to US\$75.5 million from US\$23.2 million reported in 1Q17.

Descriptions (in USD mn)	1Q18 unaudited	FY17 audited	Changes YoY
Cash balance*	846.6	729.0	16.1%
Current assets	1,483.4	1,353.8	9.6%
Total assets	3,743.0	3,635.7	3.0%
Current liabilities	702.3	659.5	6.5%
Total Debt**	1,411.4	1,440.2	-2.0%
Shareholder equity	1,181.2	1,115.0	5.9%
Current ratio (X)	2.1	2.1	
Debt to equity (X)	1.2	1.9	
Net debt to equity (X)***	0.5	0.9	

* includes restricted cash

** Total debt with interest bearing

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

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Kideco Financial and Operational Highlights

Descriptions (USD mn)	3M18 unaudited	3M17 unaudited	Changes YoY
Sales	527.8	422.7	24.8%
Gross profit	196.5	143.8	36.6%
Operating profit	186.8	137.6	35.8%
Net income	103.8	76.2	36.2%
EBITDA	195.0	143.5	35.9%
Gross margin	37.2%	34.0%	
Operating margin	35.4%	32.6%	
Net margin	19.7%	18.0%	
EBITDA margin	36.9%	34.0%	
Overburden (mn bcm)	48.6	43.0	13.1%
Production volume (Mt)	8.2	7.9	4.1%
Sales volume (Mt)	9.4	8.5	9.8%
Stripping ratio (X)	5.9	5.4	8.6%
Cash Cost excl royalty (US\$/ton) *	27.6	25.8	7.0%
Average selling price (US\$/ton)	56.4	49.6	13.7%

*) Cash cost excluding royalty increased from US\$25.8 per ton to US\$27.6 per ton primarily as a result of higher fuel cost and contract mining cost.

Recent Developments

- On 12 April 2018, Indika Energy, through subsidiary company PT Kariangau Gapura Terminal Energi (KGTE), signed a storage facility service agreement with PT ExxonMobil Lubricants Indonesia

- Approved dividends**

US\$ million

Company	Dividend Declared	Payment Schedule	Indika Energy Portion
Kideco:		May 2018	75.0
- 2017 performance	125.0	July 2018	50.0
			68.3
			45.5
SBS :		April 2018	4.2
- 2017 performance	6.0	Oct 2018	1.8
			1.9
			0.8
Cotrans :		April 2018	7.3
- 2017 performance	10.2	Oct 2018	2.9
			3.3
			1.3
Petrosea :		May 2018	4.5
- 2017 performance	4.5		4.5
			3.2
Total			124.3

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- **April 26, 2018, 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, 2017
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, 2018
3. **The AGM approved to declare and distribute dividend of US\$40 million (42.3% of US\$94.5 million core profit) or US\$0.007677 per share to the shareholders. The dividend will be distributed on May 30, 2018**
4. 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
Vice President Commissioners	: Indracahya Basuki
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); 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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