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FOR IMMEDIATE DISTRIBUTION

25 April 2019

INDIKA ENERGY RESULTS FOR THE QUARTER ENDED MARCH 31, 2019, AND DISTRIBUTES US\$40 MILLION FINAL DIVIDEND

Jakarta - **PT Indika Energy Tbk. (IDX: INDY)** announced today during its Annual General Meeting of Shareholders the payment of a final dividend of US\$40.0 million, which brings dividend paid based on 2018 results to a total of US\$60.0 million, a 74.9% payout ratio from US\$80.1 million Profit Attributable to owners of the company reported or a 35.6% payout ratio from US\$168.4 million Core Profit in 2018. Interim dividend of US\$20.0 million was already paid in December 2018 and the final dividend of US\$40.0 million will be distributed on 29 May 2019.

The company reported its unaudited financial statements for the 3-months ended March 31, 2019

- **Revenues decreased 13.4% year on year to US\$ 700.7 million** from US\$809.0 million reported in 3M18. The weak year on year figures are attributed mainly to lower the lower reported Kideco revenue of US\$ 409.9 million in 3M19 compared US\$527.8 million in 3M18, driven by lower average realized selling price.
- **Gross profit decreased 48.6% year on year to US\$117.6 million** from US\$228.8 million reported in 3M18 due mainly to lower gross profit contribution from Kideco as a result of lower ASP and higher cash cost. Kideco's gross profit dropped 59.0% YoY to US\$80.5 million where Kideco's gross margin was 19.6% in 3M19 compared 37.2% in 3M18.
- **Operating income dropped 57.8% year on year to US\$82.7 million** from US\$196.1 million reported in 3M18.
- **Equity in Net Profit of Associates and Jointly Venture Entities increased by 56.7% to US\$7.6 million.**
- **Profit attributable to owners of the company decreased by 80.0% to US\$11.7 million** from US\$58.4 million in 3M18.
- **Core Profit* of the company decreased 55.5% to US\$33.6 million** from US\$75.5 million reported in 3M18.

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- **The Adjusted EBITDA totalled US\$125.9 million for the period ending March 31, 2019**, compared to US\$227.5 million in the year ago period. **The LTM Adjusted EBITDA for period ended March 31, 2019 was US\$549.2 million.**
 - **Cash, Cash Equivalents, Other Financial Assets, and Restricted Cash at end of March 2019 stood at US\$892.8 million.**
 - **Capex spending during 3M19 was US\$28.2 million.** Capex was primarily realized at Petrosea which accounted for US\$13.3 million and construction of fuel storage facilities which accounted for US\$10.7 million.
- *) Core Profit refers to the current year's profit attributable to the owner of the company, excluding non-operating gains / losses and related taxes (amortization of intangible assets, impairment of assets, fair value changes on contingent consideration obligation, and gain on revaluation).*

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Descriptions (in USD mn)	3M 2019				
	3M 19	3M 18	YoY	4Q18	QoQ
Total revenues	700.7	809.0	-13.4%	782.4	-10.4%
Kideco	409.9	527.8	-22.3%	393.6	4.2%
Indika Resources	81.4	126.0	-35.4%	114.4	-28.8%
Petrosea	115.2	89.5	28.6%	139.6	-17.5%
Tripatra	96.5	60.3	60.1%	93.5	3.2%
MBSS	20.9	14.4	45.3%	23.5	-11.1%
Others	19.0	15.9	19.6%	67.1	-71.6%
Elimination	(42.1)	(24.8)	70.0%	(49.1)	-14.3%
Cost of contracts and goods sold	(583.1)	(580.2)	0.5%	(693.1)	-15.9%
Gross profit	117.6	228.8	-48.6%	89.3	31.6%
Selling, general and administrative expenses	(35.0)	(32.7)	6.8%	(34.3)	2.0%
Operating profit	82.6	196.1	-57.8%	55.0	50.1%
Equity in net profit of associates & joint venture entities	7.6	4.9	56.7%	3.2	141.2%
Investment income	3.9	2.1	89.6%	6.7	-41.1%
Finance cost	(25.4)	(24.7)	3.0%	(25.2)	0.6%
Amortization of intangible assets	(33.9)	(33.9)	0.0%	(33.9)	0.0%
Impairment of assets	(0.6)	0.0	N/A	8.1	N/A
Final tax	(3.6)	(3.0)	18.6%	(3.4)	4.4%
Gain on revaluations	0.0	0.0	N/A	0.0	N/A
Fair value changes on contingent consideration	0.0	0.0	-100.0%	(15.4)	N/A
Others- net	5.1	(2.2)	335.5%	8.0	-36.1%
Profit (Loss) Income before tax	35.9	139.3	-74.2%	(13.1)	-373.7%
Income tax expense	(17.5)	(73.7)	-76.3%	(19.2)	-9.0%
Profit (Loss) for the year/period :	18.4	65.5	-71.9%	(32.3)	-157.0%
Profit (Loss) attributable to owners of the company	11.7	58.4	-80.0%	(32.1)	-136.4%
Profit (Loss) attributable to non-controlling Interest	6.8	7.2	-5.8%	(0.2)	-3603.0%
Core Profit of the Company	33.6	75.5	-55.5%	4.8	601.2%
Adjusted EBITDA	124.2	227.5	-45.4%	98.0	26.8%
LTM - Adjusted EBITDA*	549.2	490.9	11.9%	652.0	-15.8%
EPS (USD/share)	0.006	0.014	-55.5%	0.001	601.2%
Gross margin	16.8%	28.3%	-40.7%	11.4%	47.0%
Operating margin	11.8%	24.2%	-51.3%	7.0%	67.6%
Net margin	1.7%	7.2%	-76.9%	-4.1%	-140.7%
Core profit margin	4.8%	9.3%	-48.7%	0.6%	683.0%
Adjusted EBITDA Margin	17.7%	28.1%	-36.9%	12.5%	41.6%
LTM - Adjusted EBITDA margin	19.2%	29.1%	-34.0%	22.0%	-12.6%

* Includes dividends from associates (last twelve months period ended 31 March 2019)

In 3M19, the consolidated revenues decreased to US\$700.7 million, 13.4% YoY as a result of:

- Kideco contributed revenues of US\$409.9 million**, lower by 22.3% YoY from US\$527.8 million in 3M18. **Kideco sold 9.0 MT of coal at an ASP of US\$45.7/ ton in 3M19** compared to 9.4 MT of coal sold at an ASP of US\$56.4/ ton in 3M18. During 3M18, Kideco's ASP was not affected by Domestic Market Obligation regulation which was issued in the middle of March 2018 with price capped mechanism of US\$70 per ton for domestic sales. This regulation will be valid until the end of 2019.
- Indika Resources' revenues decreased by 35.4% YoY to US\$81.4 million in 3M19 from US\$126.0 million in 3M18** as revenue contribution from coal trading decreased 51.5% YoY to US\$52.6 million in 3M19 on 1.8 MT coal traded from US\$108.5 million in 3M18 on 2.2 MT coal traded. Lower revenue from coal trading was partially offset with higher revenue from MUTU. MUTU's revenue was up by 64.9% YoY to US\$28.8 million on 0.4 MT sales volume in 3M19 vs US\$17.5 million on 0.2 MT sales volume in 3M18.

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- c) **Petrosea's revenues grew by 28.6% to US\$115.2 million in 3M19** from US\$89.5 million in 3M18 due mainly to higher revenue contribution from: 1) Contract mining revenue growing 8.0% YoY to US\$63.3 million in 3M19 mainly from overburden removal which increased to 28.7 mbcm from 27.6 mbcm in 3M18. The increase in overburden removal was driven by additional volume from the Kideco and Tabang mines. 2) E&C revenue increased 19.7% YoY to US\$31.1 million from US\$26.0 million in 3M18 due to higher activities in Lampung-Maruwai coal and hauling roads contract. 3) Petrosea's port operation business revenue increased to US\$9.2 million in 3M19 due to higher PLSS Sorong activities, 4) Additional revenue of US\$10.9 million from KPI, following the internal restructuring in 2Q18.
- d) **Tripatra's revenues increased by 60.1% to US\$96.5 million compared to US\$60.3 million in 3M18.** The improvement in revenue was contributed by 1) BP Tangguh project revenues increased by 38.0% to US\$72.8 million in 3M19 vs US\$52.8 million in 3M18; 2) New Vopak project contributed US\$11.8 million to 3M19 revenues (newly awarded contract of US\$38.9 million from PT Vopak Terminal Merak to build the expansion of a fuel storage tank facility starting in 3Q 2018).
- e) **MBSS's revenues increased by 45.3% YoY to US\$20.9 million** from US\$14.4 million in 3M18 due to higher coal volume transported by barging and transshipment volumes. Barging revenues increased by 45.9% YoY to US\$15.2 million on barging volume of 6.3 MT in 3M19 from US\$10.4 million on barging volume of 4.7 MT in 3M18. Transshipment revenues increased by 46.2% YoY to US\$5.7 million on 2.7 MT transshipment volume in 3M19 from US\$3.9 million on 1.5 MT transshipment volume in 3M18 including one time transshipment project, which contributed US\$1.0 million of revenue.

Cost of Contracts and Goods Sold slightly increased by 0.5% YoY to US\$583.1 million in 3M19 from US\$580.2 million in 3M18 mainly due to increase in Kideco's cash cost per ton in 3M19. Kideco's cash costs excluding royalties increased by 7.2% to US\$29.6/ton in 3M19 from US\$27.6/ton YoY due to increase in fuel cost and some of contract mining rates.

Selling, General and Administrative expenses slightly increased by 6.8% YoY to US\$35.0 million in 3M19 from US\$32.7 million in 3M18 due to higher rental cost, professional fees and DMO expenses accrued by Indika Resources. The increased expense was partially brought down by lower marketing expenses in Kideco in line with the decrease in Kideco's revenues

Equity in Net Profit of Associates & Jointly Venture Entities increased 56.7% to US\$7.7 million in 3M19 from US\$4.9 million in 3M18 mainly as contributed by SBS and CEP.

Finance Costs increased by 3.0% year on year to US\$25.4 million in 3M19 from US\$24.7 million in 3M18 primarily due to the additional interest expense on new bank loans to fund capital expenditure at Petrosea.

The Company reported Profit Attributable to the Owners of the Company in the amount of US\$11.7 million in 3M19, representing an 80.0% decrease from US\$58.4 million in 3M18.

Core Profit in 3M19 decreased 55.5% to US\$33.6 million from US\$75.5 million reported in 3M18.

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Descriptions (in USD mn)	3M19	3M18	YoY	FY18	Change 3M19-FY18
Cash balance*	892.8	846.6	5.5%	763.1	17.0%
Current assets	1,565.6	1,483.4	5.5%	1,459.8	7.2%
Total assets	3,774.1	3,743.0	0.8%	3,670.0	2.8%
Current liabilities	719.6	702.3	2.5%	670.4	7.3%
Total Debt**	1,555.8	1,411.4	10.2%	1,476.0	5.4%
Shareholder equity	1,127.0	1,181.2	-4.6%	1,127.2	0.0%
Current ratio (X)	2.2	2.1	3.0%	2.2	-0.1%
Debt to equity (X)	1.4	1.2	17.2%	1.3	7.7%
Net debt to equity (X)***	0.6	0.5	25.5%	0.6	0.0%

* includes restricted cash

** total debt with interest bearing

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

Kideco Financial and Operational Highlights

Descriptions (USD mn)	1Q19				
	1Q19	1Q18	YoY	4Q18	QoQ
Sales	409.9	527.8	-22.3%	393.6	4.2%
Gross profit	80.5	196.5	-59.0%	62.0	29.9%
Operating profit	71.2	186.8	-61.9%	52.8	34.7%
Net income	40.5	103.8	-61.0%	36.1	12.2%
EBITDA	76.4	219.9	-65.2%	39.0	95.9%
Gross margin	19.6%	37.2%	-47.3%	15.7%	24.7%
Operating margin	17.4%	35.4%	-51.0%	13.4%	29.3%
Net margin	9.9%	19.7%	-49.8%	9.2%	7.8%
EBITDA margin	18.6%	41.7%	-55.2%	9.9%	88.1%
Overburden (mn bcm)	48.6	48.6	0.0%	55.3	-12.0%
Production volume (Mt)	8.3	8.2	0.7%	8.6	-4.1%
Sales volume (Mt)	9.0	9.4	-4.2%	8.0	12.3%
Stripping ratio (X)	5.9	5.9	-0.6%	6.4	-8.2%
Cash Cost excl royalty (US\$/ton)	29.6	27.6	7.2%	34.1	-13.1%
Average selling price (US\$/ton)	45.7	56.4	-19.0%	49.2	-7.3%

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Recent Developments

- **April 25, 2019, the shareholders of PT Indika Energy Tbk has approves the following during the Shareholders' Annual General Meeting**

1. Approved PT Indika Energy Tbk financial statement for the year ended December 31, 2018
2. To give the authority to Board of Commissioners of the company to appoint Public Accountant to perform audit on the company financial statement for year ended December 31, 2019
3. To pay a final dividend of US\$40.0 million, which brings dividend paid based on 2018 results to a total of US\$60.0 million, a 74.9% payout ratio from US\$80.1 million Profit Attributable to owners of the company or a 35.6% payout ratio from US\$168.4 million Core Profit reported in 2018. Interim dividend of US\$20.0 million was already paid in December 2018 and the final dividend of US\$40.0 million will be distributed on 29 May 2019. The company reported its unaudited financial statements for the 3-months ended March 31, 2019
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 is as follows:

Board of Commissioners

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

Board of Directors

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

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ABOUT INDIKA ENERGY

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 Multi Tambangjaya Utama); gold production (Nusantara Resources Limited), coal trading (Indika Capital Investment Pte. Ltd.), Energy Services – EPC - oil & gas (PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC – contract mining (PT Petrosea Tbk. (IDX: PTRO).); information, communications and technology (PT Indika Digital Teknologi) and Energy Infrastructure – marine transportation, ports & logistics for bulk goods and natural resources (PT Mitrabahtera Segara Sejati Tbk. (IDX: MBSS), PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); fuel storage (PT Kariangau Gapura Terminal Energi); coal-fired power plant (PT Cirebon Electric Power and PT Prasarana Energi Cirebon).

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FURTHER INFORMATION

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