

# NEWS RELEASE

FOR IMMEDIATE DISTRIBUTION

29 December 2021

## INDIKA ENERGY RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

### Indika Energy recorded Net Loss of US\$6.0 million and Core Profit of US\$83.9 million in 9M21

Jakarta - PT Indika Energy Tbk. (IDX: INDY), Indonesia's leading integrated and diversified company, reported its unaudited financial statements for the period ended September 30, 2021.

#### Highlights

- **Revenues grew by 43.3% YoY to US\$2,155.6 million in 9M21** from US\$1,504.1 million reported in 9M20. The higher YoY figures were attributed to higher coal price where average 9M21 Newcastle index was US\$122.7 per ton compared to US\$58.9 per ton in 9M20.
- **Gross profit rose 163.2% YoY to US\$562.2 million in 9M21 from US\$213.6 million reported in 9M20.** The consolidated gross margin improved to 26.1% from 14.2% in 9M20, mainly led by Kideco's strong performance.
- **SG&A expenses increased by 15.7% YoY to US\$114.5 million in 9M21** from US\$99.0 million in 9M20 mainly driven by higher marketing expenses in Kideco and higher rental expenses for tug & barges in MUTU.
- **Operating income jumped 290.5% YoY to US\$447.7 million in 9M21** from US\$114.6 million reported in 9M20 and operating margin improved to 20.8% from 7.6% in 9M20.
- **Finance cost increased by 17.3% YoY to US\$82.3 million in 9M21** vs US\$70.2 million in 9M20, mainly due to new bond with higher coupon rate (avg of 7.2% in 9M21 vs. avg of 6.2% in 9M20) and additional debt of US\$125 million to fund diversification investment.
- **Changes in fair value of contingent liability related to investment in Kideco increased by +US\$28.6m (+290.9% YoY) to US\$38.4m in 9M21** driven by higher coal price in 2021.
- **Loss from discontinued operation of US\$98.1m in 9M21** was related to MBSS' divestment on 100% basis, based on CSPA dated on 6 August 2021 and the transaction was closed on 8 October 2021. Transaction price for MBSS is Rp 660/share or total of US\$41.2m for 51% shares. Total loss from the divestment of 51% shares in MBSS plus the recorded goodwill is US\$ 66.8 million.
- **The company recorded Loss attributable to owners of the company of US\$6.0m in 9M21,** compared to loss of US\$52.5 million in 9M20.

## NEWS RELEASE

- **Core Profit\* of US\$83.9 million reported** in 9M21, a significant turnaround compared to Core Loss of US\$5.5 million reported in 9M20.

*\*) Core Profit (Loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding: 1) Provision for contingent liability related to acquisition of additional shares in Kideco; 2) amortization intangible assets of Kideco and MUTU; 3) impairment of asset; 4) gain from a bargain purchase related to investment in Awakmas; 5) unrealized loss from discontinued operation*

- **The Adjusted EBITDA totalled US\$581.6 million for the period ending September 30, 2021**, compared to US\$227.3 million in the same period previous year, while LTM EBITDA was recorded at US\$628.3 million in 9M21.
- **Cash, Cash Equivalents and Other Financial Assets at end of September 2021 stood at US\$856.0 million.**
- **Capex spending during 9M21 was US\$34.7 million**, primarily US\$23.1 million was spent in Petrosea for maintenance and replacement while the remaining for diversification projects.

### PT Indika Energy Tbk.

Descriptions (in USD mn)	9M21	9M20	YoY	3Q21	2Q21	QoQ
<b>Total revenues</b>	<b>2,155.6</b>	<b>1,504.1</b>	<b>43.3%</b>	<b>901.1</b>	<b>687.5</b>	<b>31.1%</b>
Kideco	1,486.1	918.5	61.8%	609.3	461.9	31.9%
Indika Resources	294.7	155.0	90.1%	136.2	101.4	34.4%
Petrosea	301.3	249.9	20.6%	108.0	102.2	5.7%
Tripatra	155.1	270.8	-42.7%	59.3	56.7	4.5%
Interport	21.6	4.7	357.7%	7.1	7.4	-4.0%
Others	53.1	33.2	60.1%	23.5	16.7	40.7%
Elimination	(156.3)	(128.1)	22.1%	(42.3)	(58.9)	28.1%
<b>Cost of contracts and goods sold</b>	<b>(1,593.4)</b>	<b>(1,290.5)</b>	<b>23.5%</b>	<b>(627.5)</b>	<b>(518.5)</b>	<b>21.0%</b>
<b>Gross profit</b>	<b>562.2</b>	<b>213.6</b>	<b>163.2%</b>	<b>273.6</b>	<b>169.0</b>	<b>61.9%</b>
Selling, general and administrative expenses	(114.5)	(99.0)	15.7%	(44.4)	(36.2)	22.5%
<b>Operating profit</b>	<b>447.7</b>	<b>114.6</b>	<b>290.5%</b>	<b>229.2</b>	<b>132.7</b>	<b>72.7%</b>
Equity in net profit of associates	23.4	21.3	10.0%	6.7	7.7	-13.3%
Investment income	4.1	7.5	-45.4%	1.5	1.8	-17.7%
Finance cost	(82.3)	(70.2)	17.3%	(27.5)	(27.4)	0.2%
Amortization of intangible assets	(101.7)	(101.7)	0.0%	(33.9)	(33.9)	0.0%
Final tax	(6.1)	(6.0)	2.1%	(2.4)	(1.8)	-36.4%
Gain from a bargain purchase	0.0	14.2	-100.0%	0.0	0.0	0.0%
Fair value changes on contingent consideration	(38.4)	(9.8)	-290.9%	(28.9)	(4.8)	-508.3%
Others- net	2.5	(11.7)	121.2%	2.8	6.9	-59.4%
<b>Profit (Loss) Income before tax</b>	<b>249.1</b>	<b>(41.8)</b>	<b>696.2%</b>	<b>147.3</b>	<b>76.6</b>	<b>92.4%</b>
Income tax expense	(159.4)	4.3	-3790.1%	(86.5)	(45.9)	-88.3%
<b>Profit (Loss) after tax from continued operation</b>	<b>89.7</b>	<b>(37.5)</b>	<b>339.5%</b>	<b>61.2</b>	<b>30.3</b>	<b>102.1%</b>
less loss from discontinued operation	(98.1)	(7.5)	-1205.9%	(98.4)	1.8	-5723.2%
Profit (Loss) for the year/period :	<b>(8.4)</b>	<b>(45.0)</b>	<b>81.3%</b>	<b>(37.3)</b>	<b>32.0</b>	<b>-216.3%</b>
<b>Profit (Loss) attributable to owners of the company</b>	<b>(6.0)</b>	<b>(52.5)</b>	<b>88.7%</b>	<b>(18.0)</b>	<b>21.4</b>	<b>-184.0%</b>
Profit (Loss) attributable to non-controlling Interest	(2.4)	7.5	-132.4%	(19.3)	10.7	-280.9%
<b>Core Profit (Loss) of the Company</b>	<b>83.9</b>	<b>(5.5)</b>	<b>1624.2%</b>	<b>28.1</b>	<b>43.3</b>	<b>-35.1%</b>
Adjusted EBITDA*	581.6	227.3	155.9%	275.8	171.6	60.7%
LTM - Adjusted EBITDA*	628.3	319.6	96.6%	628.3	405.4	55.0%
EPS (USD/share)	(0.0011)	(0.0101)		(0.0034)	0.0041	
Core EPS (USD/share)	0.0161	(0.0011)		0.0054	0.0083	
Gross margin	26.1%	14.2%		30.4%	24.6%	
Operating margin	20.8%	7.6%		25.4%	19.3%	
Net margin	-0.3%	-3.5%		-2.0%	3.1%	
Core profit margin	3.9%	-0.4%		3.1%	6.3%	
Adjusted EBITDA Margin	27.0%	15.1%		30.6%	25.0%	

\* Includes dividends from associates (last twelve months period ended 30 Sep 2021)

## NEWS RELEASE

**The consolidated revenues increased 43.3% YoY to US\$2,155.6 million in 9M21 from US\$1,504.1 million in 9M20.** \*\*) The higher YoY figures were attributed to higher contribution from most of subsidiaries except Tripatra:

- a) **Kideco's revenue grew by 61.8% YoY to US\$1,486.1 million in 9M21** due to higher average selling price (+39.7% YoY) and higher sales volume (+15.9% YoY). Kideco sold 27.4 MT of coal at ASP of US\$54.2/ton in 9M21 compared to 23.7 MT of coal sold at ASP of US\$38.8/ton in 9M20. In 9M21, Kideco sold 9.4MT or 34% of sales volume to domestic market, higher than the 25% DMO requirement. Kideco's export sales volume of 18.1 MT were dominated by China, Southeast Asia countries, and India with 32%, 16% and 8% of sales volume, respectively.
- b) **Indika Resources' revenue increased by 90.1% YoY to US\$294.7 million in 9M21** from US\$155.0 million in 9M20, mainly due to higher revenue contribution from MUTU and coal trading. MUTU's revenue rose by 78.1% YoY to US\$105.5 million in 9M21, driven by +27.9% YoY growth in sales volume to 1.3MT and +39.2% YoY increase in ASP to US\$84.1/ton. Coal trading revenue in 9M21 jumped by 97.5% YoY to US\$105.5 million on 4.0 MT coal traded (+16.0% YoY) with ASP of US\$46.2/ton (+67.4% YoY).
- c) **Petrosea's revenue rose by 20.6% YoY to US\$301.3 million in 9M21** from US\$249.9 million in 9M20 due mainly to higher contribution from contract mining. Contract mining revenue increased strongly by 44.1% YoY to US\$218.7 million in 9M21 on total OB volume of 89.6 mbcm (+30.3% YoY), driven by Kideco with OB volume of 52.8 mbcm in 9M21 (+44.8% YoY) and new contract from KSM with OB volume of 5.6 mbcm in 9M21. On the other hand, 1) E&C segment revenues decreased by 10.0% YoY to US\$41.9 million with lower contribution from Freeport; and 2) POSB revenue decreased by 48.4% YoY to US\$9.9 million after the completion of Tg Batu project and lower revenue from Sorong.
- d) **Interport revenue increased by 357.7% YoY to US\$21.6 million in 9M21** of which US\$16.4 million contribution from KGTE with fuel storage capacity of 96ML and commenced operation in November 2020.
- e) **On the hand, Tripatra's revenue decreased by 42.7% to US\$155.1 million in 9M21** compared to US\$270.8 million in 9M20. The lower contribution, mainly due to: 1) BP Tangguh project which decreased 37.6% YoY from US\$225.1 million in 9M20 to US\$140.5 million in 9M21; 2) lower revenue from Emily project and 3) completion of Vopak project (US\$3.2 million in 9M20).

**Cost of Contracts and Goods Sold increased by 23.5% YoY to US\$1,593.4 million in 9M21 from US\$1,290.5 million in 9M20.** Kideco's cash costs excluding royalties were up slightly 4.3% YoY to US\$28.9/ton in 9M21 compared to US\$27.7/ton in 9M20 mainly due to higher fuel rate (US\$0.47/lt in 9M21 vs US\$0.42/lt in 9M20) and higher contract mining rate.

**Gross profit rose 163.2% YoY to US\$562.2 million in 9M21 from US\$213.6 million reported in 9M20.** The consolidated gross margin improved to 26.1% from 14.2% in 9M20, mainly led by Kideco's strong performance. On the other hand, Tripatra recorded cost overrun on BP Tangguh project which has resulted in gross loss of US\$13.9 million in 9M21 vs. gross profit of US\$19.7 million in 9M20.

\*\*) All subsidiaries revenue figures are before eliminations

## NEWS RELEASE

**Selling, General and Administrative expenses increased by 15.7% YoY to US\$114.5 million in 9M21** predominantly driven by higher marketing expenses in Kideco and higher rental expenses for tugs & barges in MUTU.

**Finance costs increased by 17.3% to US\$82.3 million** from US\$70.2 million in 9M20, primarily due to higher interest expenses due to new bond with higher coupon rate (avg 6.2% in 9M20 vs avg 7.2% in 9M21) and additional debt of US\$125m to fund diversification investment.

**The Company reported Loss Attributable to the Owners of the Company of US\$6.0 million in 9M21** compared to loss of US\$52.5 million in 9M20.

**The Company reported Core Profit of US\$83.9 million in 9M21, a significant jump compared to Core Loss of US\$5.5 million reported in 9M20.**

Descriptions (in USD mn)	9M21	9M20	YoY	FY20	Change % 9M21 - FY20
Cash balance*	856.0	601.7	42.3%	792.1	8.1%
Current assets	1,776.3	1,185.8	49.8%	1,394.1	27.4%
Total assets	3,681.8	3,315.8	11.0%	3,493.7	5.4%
Current liabilities	997.7	583.3	71.0%	707.7	41.0%
Total Debt**	1,611.0	1,504.4	7.1%	1,693.8	-4.9%
Shareholder equity	851.9	931.1	-8.5%	867.3	-1.8%
Current ratio (X)	1.78	2.03		1.97	
Debt to Ebitda (X)	2.56	4.71		6.18	
Net Debt to Ebitda (X)	1.23	2.82		3.60	
Debt to equity (X)	1.89	1.62		1.95	
Net debt to equity (X)***	0.91	0.97		1.04	

\*) includes other financial asset

\*\*\*) total debt with interest bearing exclude accrued interest and issuance cost

\*\*\*) total debt minus total cash balance divided by shareholders' equity

## Kideco Financial and Operational Highlights

Descriptions (USD mn)	3Q21	3Q20	YoY	2Q21	QoQ	9M21	9M20	YoY
Sales	609.3	286.9	112.4%	461.9	31.9%	1,486.1	918.5	61.8%
Gross profit	239.6	46.5	415.3%	136.3	75.8%	479.6	129.5	270.2%
Operating profit	223.6	35.4	532.0%	124.7	79.3%	440.0	100.9	335.9%
<b>Net income</b>	<b>123.5</b>	<b>21.6</b>	<b>471.7%</b>	<b>69.2</b>	<b>78.6%</b>	<b>243.8</b>	<b>54.0</b>	<b>351.3%</b>
EBITDA	229.2	41.0	458.7%	130.3	75.8%	456.8	117.7	288.1%
Gross margin	39.3%	16.2%		29.5%		32.3%	14.1%	
Operating margin	36.7%	12.3%		27.0%		29.6%	11.0%	
Net margin	20.3%	7.5%		15.0%		16.4%	5.9%	
EBITDA margin	37.6%	14.3%		28.2%		30.7%	12.8%	
Overburden (mn bcm)	44.3	48.5	-8.8%	44.8	-1.3%	136.6	141.3	-3.3%
Production volume (MT)	8.7	8.1	7.5%	9.1	-4.1%	26.9	23.9	12.3%
Sales volume (MT)	9.4	7.9	19.0%	8.9	5.8%	27.4	23.7	15.9%
Stripping ratio (X)	5.1	6.0	-15.2%	4.9	2.9%	5.1	5.9	-13.9%
Cash Cost excl royalty (US\$/ton)	29.5	24.7	19.3%	29.8	-0.9%	28.9	27.7	4.3%
Average selling price (US\$/ton)	64.9	36.4	78.5%	52.1	24.7%	54.2	38.8	39.7%

## Recent Development

- On 6 October, Indika Energy, through its wholly owned subsidiary namely PT Indika Mineral Investindo (“IMI”), has acquired all of the issued shares of Nusantara Resources Limited (“NUS”) (other than the shares that the Company has already owned) by way of a Scheme of Arrangement as governed under the Australian Corporations Act 2001 (Cth) (“Transaction”). The total transaction is amounting to AU\$58.8 million or equivalent to US\$42.7 million for approximately 72% shares in NUS. IMI paid AU\$0.35 cash per share for the remaining 168,041,107 shares of NUS (including shares issued on the exercise of performance rights).
- On 8 October 2021, Indika Energy, energy company with diversified business portfolio, through PT Indika Energy Infrastructure (“IEI”), has completed the sale of all its 892,513,586 shares in PT Mitrahahtera Segara Sejati Tbk. (“MBSS”) representing 51.00% of the paid-up capital of MBSS (“Sale Shares”) to PT Galley Adhika Arnawama (“GAA”) (“Transaction”). The selling price of the Sale Shares is equivalent to IDR660 (six hundred sixty Rupiah) per share which totaling US\$41.2 million for 51% of the paid up capital of MBSS (based on agreed valuation of US\$81.0 million for 100% basis).

# # #

# NEWS RELEASE

## 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); coal trading (Indika Capital Investment Pte. Ltd.); **Energy Services** – EPC - oil & gas (PT Tripatra Multi Energi, PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC – contract mining (PT Petrosea Tbk. (IDX: PTRO).); **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); **Other Portfolios** – gold production (Nusantara Resources Limited, PT Masmino Dwi Area), IT enterprise (PT Xapiens Teknologi Indonesia), digital technology services (PT Zebra Cross Teknologi), renewable energy (PT Indika Multi Properti, PT Empat Mitra Indika Tenaga Surya and PT PT Electra Mobilitas Indonesia).

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

## FURTHER INFORMATION

Ricardo Silaen, CFA – Head of Investor Relations

Nicky Kurniawan – Head of Corporate Finance

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

T +62 21 2557 9888

## DISCLAIMER

This news release may contain certain financial information, projections, plans, strategies, and objectives of PT Indika Energy Tbk., that are not statements of historical fact which would be treated as forward looking statements within the meaning of applicable law.

Neither PT Indika Energy Tbk., its affiliates nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements in this communication.

This news release is for information only and is not an offer to sell or an invitation to buy any securities and neither this news release nor anything herein forms the basis for any contract or commitment whatsoever.