

FOR IMMEDIATE DISTRIBUTION

5 August 2022

## INDIKA ENERGY RESULTS FOR THE PERIOD ENDED JUNE 30, 2022

**Strong Net Profit of US\$200.7 million and Interim Dividends of US\$40 million**

Jakarta - PT Indika Energy Tbk. (IDX: INDY), an Indonesia's diversified investment company, reported its unaudited financial statements for the period ended June 30, 2022.

### Highlights

- **Revenues grew by 66.5% YoY to US\$1,939.0 million in 6M22**, driven by higher coal prices with average ICI-4 benchmark has increased to US\$89.2/ton (+86.7% YoY).
- **Gross profit rose 158.3% YoY to US\$668.9 million in 6M22 and consolidated gross margin expanded to 34.5% from 22.2% in 6M21**, mainly led by higher coal prices.
- **Operating income jumped 185.1% YoY to US\$576.2 million in 6M22** and operating margin expanded to 29.7% from 17.4% in 6M21.
- **The company recorded Profit attributable to owners of the company of US\$200.7 million in 6M22 (+1,571.2% YoY)**, a significant jump from US\$12.0 million in 6M21.
- **Core Profit\* of US\$240.8 million reported in 6M22 (+331.7% YoY)** compared to US\$55.8 million reported in 6M21.
- **Adjusted EBITDA totalled US\$631.9 million for the period ending June 30, 2022**, compared to US\$306.6 million in the same period previous year.
- **Cash, Cash Equivalents and Other Financial Assets at end of June 2022 stood at US\$1,072.5 million.**
- **Capex spending during 6M22 was US\$19.3 million and the Company disbursed US\$53.2 million for new investments.**

*\*) 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;*

*Note on Petrosea's transaction: Based on PSAK 58, since the signing of term sheet for the divestment of the entire 69.8% stake of Petrosea, profit and loss of Petrosea are no longer consolidated in financial statement of the Company for the period ended June 30, 2022. All of the assets and liabilities of Petrosea are classified as held for sale and are presented separately from asset and liabilities in the consolidated statement of financial position as of June 30, 2022.*

## PT Indika Energy Tbk.

Descriptions (in USD mn)	6M22	6M21	YoY	2Q22	1Q22	QoQ
<b>Total revenues</b>	<b>1,939.0</b>	<b>1,164.7</b>	<b>66.5%</b>	<b>1,108.2</b>	<b>830.8</b>	<b>33.4%</b>
Kideco	1,384.8	876.8	57.9%	820.1	564.6	45.2%
Indika Resources	377.3	158.5	138.1%	204.5	172.7	18.4%
Tripatra	134.1	96.3	39.3%	59.9	74.2	-19.3%
Interport	16.8	14.5	15.6%	8.4	8.4	0.1%
Others	37.2	29.7	25.4%	24.9	12.3	102.0%
Elimination	(11.1)	(11.1)	-0.1%	(9.6)	(1.5)	544.6%
<b>Cost of contracts and goods sold</b>	<b>(1,270.1)</b>	<b>(905.7)</b>	<b>40.2%</b>	<b>(700.1)</b>	<b>(570.0)</b>	<b>22.8%</b>
<b>Gross profit</b>	<b>668.9</b>	<b>258.9</b>	<b>158.3%</b>	<b>408.1</b>	<b>260.8</b>	<b>56.5%</b>
Selling, general and administrative expenses	(92.6)	(56.8)	63.0%	(52.6)	(40.1)	31.2%
<b>Operating profit</b>	<b>576.2</b>	<b>202.1</b>	<b>185.1%</b>	<b>355.5</b>	<b>220.7</b>	<b>61.1%</b>
Equity in net profit of associates	10.4	16.7	-37.7%	4.4	6.0	-26.1%
Investment income	3.2	1.3	146.3%	2.0	1.2	59.8%
Finance cost	(53.1)	(52.1)	2.1%	(26.6)	(26.6)	0.0%
Amortization of intangible assets	(68.0)	(67.8)	0.3%	(34.0)	(34.0)	0.0%
Final tax	(3.9)	(2.9)	34.6%	(1.4)	(2.5)	-41.8%
Fair value changes on contingent consideration obligation	(5.6)	(9.5)	-40.9%	(2.9)	(2.8)	3.3%
Others- net	(5.5)	0.1	-6178.9%	3.9	(9.4)	-141.8%
<b>Profit (Loss) Income before tax</b>	<b>453.7</b>	<b>87.9</b>	<b>416.4%</b>	<b>298.2</b>	<b>155.5</b>	<b>91.8%</b>
Income tax expense	(225.1)	(71.2)	216.0%	(154.6)	(70.5)	119.2%
<b>Profit (Loss) after tax from continued operation</b>	<b>228.5</b>	<b>16.6</b>	<b>1276.0%</b>	<b>143.6</b>	<b>84.9</b>	<b>69.1%</b>
Profit (Loss) from discontinued operation	0.0	12.2	-100.0%	0.0	0.0	0.0%
Profit (Loss) for the year/period :	<b>228.5</b>	<b>28.9</b>	<b>691.9%</b>	<b>143.6</b>	<b>84.9</b>	<b>69.1%</b>
<b>Profit (Loss) attributable to owners of the company</b>	<b>200.7</b>	<b>12.0</b>	<b>1571.2%</b>	<b>125.6</b>	<b>75.0</b>	<b>67.4%</b>
Profit (Loss) attributable to non-controlling Interest	27.9	16.9	65.5%	18.0	9.9	82.2%
<b>Core Profit (Loss) of the Company</b>	<b>240.8</b>	<b>55.8</b>	<b>331.7%</b>	<b>145.7</b>	<b>95.1</b>	<b>53.3%</b>
Adjusted EBITDA*	631.9	306.6	106.1%	398.0	233.8	70.2%
LTM - Adjusted EBITDA*	1,302.8	405.4	221.4%	1,302.8	1,069.4	21.8%
EPS (USD/share)	0.0385	0.0023		0.0241	0.0144	
Core EPS (USD/share)	0.0462	0.0107		0.0280	0.0182	
Gross margin	34.5%	22.2%		36.8%	31.4%	
Operating margin	29.7%	17.4%		32.1%	26.6%	
Net margin	10.3%	1.0%		11.3%	9.0%	
Core profit margin	12.4%	4.8%		13.1%	11.4%	
Adjusted EBITDA Margin	32.6%	26.3%		35.9%	28.1%	

\* Includes dividends from associates (last twelve months period ended 30 June 2022)

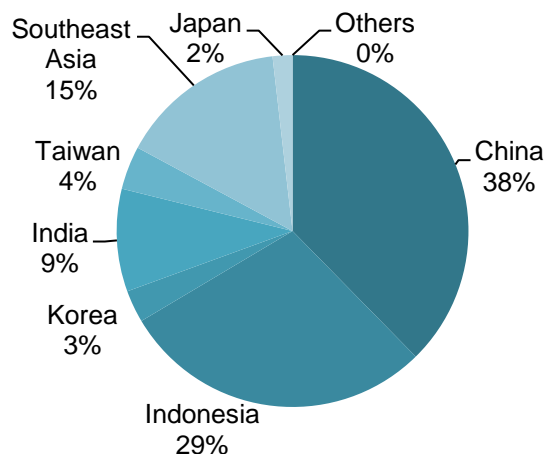
**The consolidated revenues increased 66.5% YoY to US\$1,939.0 million in 6M22 from US\$1,164.7 million in 6M21\*\*)** The higher YoY figures were attributed to higher contribution from Kideco and Indika Resources:

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

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- a) **Kideco's revenue grew by 57.9% YoY to US\$1,384.8 million in 6M22**, boosted by higher average selling price (+67.9% YoY to US\$81.5/ton in 6M22). In 6M22, Kideco sold 17.0MT of coal volume (-5.9% YoY, still in line with 2022 production target of 34.0 MT), with 71% of volume to export and 29% to domestic market.

### Kideco's Sales Volume by Country



- b) **Indika Resources' revenue increased by 138.1% YoY to US\$377.3 million in 6M22** from US\$158.5 million in 6M21, driven by: 1) higher ASP (at both MUTU and coal trading) and 2) higher volume in coal trading. MUTU's revenue rose by 73.4% YoY to US\$122.9 million in 6M22, led by 136.6% YoY increase in ASP to US\$194.6/ton, on 0.6MT of coal volume (-26.7% YoY). Lower volume was resulted from export ban in Jan 2022 and some challenges experienced in hauling. Coal trading revenue in 6M22 jumped by 190.4% YoY to US\$254.1 million, supported by 87.5% YoY increase in ASP to US\$74.0/ton and 56.4% YoY increase in volume to 3.4 MT.
- c) **Interport's revenue increased by 15.6% YoY to US\$16.8 million in 6M22**, of which US\$13.0 million came from KGTE, mainly due to higher volume of 17.0 kbd compared with 14.6 kbd in 6M21.
- d) **Tripatra's revenue increased by 39.3% to US\$134.1 million in 6M22** compared to US\$96.3 million in 6M21. The higher contribution, mainly due to: 1) BP Tangguh project which increased 38.5% YoY to US\$119.6 million in 6M22; 2) new projects such as Star Energy Geothermal Salak and Cabott.

**Cost of Contracts and Goods Sold increased by 40.2% YoY to US\$1,270.1 million in 6M22 from US\$905.7 million in 6M21.** Kideco's cash costs including royalties increased by 34.3% YoY to US\$46.5/ton in 6M22 compared to US\$34.7/ton in 6M21, mainly due to 1) higher royalty as a result of higher ASP, 2) higher fuel rate (US\$0.83/lit in 6M22 vs US\$0.44/lit in 6M21) and 3) higher strip ratio (5.3x in 6M22 vs 5.1x in 6M21).

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**Gross profit rose 158.3% YoY to US\$668.9 million in 6M22 from US\$258.9 million reported in 6M21. The consolidated gross margin improved to 34.5% from 22.2% in 6M21**, supported by strong performances from Kideco (GP margin of 41.5% in 6M22 vs 27.4% in 6M21) and MUTU (GP margin of 51.2% in 6M22 vs 44.3% in 6M21).

**SG&A expenses increased by 63.0% YoY to US\$92.6 million in 6M22** from US\$56.8 million in 6M21, mainly driven by 1) higher marketing expenses in both Kideco and MUTU and 2) DMO expenses in MUTU.

**Equity in net profit of associates decreased by 37.7% to US\$10.4 million in 6M22 from 16.7 million** mainly due to lower contribution from CEP. CEP recorded loss of US\$4.0m in 6M22 vs profit of US\$25m in 6M21 (100% basis) due to unexpected stoppage in relation to damages in one of turbine blades in Feb 2022. In addition, planned major overhaul maintenance was conducted in mid-May to June 2022.

**Finance cost increased by +US\$1.1m (+2.1%) to US\$53.1m in 6M22** mainly due to unwind IRS cost (US\$0.5m) in relation to refinancing Emily loan with new syndication loan at KGTE and higher interest rate in subsidiary.

**Others expenses (net) increased to US\$5.5 million in 6M22 (vs. other income of US\$0.1m in 6M21)**, predominantly due to demurrage cost at Kideco, resulted from export ban in Jan 2022, and realized & unrealized forex losses.

**The Company reported Profit Attributable to the Owners of the Company of US\$200.7 million in 6M22 compared to profit of US\$12.0 million in 6M21.**

**The Company reported Core Profit of US\$240.8 million in 6M22**, a significant jump (+331.7% YoY) compared to Core Profit of US\$55.8 million reported in 6M21.

**Capex spending during 6M22 was US\$19.3 million**, including for Kideco of US\$3.7 million, Interport of US\$1.3 million, Indika Resources US\$1.4 million and Awakmas of US\$7.2 million in relation to exploration activities. **In addition to Capex, the company disbursed US\$53.2 million for the new investment in 6M22** which majority was allocated for Awakmas of US\$34 million, IMP of US\$8.5 million, Ilectra Motor Group of US\$4.6 million and EMITS of US\$5.1 million.

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Descriptions (in USD mn)	6M22	6M21	YoY	FY21	Change % 6M22 - FY21
Cash balance*	1,072.5	756.6	41.7%	986.5	8.7%
Current assets	2,318.0	1,547.2	49.8%	2,092.0	10.8%
Non current asset held for sale	448.2	0.0	100.0%	448.2	0.0%
Total assets	3,969.7	3,596.1	10.4%	3,691.5	7.5%
Current liabilities	1,113.2	845.1	31.7%	1,135.8	-2.0%
Total Debt**	1,459.9	1,646.3	-11.3%	1,581.8	-7.7%
Liabilities directly related to Non current asset held for sale	267.4	0.0	100.0%	267.4	100.0%
Shareholder equity	1,166.6	888.2	31.3%	899.6	29.7%
Current ratio (X)	2.1	1.8		1.8	
Debt to Ebitda (X)	1.1	4.1		1.6	
Net Debt to Ebitda (X)	0.3	2.2		0.5	
Debt to equity (X)	1.3	1.9		1.8	
Net debt to equity (X)***	0.3	1.0		0.7	

\* includes other financial assets and restricted cash

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

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

## Kideco Financial and Operational Highlights

Descriptions (USD mn)	2Q22	2Q21	YoY	1Q22	QoQ	6M22	6M21	YoY
Sales	820.1	461.9	77.6%	564.6	45.2%	1,384.8	876.8	57.9%
Gross profit	361.8	136.2	165.6%	212.1	70.6%	574.0	239.9	139.2%
Operating profit	338.3	124.7	171.4%	191.2	76.9%	529.5	216.3	144.8%
<b>Net income</b>	<b>187.5</b>	<b>69.2</b>	<b>171.0%</b>	<b>102.9</b>	<b>82.2%</b>	<b>290.3</b>	<b>120.3</b>	<b>141.3%</b>
EBITDA	348.4	130.3	167.4%	201.4	73.0%	549.8	227.5	141.7%
Gross margin	44.1%	29.5%		37.6%		41.4%	27.4%	
Operating margin	41.3%	27.0%		33.9%		38.2%	24.7%	
Net margin	22.9%	15.0%		18.2%		21.0%	13.7%	
EBITDA margin	42.5%	28.2%		35.7%		39.7%	25.9%	
Overburden (mn bcm)	44.7	44.8	-0.3%	42.6	4.9%	87.3	92.4	-5.5%
Production volume (MT)	8.7	9.1	-3.8%	7.7	13.3%	16.4	18.2	-9.5%
Sales volume (MT)	9.0	8.9	1.5%	8.0	12.9%	17.0	18.1	-5.9%
Stripping ratio (X)	5.1	4.9	3.7%	5.5	-7.4%	5.3	5.1	4.4%
Cash Cost excl royalty (US\$/ton)	34.3	29.8	15.2%	32.8	4.6%	33.6	28.7	17.2%
Cash Cost incl royalty (US\$/ton)	49.8	36.1	38.0%	42.9	16.0%	46.6	34.7	34.3%
Average selling price (US\$/ton)	91.1	52.1	75.0%	70.8	28.7%	81.5	48.6	67.9%

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## Latest Development

- On 5 August 2022, the Company's announces to distribute interim dividends in the total amount of US\$40.0 million for 2022 or IDR114.46/share based on BI exchange rate of US\$ / IDR14,888 on 3 August 2022 (4.13% yield based on today's closing at Rp2,770 / share) with the following schedule:  
Cum/Ex date : 15/16 Aug 2022  
Recording date : 18 Aug 2022  
Payment date : 30 Aug 202
- On 28 July 2022, the Company has completed the sale of all its 704,014,200 shares in PT Petrosea Tbk representing 69.8% of the paid-up capital of Petrosea to PT Caraka Reksa Optima. The selling price is equivalent to IDR3,117 per share which totalling US\$ 146.58 million (based on valuation of US\$210.0 million for 100% basis).
- On 18 July 2022, PT Ilectra Motor Group ("IMG") introduced Alva Auto as the brand for its two-wheeler electric vehicle. The Company is planning to launch its first product on 18 Augustus 2022 at the Gaikindo Indonesia International Auto Show ("GIAS").
- On 14 July 2022, the Company completed the tender offer of its the 2024 and 2025 Notes with total aggregate purchase price of US\$241.69 million which comprised of US\$184.97 million for the 2024 Notes and US\$56.71 million for the 2025 Notes. In addition to the tendered Notes, the Company are also to cancel a portion of the 2024 Notes and the 2025 Notes with the amount of US\$28.64 million and US\$19.55 million respectively that were repurchased through the open market prior to the commencement of the Tender Offers. Following the cancellation of these Notes, the amount outstanding on the 2024 Notes and the 2025 Notes is US\$362.40 million and US\$598.88 million respectively.

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## ABOUT INDIKA ENERGY

PT Indika Energy Tbk. ("Indika Energy") is an Indonesia's diversified investment 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); **Energy Infrastructure** – marine transportation for bulk goods and natural resources (PT Sea Bridge Shipping and PT Cotrans Asia); coal-fired power plant (PT Cirebon Electric Power and PT Prasarana Energi Cirebon); **Logistic & Infrastructure** - ports & logistics (PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); fuel storage (PT Kariangau Gapura Terminal Energi); **Minerals** – gold production (Nusantara Resources Limited); nickel trading (PT Rockgeo Energi Nusantara); **Digital Ventures** - IT enterprise (PT Xapiens Teknologi Indonesia), digital technology services (PT Zebra Cross Teknologi), **Green Businesses** - Nature based solution (PT Indika Multi Properti), Renewable Energy (PT Empat Mitra Indika Tenaga Surya), Electric Vehicle (PT Ilectra Motor Group).

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

## FURTHER INFORMATION

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