

FOR IMMEDIATE DISTRIBUTION

30 November 2022

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

**Strong Net Profit of US\$343.4 million and Core Profit of US\$403.6 million**

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

### Highlights

- **Revenues grew by 57.2% YoY to US\$3,133.4 million in 9M22**, driven by higher coal prices with average ICI-4 benchmark has increased to US\$84.6/ton (+51.1% YoY).
- **Gross profit rose 109.1% YoY to US\$1,086.3 million in 9M22 and consolidated gross margin expanded to 34.7% from 26.1% in 9M21**, mainly led by higher coal prices.
- **Operating income jumped 120.1% YoY to US\$935.3 million in 9M22** and operating margin expanded to 29.8% from 21.3% in 9M21.
- **The company recorded Profit attributable to owners of the company of US\$338.4 million in 9M22 (+5,785.2% YoY)**, a significant turnaround from net loss of US\$6.0 million in 9M21.
- **Core Profit\* of US\$398.6 million reported in 9M22 (+373.4% YoY)** compared to US\$84.2 million reported in 9M21.
- **Adjusted EBITDA totalled US\$1,013.9 million for the period ending September 30, 2022**, compared to US\$581.6 million in the same period previous year.
- **Cash, Cash Equivalents and Other Financial Assets at end of September 2022 stood at US\$1,233.5 million.**
- **The Company disbursed US\$65.8 million for new investments during 9M22 and spent US\$20.1 million for existing business.**

*\*) 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 2021 figures. All of the assets and liabilities of Petrosea are classified as held for sale and*

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are presented separately from asset and liabilities in the consolidated statement of financial position as of Dec 31, 2021.

## PT Indika Energy Tbk.

### Income Statement Highlights 9M22

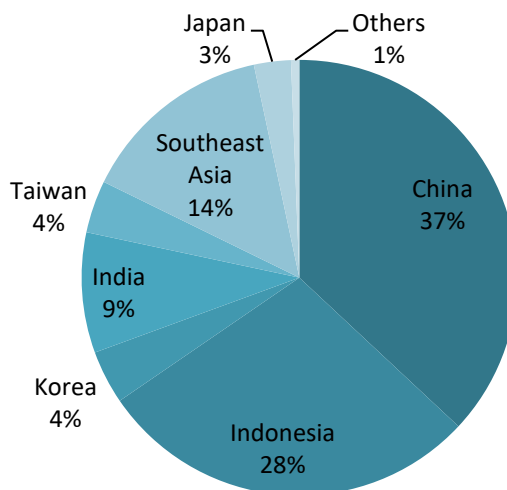
Descriptions (in USD mn)	9M22	9M21	YoY	3Q22	QoQ
<b>Total revenues</b>	<b>3,133.4</b>	<b>1,993.8</b>	<b>57.2%</b>	<b>1,194.4</b>	<b>7.8%</b>
Kideco	2,216.2	1,486.1	49.1%	831.4	1.4%
Indika Resources	628.4	294.7	113.3%	251.1	22.8%
Tripatra	219.4	155.1	41.5%	85.3	42.4%
Interport	25.4	21.7	17.2%	8.6	2.4%
Others	62.4	53.1	17.5%	25.2	1.5%
Elimination	(18.4)	(16.9)	8.8%	(7.3)	-24.2%
<b>Cost of contracts and goods sold</b>	<b>(2,047.1)</b>	<b>(1,474.3)</b>	<b>38.9%</b>	<b>(777.0)</b>	<b>11.0%</b>
<b>Gross profit</b>	<b>1,086.3</b>	<b>519.5</b>	<b>109.1%</b>	<b>417.4</b>	<b>2.3%</b>
Selling, general and administrative expenses	(151.0)	(94.5)	59.8%	(58.4)	11.1%
<b>Operating profit</b>	<b>935.3</b>	<b>425.0</b>	<b>120.1%</b>	<b>359.0</b>	<b>1.0%</b>
Equity in net profit of associates	21.2	23.4	-9.4%	10.8	144.3%
Investment income	6.5	2.4	169.1%	3.3	64.2%
Finance cost	(80.2)	(78.1)	2.7%	(27.1)	1.8%
Amortization of intangible assets	(102.0)	(101.7)	0.3%	(34.0)	0.0%
Final tax	(6.0)	(4.9)	21.9%	(2.1)	45.0%
Fair value changes on contingent consideration obligation	(8.5)	(38.4)	-78.0%	(2.9)	0.0%
Others- net	(5.0)	4.9	-202.5%	0.5	-87.7%
<b>Profit (Loss) Income before tax</b>	<b>761.2</b>	<b>232.4</b>	<b>227.5%</b>	<b>307.6</b>	<b>3.1%</b>
Income tax expense	(374.8)	(157.3)	138.3%	(149.6)	-3.2%
<b>Profit (Loss) after tax from continued operation</b>	<b>386.5</b>	<b>75.2</b>	<b>414.3%</b>	<b>158.0</b>	<b>10.0%</b>
Profit (Loss) from discontinued operation	0.0	(83.5)	-100.0%	0.0	0.0%
Profit (Loss) for the year/period :	<b>386.5</b>	<b>(8.4)</b>	<b>-4704.2%</b>	<b>158.0</b>	<b>10.0%</b>
<b>Profit (Loss) attributable to owners of the company</b>	<b>338.4</b>	<b>(6.0)</b>	<b>5785.2%</b>	<b>137.7</b>	<b>9.7%</b>
Profit (Loss) attributable to non-controlling Interest	48.1	(2.4)	-2069.4%	20.2	12.2%
<b>Core Profit (Loss) of the Company</b>	<b>398.6</b>	<b>84.2</b>	<b>373.4%</b>	<b>157.8</b>	<b>8.3%</b>
Adjusted EBITDA*	1,013.9	581.6	74.3%	382.0	-4.0%
LTM - Adjusted EBITDA*	1,409.8	628.7	124.2%	107.0	-91.8%
EPS (USD/share)	0.0649	(0.0011)		0.0264	
Core EPS (USD/share)	0.0765	0.0162		0.0303	
Gross margin	34.7%	26.1%		34.9%	
Operating margin	29.8%	21.3%		30.1%	
Net margin	10.8%	-0.3%		11.5%	
Core profit margin	12.7%	4.2%		13.2%	
Adjusted EBITDA Margin	32.4%	29.2%		32.0%	

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

The consolidated revenues increased 57.2% YoY to US\$3,133.4 million in 9M22 from US\$1,993.8 million in 9M21. The higher YoY figures were attributed to higher contribution from Kideco and Indika Resources:

- a) **Kideco’s revenue grew by 49.1% YoY to US\$2,216.2 million in 9M22**, boosted by higher average selling price (+55.4% YoY to US\$84.2/ton in 9M22). In 9M22, Kideco sold 26.3MT of coal volume (-4.1% YoY, still in line with 2022 production target of 34.0 MT), with 72% of volume to export and 28% to domestic market.

### Kideco’s Sales Volume by Country 9M22



- b) **Indika Resources’ revenue increased by 113.3% YoY to US\$628.4 million in 9M22** from US\$294.7 million in 9M21, driven by: 1) higher ASP (at both MUTU and coal trading) and 2) higher volume in coal trading. MUTU’s revenue rose by 119.0% YoY to US\$231.1 million in 9M22, led by 129.9% YoY increase in ASP to US\$193.3/ton, on 1.2MT of coal volume (-4.9% YoY). Lower volume was resulted from export ban in Jan 2022 and some challenges experienced in hauling. Coal trading revenue in 9M22 jumped by 110.0% YoY to US\$397.3 million, supported by 58.5% YoY increase in ASP to US\$75.3/ton and 32.4% YoY increase in volume to 5.2 MT.
- c) **Interport’s revenue increased by 17.2% YoY to US\$25.4 million in 9M22**, of which US\$19.6 million came from KGTE, mainly due to higher volume of 17.3 kbd compared with 14.0 kbd in 9M21.
- d) **Tripatra’s revenue increased by 41.5% to US\$219.4 million in 9M22** compared to US\$155.1 million in 9M21. The higher contribution, mainly due to: 1) BP Tangguh project which increased 35.7% YoY to US\$190.6 million in 9M22; 2) new projects such as Star Energy Geothermal Salak and Cabott.

**Cost of Contracts and Goods Sold increased by 38.9% YoY to US\$2,047.1 million in 9M22 from US\$1,474.3 million in 9M21.** Kideco’s cash costs including royalties increased by 30.6%

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YoY to US\$48.0/ton in 9M22 compared to US\$33.3/ton in 9M21, mainly due to 1) higher royalty as a result of higher ASP and 2) higher fuel rate (US\$0.87/lit in 9M22 vs US\$0.47/lit in 9M21).

**Gross profit rose 109.1% YoY to US\$1,086.3 million in 9M22 from US\$519.5 million reported in 9M21. The consolidated gross margin improved to 34.7% from 26.1% in 9M21,** supported by strong performances from Kideco (GP margin of 41.7% in 9M22 vs 32.3% in 9M21) and MUTU (GP margin of 48.0% in 9M22 vs 39.8% in 9M21).

**SG&A expenses increased by 59.8% YoY to US\$151.0 million in 9M22** from US\$94.5 million in 9M21, 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 9.4% to US\$21.2 million in 9M22 from 23.4 million** mainly due to lower contribution from CEP. CEP net profit declined of US\$18.0m in 9M22 vs profit of US\$31.3m in 9M21 (100% basis) due to unexpected stoppage in relation to damages in one of turbine blades in Feb 2022 and penalty to PLN.

**Finance cost increased by +US\$2.2m (+2.7%) to US\$80.2m in 9M22** mainly due to (1) unwind IRS cost (US\$0.5m) in relation to refinancing Emily loan with new syndication loan at KGTE; (2) higher interest rate in subsidiaries, and (3) one-time cost related to bond tender-offer in July which include premium and acceleration of amortization on bond issuance cost (US\$3.7m), offset with lower interest of more than US\$4m on lower bond principal.

**Others expenses (net) was recorded at US\$5.0 million in 9M22 (vs. other income of US\$4.9m in 9M21),** mainly due to (1) higher Kideco's demurrage cost of US\$9.9m because of export ban in Jan 2022 and (2) higher forex loss of US\$7.6m on Rupiah depreciation against USD (USD/IDR Jan – Sep 22 = 14.269 -15.335 vs Jan – Sep 21 = 14.084 - 14.322), mainly unrealized as of 9M22. Such loss was partially offset with higher gain on fuel hedging at Kideco.

**The Company reported Profit Attributable to the Owners of the Company of US\$338.4 million in 9M22, a significant turn-around from net loss of US\$6.0 million in 9M21.**

**The Company reported Core Profit of US\$398.6 million in 9M22,** a significant jump (+373.4% YoY) **compared to Core Profit of US\$84.2 million reported in 9M21.**

**The company disbursed US\$65.8 million for the new investments in 9M22** which majority was allocated for Awakmas of US\$34 million, Ilectra Motor Group of US\$12.1 million, IMP of US\$8.5 million and EMITS of US\$5.1 million. **The actual spending for capex for the same period is US\$40.4 million, of which we spent US\$20.4 million for existing business,** including for Kideco of US\$11.5 million, Indika Resources US\$6.8 million and Interport of US\$1.8 million.

## PT Indika Energy Tbk.

### Balance Sheet Highlights 9M22

Descriptions (in USD mn)	9M22	9M21	YoY	FY21	Change % 9M22 - FY21
Cash balance*	1,233.5	856.0	44.1%	986.5	25.0%
Current assets	2,011.9	1,775.9	13.3%	2,092.0	-3.8%
Non current asset held for sale	0.0	0.0	100.0%	448.2	-100.0%
Total assets	3,684.4	3,681.8	0.1%	3,691.5	-0.2%
Current liabilities	1,066.5	997.7	6.9%	1,135.8	-6.1%
Total Debt**	1,171.1	1,607.4	-27.1%	1,581.8	-26.0%
Liabilities directly related to Non current asset held for sale	0.0	0.0	100.0%	267.4	100.0%
Shareholder equity	1,235.2	851.9	45.0%	899.6	37.3%
Current ratio (X)	1.9	1.8		1.8	
Debt to Ebitda (X)	1.1	2.6		1.6	
Net Debt to Ebitda (X)	0.3	2.2		0.5	
Debt to equity (X)	0.9	1.9		1.8	
Net debt to equity (X)***	0.3	0.9		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 9M22

Descriptions (USD mn)	3Q22	3Q21	YoY	2Q22	QoQ	9M22	9M21	YoY
Sales	831.4	609.3	36.5%	820.1	1.4%	2,216.2	1,486.1	49.1%
Gross profit	349.6	239.6	45.9%	361.9	-3.4%	923.6	479.6	92.6%
Operating profit	326.7	223.6	46.1%	338.4	-3.5%	856.3	440.0	94.6%
<b>Net income</b>	<b>182.7</b>	<b>123.5</b>	<b>47.9%</b>	<b>187.5</b>	<b>-2.5%</b>	<b>473.1</b>	<b>243.8</b>	<b>94.0%</b>
EBITDA	335.7	229.2	46.5%	348.5	-3.7%	885.6	456.8	93.9%
Gross margin	42.0%	39.3%		44.1%		41.7%	32.3%	
Operating margin	39.3%	36.7%		41.3%		38.6%	29.6%	
Net margin	22.0%	20.3%		22.9%		21.3%	16.4%	
EBITDA margin	40.4%	37.6%		42.5%		40.0%	30.7%	
Overburden (mn bcm)	44.9	44.3	1.5%	44.7	0.5%	132.2	136.6	-3.3%
Production volume (MT)	9.7	8.7	10.9%	8.7	10.5%	26.1	26.9	-2.9%
Sales volume (MT)	9.3	9.4	-0.4%	9.0	3.8%	26.3	27.4	8.5%
Stripping ratio (X)	4.7	5.1	-8.5%	5.1	-9.1%	5.1	5.1	-0.4%
Cash Cost incl royalty (US\$/ton)	50.6	38.8	30.4%	49.8	1.6%	48.0	36.1	33.0%
Cash Cost excl royalty (US\$/ton)	32.2	29.5	9.3%	34.3	-6.0%	33.1	28.9	14.4%
Average selling price (US\$/ton)	88.9	64.9	37.0%	91.1	-2.4%	84.2	54.2	55.5%

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## Latest Development

- On 23 November 2022, the Company has made a payment to ST International Co. Ltd (“Samtan”) amounting to US\$160.0 million, as full settlement of liability as stipulated in Sales Purchase Agreement (SPA).
- As of 03 October 2022, the Company, as ongoing Liability Management exercise, has repurchased and cancelled (open market and tender offer) total of US\$ 241.6 million of 2024 Notes and total of US\$76.1 million of 2025 Notes. With this cancellation, the balance of 2024 Notes stood at US\$333.4 million from the original amount of US\$575 million and 2025 Notes stood at US\$ 598.9 million from original US\$ 675 million.
- On 23 September 2022, PT Indika Energy Tbk. (the “Company”) through its subsidiary, PT Mitra Motor Group (MMG), expands its development of electric vehicle as part of diversification strategy, by establishing a JV company called PT Foxconn Indika Motor (FIM) to conduct manufacturing business for commercial electric vehicles and electric batteries, as well as providing management consultation service. The Company ownership in the JV is 60%, while its partner Foxteq Singapore Pte Ltd., an affiliate of Hon Hai Technology Group (Foxconn) owns 40%.

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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).

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## FURTHER INFORMATION

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