

FOR IMMEDIATE DISTRIBUTION

28 March 2023

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2022

Record High Net Profit of US\$452.7 million

Jakarta - **PT Indika Energy Tbk. (IDX: INDY)**, an Indonesia's investment holding company, reported its audited financial statements for the period ended December 31, 2022.

Highlights

- **Revenues grew by 41.2% YoY to US\$4,334.9 million in FY22**, driven by higher coal prices with average ICI-4 benchmark has increased to US\$84.06/ton (+30.7% YoY).
- **Gross profit rose 58.0% YoY to US\$1,450.8 million in FY22 and consolidated gross margin expanded to 33.5% from 29.9% in FY21**, driven by higher coal prices in Kideco and MUTU.
- **Operating income jumped 56.6% YoY to US\$1,210.1 million in FY22** and operating margin expanded to 27.9% from 25.2% in FY21.
- **The company recorded a record high Profit attributable to owners of the company of US\$452.7 million in FY22 (+684.3% YoY)**, a significant increase from net profit of US\$57.7 million in FY21.
- **Adjusted EBITDA totalled US\$1,303.2 million for the period ending December 31, 2022**, compared to US\$977.5 million in the same period previous year.
- **In 2022, the Company deleveraged bond and loan by total US\$371.2 million to US\$1,088.2 million from US\$1,459.4 million in 2021**, through early repayment of both senior notes (2024 and 2025) of US\$359.2 million and bank loan repayment of US\$12.0 million.
- **Cash, Cash Equivalents and Other Financial Assets at end of December 2022 stood at US\$1,257.4 million.**
- **The Company disbursed US\$97.0 million for new investments during FY22 and spent US\$24.3 million Capex for existing business.**

PT Indika Energy Tbk. Income Statement Highlights FY22

Descriptions (in USD mn)	FY22	FY21	YoY	4Q22	3Q22	QoQ
Total revenues	4,334.9	3,069.2	41.2%	1,201.5	1,194.4	0.6%
Kideco	3,008.8	2,196.9	37.0%	792.6	831.4	-4.7%
Indika Resources	861.4	496.1	73.6%	233.0	251.1	-7.2%
Tripatra	306.2	231.8	32.1%	86.9	85.3	1.9%
Interport	34.7	29.0	19.6%	9.3	8.6	7.8%
Others	166.7	138.9	20.0%	104.2	25.2	312.9%
Elimination	(42.8)	(5.5)	673.7%	(24.4)	(7.3)	235.5%
Cost of contracts and goods sold	(2,884.1)	(2,151.0)	34.1%	(837.0)	(777.0)	7.7%
Gross profit	1,450.8	918.1	58.0%	364.5	417.4	-12.7%
Selling, general and administrative expenses	(240.7)	(145.4)	65.6%	(89.7)	(58.4)	53.7%
Operating profit	1,210.1	772.7	56.6%	274.8	359.0	-23.5%
Equity in net profit of associates	31.2	27.9	11.8%	10.0	10.8	-7.4%
Investment income	9.3	4.3	117.8%	2.8	3.3	-15.1%
Finance cost	(103.5)	(104.9)	-1.3%	(23.3)	(27.1)	-13.8%
Amortization of intangible assets	(136.1)	(135.9)	0.1%	(34.0)	(34.0)	0.0%
Final tax	(8.9)	(6.8)	31.0%	(2.9)	(2.1)	36.2%
Fair value changes on contingent consideration obligation	46.3	(41.8)	-210.7%	54.7	(2.9)	2019.3%
Others- net	(38.4)	(13.4)	187.0%	(33.4)	0.5	-7016.7%
Profit (Loss) Income before tax	1,010.3	502.1	101.2%	249.1	307.6	-19.0%
Income tax expense	(499.6)	(294.7)	69.5%	(124.8)	(149.6)	-16.6%
Profit (Loss) after tax from continued operation	510.8	207.4	146.3%	124.3	158.0	-21.3%
Profit (Loss) from discontinued operation	0.0	(144.1)	-100.0%	0.0	0.0	0.0%
Profit (Loss) for the year/period :	510.8	63.3	706.7%	124.3	158.0	-21.3%
Profit (Loss) attributable to owners of the company	452.7	57.7	684.3%	114.3	137.7	-17.0%
Profit (Loss) attributable to non-controlling Interest	58.1	5.6	938.0%	10.0	20.2	-50.5%
Core Profit (Loss) of the Company **	521.2	227.9	128.7%	122.6	157.8	-22.3%
Adjusted EBITDA*	1,299.2	977.5	32.9%	285.3	382.0	-25.3%
EPS (USD/share)	0.0869	0.0111		0.0219	0.0264	
Core EPS (USD/share)	0.1000	0.0437		0.0235	0.0303	
Gross margin	33.5%	29.9%		30.3%	34.9%	
Operating margin	27.9%	25.2%		22.9%	30.1%	
Net margin	10.4%	1.9%		9.5%	11.5%	
Core profit margin	12.0%	7.4%		10.2%	13.2%	
Adjusted EBITDA Margin	30.0%	31.8%		23.7%	32.0%	

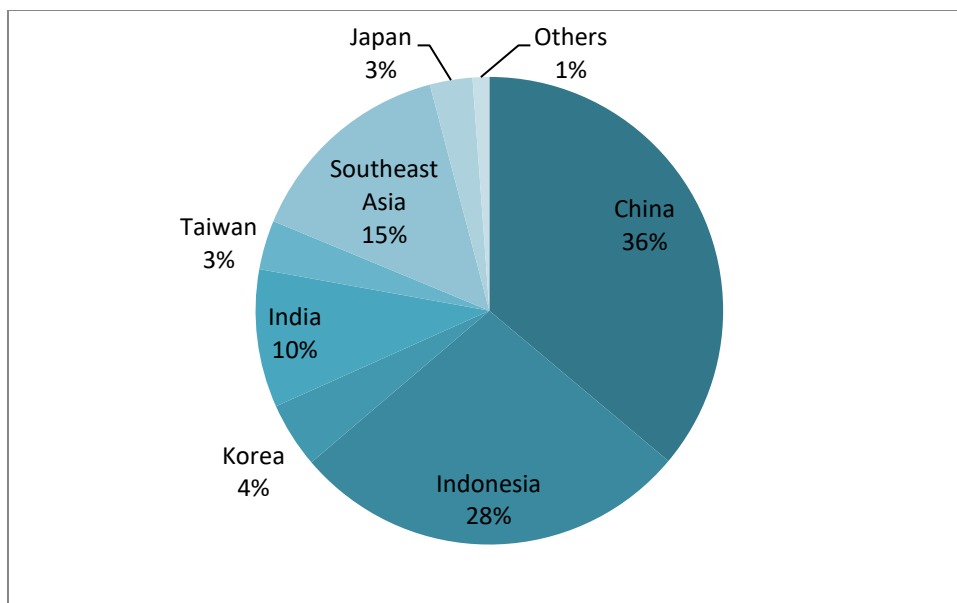
* Includes dividends from associates (last twelve months period ended 31 December 2022)

** Core Profit (Loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding: 1) amortization of intangible assets of Kideco and MUTU; 2) fair value changes on contingent consideration obligation related to acquisition of additional shares in Kideco in 2021; 3) impact from refloat of Petrosea's shares recognized in 2021; and 4) loss recognized on acquisition of Nusantara in 2021.

The consolidated revenues increased 41.2% YoY to US\$4,334.9 million in FY22 from US\$3,069.2 million in FY21. The higher YoY figures were attributed to higher contribution from Kideco and Indika Resources:

- a) **Kideco's revenue grew by 37.0% YoY to US\$3,008.8 million in FY22**, boosted by higher average selling price (+41.2% YoY to US\$86.6/ton in FY22). In 2022, Kideco sold 34.8MT of coal volume (-2.9% YoY), with 72% of volume to export and 28% to domestic market. In 2022, Kideco produced 34.8MT of coal vs. production target of 34.0MT.

Kideco’s Sales Volume by Country FY22



- b) **Indika Resources’ revenue increased by 73.6% YoY to US\$861.4 million in FY22** from US\$496.1 million in FY21, driven by: 1) higher ASP (at both MUTU and coal trading) and 2) higher volume in coal trading. MUTU’s revenue rose by 124.1% YoY to US\$325.6 million in FY22, led by 107.3% YoY increase in ASP to US\$192.9/ton, on 1.7MT of coal volume (+7.6% YoY). Coal trading revenue in FY22 increased by 52.7% YoY to US\$535.8 million, supported by 26.5% YoY increase in ASP to US\$75.5/ton and 20.0% YoY increase in volume to 7.0 MT.
- c) **Interport’s revenue increased by 19.6% YoY to US\$34.7 million in FY22**, of which US\$26.6 million came from KGTE, mainly due to higher volume of 24.2 kbd compared with 19.4 kbd in FY21.
- d) **Tripatra’s revenue increased by 32.1% to US\$306.2 million in FY22** compared to US\$231.8 million in FY21. The higher contribution, mainly due to: 1) BP Tangguh project which increased 22.4% YoY to US\$260.2 million in FY22; 2) new projects such as Star Energy Geothermal Salak and Cabott.

Cost of Contracts and Goods Sold increased by 34.1% YoY to US\$2,884.1 million in FY22 from US\$2,151.0 million in FY21. Kideco’s cash costs including royalties increased by 33.7% YoY to US\$50.0/ton in FY22 compared to US\$37.4/ton in FY21, mainly due to 1) higher royalty as a result of higher ASP and 2) higher fuel rate (US\$0.85/lt in FY22 vs US\$0.50/lt in FY21).

Gross profit rose 58.0% YoY to US\$1,450.8 million in FY22 from US\$918.1 million reported in FY21. The consolidated gross margin improved to 33.5% from 29.9% in FY21, supported

NEWS RELEASE

by strong performances from Kideco (GP margin of 40.6% in FY22 vs 38.0% in FY21) and MUTU (GP margin of 46.8% in FY22 vs 41.0% in FY21).

SG&A expenses increased by 65.6% YoY to US\$240.7 million in FY22 from US\$145.4 million in FY21, mainly driven by 1) higher marketing expenses in both Kideco and MUTU and 2) DMO expenses in MUTU.

Equity in net profit of associates increased by 11.8% to US\$31.2 million in FY22 from 27.9 million mainly due to higher contribution from CEP and Cotrans. Equity in net profit in CEP increased to US\$8.3m in FY22 vs profit of US\$7.0m in FY21 (20% ownership). Equity in net profit in Cotrans increased to US\$6.5m in FY22 vs profit US\$5.3m in FY21 (45% ownership).

Finance cost decreased by +US\$1.3m (-1.3%) to US\$103.5m in FY22 mainly due to lower interest of US\$11m on lower bond principal resulting from early retirement of bond up to 5 months, offset with (1) unwind IRS cost (US\$0.5m) in relation to refinancing of Emily loan with new syndication loan at KGTE; (2) higher interest rate in subsidiaries (US\$0.9m), and (3) one-time cost related to bond tender-offer process, premium (US\$1.1m) and amortization (US\$4.3m)

Others expenses- net expenses increased by US\$25.0m (+187.0% YoY) to US\$38.4m in FY22 mainly due to (1) write off tax claim under objection and tax court process for year 2017 - 2019 of US\$36.8m; (2) higher Kideco's demurrage cost of US\$4.1m because of export ban in Jan 2022 and (3) higher forex loss of US\$16.2m on Rupiah depreciation against USD (USD/IDR Jan – Dec 22 = 14.269 -15.565 vs Jan – Dec 21 = 14.084 - 14.250) mainly unrealized FX of US\$16.0m in 2022 vs US\$5.6m in 2021. Such loss was partially offset with higher fuel back charges by US\$9.7m and gain on fuel hedging by US\$5.8m at Kideco.

The Company reported Profit Attributable to the Owners of the Company of US\$452.7 million in FY22, a significant jumped from net profit of US\$57.7 million in FY21.

The Company reported Core Profit of US\$521.2 million in FY22, (+128.7% YoY) compared to Core Profit of US\$227.9 million reported in FY21.

The company disbursed US\$92.3 million for the new investments in FY22 which majority was allocated for Awakmas of US\$45 million, Ilectra Motor Group (IMG) of US\$12.0 million, Indika Nature of US\$8.5 million and EMITS of US\$3.7 million. **The actual spending for capex for the same period is US\$74.4 million, of which we spent US\$24.3 million for existing business**, including for Kideco of US\$6.2 million, Indika Resources US\$12.7 million, IDT US\$1.3m and Interport of US\$4.1 million. On non-coal business, capex mainly spent on Indika Minerals (primarily for Awakmas project) of US\$36.7 million, IMG of US\$4.4 million and Indika Nature of US\$3.5 million.

PT Indika Energy Tbk. Balance Sheet Highlights FY22

Descriptions (in USD mn)	FY22	FY21	Change % FY22 - FY21
Cash balance*	1,257.4	986.5	27.5%
Current assets	2,002.8	2,092.0	-4.3%
Non current asset held for sale	0.0	448.2	-100.0%
Total assets	3,593.9	3,691.5	-2.6%
Current liabilities	1,178.9	1,135.8	3.8%
Total Debt**	1,087.3	1,581.8	-31.3%
Liabilities directly related to Non current asset held for sale	0.0	267.4	-100.0%
Shareholder equity	1,340.2	899.6	49.0%
Current ratio (X)	1.7	1.8	
Debt to Ebitda (X)	0.8	1.6	
Net Debt to Ebitda (X)	(0.1)	0.5	
Debt to equity (X)	0.8	1.8	
Net debt to equity (X)***	(0.1)	0.7	

* includes other financial assets and restricted cash

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

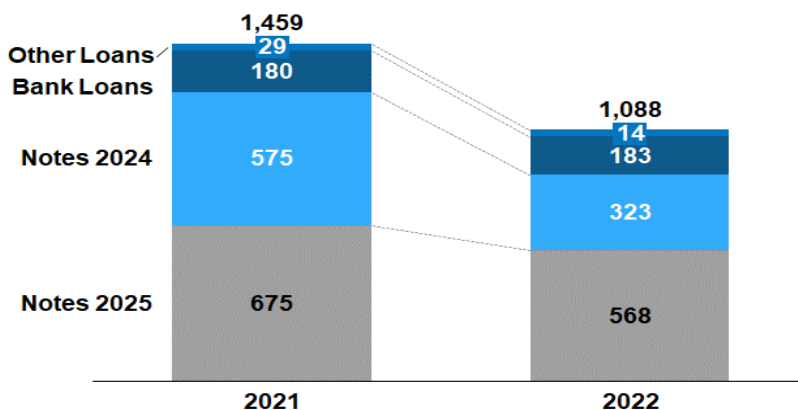
*** total debt minus total cash balance divided by shareholder equity

Deleveraging our debts in 2022

Together with loan payments, we have **deleveraged by total US\$371.2 million to US\$1,088.2 million** in 2022 from US\$1,459.4 million in 2021. **In 2022, the Company repurchased (through open market and tender offer) and cancelled total of US\$ 252.1 million of 2024 Notes and total of US\$107.1 million of 2025 Notes.** With this cancellation, the balance of 2024 Notes stood at US\$322.9 million from the original amount of US\$575 million and 2025 Notes stood at US\$ 567.9 million from original US\$ 675 million.

Total Consolidated Debt 2021-2022

US\$ million



Kideco Financial and Operational Highlights FY22

Descriptions (USD mn)	4Q22	4Q21	YoY	3Q22	QoQ	FY22	FY21	YoY
Sales	792.6	710.8	11.5%	831.4	-4.7%	3,008.8	2,196.9	37.0%
Gross profit	299.1	355.9	-15.9%	349.6	-14.4%	1222.7	835.4	46.4%
Operating profit	270.7	333.7	-18.9%	326.7	-17.1%	1126.9	773.7	45.7%
Net income	152.9	182.6	-16.2%	182.7	-16.3%	626.0	426.4	46.8%
EBITDA	289.1	339.3	-14.8%	335.7	-13.9%	1174.7	796.1	47.6%
Gross margin	37.7%	50.1%		42.0%		40.6%	38.0%	
Operating margin	34.2%	46.9%		39.3%		37.5%	35.2%	
Net margin	19.3%	25.7%		22.0%		20.8%	19.4%	
EBITDA margin	36.5%	47.7%		40.4%		39.0%	36.2%	
Overburden (mn bcm)	43.6	43.2	0.8%	44.9	-3.0%	175.8	179.9	-2.3%
Production volume (MT)	8.7	9.0	-3.1%	9.7	-10.1%	34.8	35.8	-2.9%
Sales volume (MT)	8.4	8.4	0.8%	9.3	-9.9%	34.8	35.8	-2.9%
Stripping ratio (X)	5.0	4.8	4.0%	4.7	7.9%	5.1	5.0	0.7%
Cash Cost incl royalty (US\$/ton)	56.4	41.8	34.9%	50.6	11.5%	50.0	37.4	33.7%
Cash Cost excl royalty (US\$/ton)	37.5	30.2	24.0%	32.2	16.2%	34.2	29.2	16.8%
Average selling price (US\$/ton)	94.1	85.0	10.6%	88.9	5.8%	86.6	61.4	41.2%

Latest Development

- On 16 December 2022, PT Kideco Jaya Agung (Kideco), a subsidiary of PT Indika Energy Tbk. (Indika Energy), has obtained an extension of the operating license to become a Special Mining Business Permit as a Continuation of Contracts Operation/ Agreement (IUPK). IUPK is granted until March 13, 2033 and can be extended in accordance with statutory provisions.
- On 23 November 2022, the Company made payments to ST International Co. Ltd. (Samtan) amounting to US\$160.0 million, as settlement of obligations as stipulated in the Sale and Purchase Agreement (SPA).
- On 19 January 2023, the Company through its subsidiary PT Indika Multi Properti (IMP), has acquired 46% stake in PT Natura Aromatik Nusantara (NAN), the fourth largest essential oil exporter in Indonesia, for US\$11.5 million.

#

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

NEWS RELEASE

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

FURTHER INFORMATION

Ricardo Silaen, CFA – Head of Investor Relations

Nicky Kurniawan – Head of Corporate Finance

E 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.