

FOR IMMEDIATE DISTRIBUTION

31 July 2023

## INDIKA ENERGY RESULTS FOR THE PERIOD ENDED JUNE 30, 2023

**Recorded Net Profit of US\$89.8 million and Spent US\$ 70.9 million CAPEX in 6M23**

Jakarta - **PT Indika Energy Tbk. (IDX: INDY)**, an Indonesia's investment holding company, reported its unaudited financial statements for the period ended June 30, 2023.

### Highlights

- **Revenues decreased by 13.7% YoY to US\$1,673.2 million in 6M23**, driven mainly by lower sales volume in Kideco (-11.7% YoY to 15.0MT) and Coal trading (-50.6% YoY to 1.7MT). Kideco recorded a relatively stable ASP at US\$82.3/ton compared to 17.9% YoY decline in average ICI-4 benchmark.
- **Gross profit declined 47.7% YoY to US\$349.9 million in 6M23 and consolidated gross margin dropped to 20.9% from 34.5% in 6M22**, driven by (higher) new royalty rate under IUP-K tax regime effective as of Jan 23.
- **Operating income decreased 60% YoY to US\$230.8 million in 6M23** and operating margin declined to 13.8% from 29.7% in 6M22.
- **The company recorded Profit attributable to owners of the company of US\$89.8 million in 6M23 (-55.2% YoY)**, declined from net profit of US\$200.7 million in 6M22.
- **Adjusted EBITDA totalled US\$250.8 million for the period ending June 30, 2023**, compared to US\$631.9 million in the same period previous year. LTM EBITDA was US\$920.8 million as of end of June 2023.
- **Cash, Cash Equivalents and Other Financial Assets at end of June 2023 stood at US\$804.5 million.**
- **The Company spent total of US\$ 70.9 million for Capex**, of which US\$ 59.7 million or 84% for new businesses.

## PT Indika Energy Tbk.

### Income Statement Highlights 6M23

Descriptions (in USD mn)	6M23	6M22	YoY	2Q22	QoQ
<b>Total revenues</b>	<b>1,673.2</b>	<b>1,939.0</b>	<b>-13.7%</b>	<b>766.4</b>	<b>118.3%</b>
Kideco	1,234.6	1,384.8	-10.8%	575.3	114.6%
Indika Resources	275.4	377.3	-27.0%	111.2	147.6%
Tripatra	127.2	134.1	-5.1%	60.7	109.5%
Interport	57.0	16.8	239.7%	36.0	58.3%
Others	29.9	37.2	-19.6%	15.6	91.8%
Elimination	(51.0)	(11.1)	358.8%	(32.5)	57.0%
<b>Cost of contracts and goods sold</b>	<b>(1,323.3)</b>	<b>(1,270.1)</b>	<b>4.2%</b>	<b>(615.5)</b>	<b>115.0%</b>
<b>Gross profit</b>	<b>349.9</b>	<b>668.9</b>	<b>-47.7%</b>	<b>150.8</b>	<b>132.0%</b>
Selling, general and administrative expenses	(119.2)	(92.6)	28.7%	(70.0)	70.3%
<b>Operating profit</b>	<b>230.8</b>	<b>576.2</b>	<b>-60.0%</b>	<b>80.9</b>	<b>185.3%</b>
Equity in net profit of associates	15.3	10.4	46.7%	8.0	91.3%
Investment income	11.2	3.2	244.5%	6.1	82.8%
Finance cost	(40.9)	(53.1)	-23.0%	(20.0)	104.5%
Amortization of intangible assets	(34.9)	(68.0)	-48.7%	(1.2)	2720.0%
Final tax	(4.0)	(3.9)	0.8%	(1.9)	111.5%
Others- net	0.9	(5.5)	-116.2%	(0.9)	-196.0%
<b>Profit (Loss) Income before tax</b>	<b>178.3</b>	<b>453.7</b>	<b>-60.7%</b>	<b>70.9</b>	<b>151.4%</b>
Income tax expense	(51.2)	(225.1)	-77.3%	(23.1)	121.9%
PNBP government shares	(18.2)	0.0	-100.0%	(7.4)	-100.0%
<b>Profit (Loss) for the year/period :</b>	<b>108.9</b>	<b>228.5</b>	<b>-52.4%</b>	<b>40.5</b>	<b>169.1%</b>
<b>Profit (Loss) attributable to owners of the company</b>	<b>89.8</b>	<b>200.7</b>	<b>-55.2%</b>	<b>30.9</b>	<b>190.8%</b>
Profit (Loss) attributable to non-controlling Interest	19.1	27.9	-31.7%	9.6	99.1%
<b>Core Profit (Loss) of the Company **</b>	<b>114.4</b>	<b>240.8</b>	<b>-52.5%</b>	<b>31.7</b>	<b>261.3%</b>
Adjusted EBITDA*	250.8	631.9	-60.3%	98.8	153.8%
LTM - Adjusted EBITDA*	920.5	1,302.8	-29.3%	920.5	0.0%
EPS (USD/share)	0.0172	0.0385		0.0059	
Core EPS (USD/share)	0.0220	0.0462		0.0061	
Gross margin	20.9%	34.5%		19.7%	
Operating margin	13.8%	29.7%		10.6%	
Net margin	5.4%	10.3%		4.0%	
Core profit margin	6.8%	12.4%		4.1%	
Adjusted EBITDA Margin	15.0%	32.6%		12.9%	

\* Includes dividends from associates (last twelve months period ended 30 June 2023)

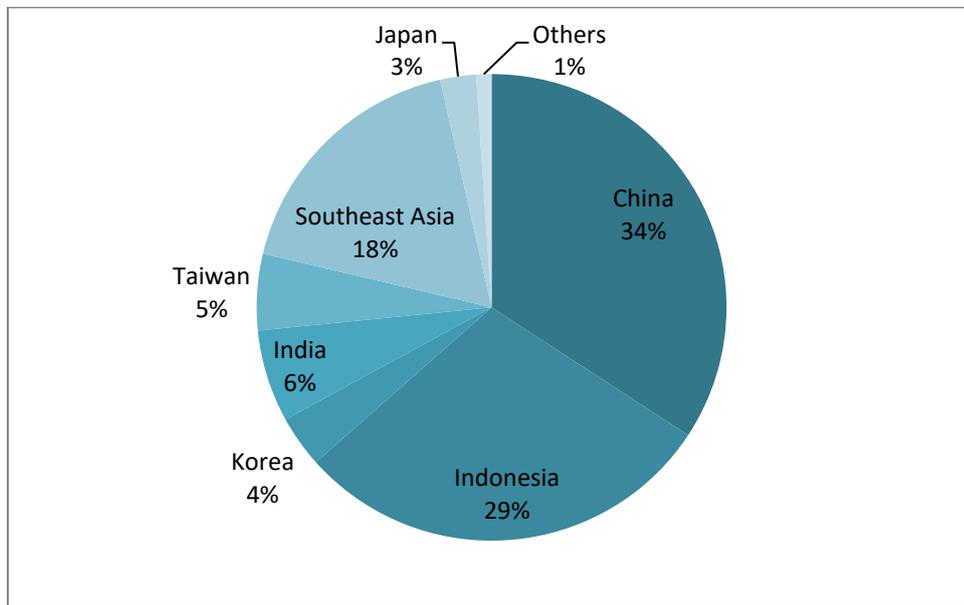
\*\* Core Profit (Loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding: 1) amortization of intangible assets of Kideco and MUTU; 2) fair value changes on contingent consideration obligation related to acquisition of additional shares in Kideco in 2022.

**The consolidated revenues decreased 13.7% YoY to US\$1,673.2 million in 6M23 from US\$1,939.0 million in 6M22, mainly due to lower contributions from Kideco and Indika Resources, while consolidation of Cotrans supported revenue growth in Interport.**

- a) **Kideco's revenue decreased by 10.8% YoY to US\$1,234.6 million in 6M23** with sales volume declined 11.7% YoY to 15.0 MT on the back of 1) lower FY23's production volume target of 31MT (-10.9% YoY, in line with government's approval) and 2) heavier than

usual rainfall and 3) heavy equipment constraints at contractors. In terms of market destination, Kideco sold 4.4MT or 29% of 6M23 sales volume to domestic and 10.6MT or 71% of sales volume to export market. Realized ASP/ton in 6M23 is US\$82.3 (+1.0% YoY), compared to avg. ICI-4/ton: US\$ 70.5 in 6M23 vs US\$ 85.9 in 6M22 (-17.9% YoY).

### Kideco's Sales Volume by Country 6M23



- b) **Indika Resources' revenue decreased by 27.0% YoY to US\$275.4 million in 6M23** from US\$377.3 million in 6M22, driven by lower contribution from coal trading which partly compensated by higher contribution from MUTU. In 6M23, revenue of coal trading declined by 49.4% YoY to US\$128.6 million, as sales volume dropped 50.6% YoY to 1.7MT and ASP declined by 1.9% YoY to US\$72.6/ton. On the other hand, revenue of MUTU increased 19.2% YoY to US\$146.8 million, led by 54.1% YoY increase in sales volume to 1.0MT (low-base effect related to export ban in January 2022) with ASP of US\$148.1/ton (-23.9% YoY).
- c) **Interport's revenue increased by 239.7% YoY to US\$57.0 million in 6M23** after Interport acquired 56% shares in Cotrans (including from 45% shares owned by Tripatra). In 6M23, Interport revenues consisted of Cotrans of US\$34.2m, KGTE (fuel storage) of US\$13.9m, Interport business park (IBP) of US\$4.2m and ILSS of US\$1.3m. KGTE volume increased to 19.6 KBD in 6M23 vs 17.9 KBD in 6M22.
- d) **Tripatra's revenue decreased by 5.1% to US\$127.2 million in 6M23**, mainly driven by lower contribution from BP Tangguh project which decreased 12.2% YoY to US\$105.0 million in 6M23.

**Cost of Contracts and Goods Sold increased by 4.2% YoY to US\$1,323.3 million in 6M23 from US\$1,270.1 million in 6M22.** Kideco's cash costs including royalties increased by 35.8%

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YoY to US\$63.2/ton in 6M23 compared to US\$46.5/ton in 6M22, mainly due to higher royalty rate under IUP-K tax regime (effective rate 33% of ASP in 6M23 vs 13.5% based on Gen-1 CCOW).

**Gross profit declined 47.7% YoY to US\$349.9 million in 6M23 from US\$668.9 million reported in 6M22. The consolidated gross margin dropped to 20.9% from 34.5% in 6M22,** mainly driven by new royalty rate under IUP-K and cut in GP margin in Kideco (22.2% in 6M23 vs 41.5% in 6M22).

**SG&A expenses increased by 28.7% YoY to US\$119.2 million in 6M23** from US\$92.6 million in 6M22, mainly led by DMO expenses in MUTU and higher rentals.

**Equity in net profit of associates increased by 46.7% to US\$15.3 million in 6M23 from 10.4 million** mainly due to higher contribution from SBS, CEP and CEPR. Equity in net profit in CEP increased to US\$2.7 million in 6M23 vs net loss of US\$0.8 million in 6M22 (20% ownership). Equity in net profit in SBS increased to US\$3.0 million in 3M23 vs profit US\$1.5 million in 6M22 (45% ownership).

**Finance cost decreased by -US\$12.2 million (-23.0% YoY) to US\$40.9 million in 6M23** mainly due to interest expense saving of US\$11.8m on early partial retirement of bond.

**Others expenses- net income of US\$0.9 million** in 6M23 vs net expenses of US\$11.1m in 6M22 mainly due: 1) to lower demurrage expenses 2) and forex gain of US\$2.3m in 6M23 from forex loss of US\$6.6m in 3M22

**The Company reported Profit Attributable to the Owners of the Company of US\$89.8 million in 6M23, a decline from net profit of US\$200.7 million in 6M22.**

**The Company reported Core Profit of US\$114.4 million in 6M23, (-52.4% YoY) compared to Core Profit of US\$240.6 million reported in 6M22.**

**The Company spent US\$70.9 million,** of which we spent US\$11.2 million for existing business, including for Indika Resources US\$5.7 million and Kideco US\$3.4 million. On new businesses/non-coal, capex mainly spent on Indika Minerals (primarily for Awakmas project) US\$39.1 million, IMG US\$6.0 million and Indika Nature US\$5.3 million.

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## PT Indika Energy Tbk.

### Balance Sheet Highlights 6M23

Descriptions (in USD mn)	6M23	6M22	YoY	FY22	Change % 6M23 - FY22
Cash balance*	804.5	1,072.5	-25.0%	1,257.4	-36.0%
Current assets	1,419.7	2,318.0	-38.8%	2,002.8	-29.1%
Total assets	3,062.7	3,969.7	-22.8%	3,593.9	-14.8%
Current liabilities	649.8	1,113.2	-41.6%	1,178.9	-44.9%
Total Debt**	1,093.6	1,459.9	-25.1%	1,087.3	0.6%
Shareholder equity	1,346.7	1,166.6	15.4%	1,340.2	0.5%
Current ratio (X)	2.2	2.1		1.7	
Debt to Ebitda (X)	1.2	1.1		0.8	
Net Debt to Ebitda (X)	0.3	0.3		Net Cash	
Debt to equity (X)	0.8	1.3		0.8	
Net debt to equity (X)***	0.2	0.3		Net Cash	

\* 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 6M23

Descriptions (USD mn)	2Q23	2Q22	YoY	1Q23	QoQ	6M23	6M22	YoY
Sales	575.3	820.1	-29.9%	659.3	-12.7%	1,234.6	1,384.8	-10.8%
Gross profit	117.8	361.9	-67.5%	156.8	-24.9%	274.5	574.0	-52.2%
Operating profit	96.4	338.4	-71.5%	133.6	-27.8%	230.0	529.6	-56.6%
<b>Net income</b>	<b>63.8</b>	<b>187.5</b>	<b>-66.0%</b>	<b>90.4</b>	<b>-29.5%</b>	<b>154.2</b>	<b>290.3</b>	<b>-46.9%</b>
EBITDA	96.9	348.5	-72.2%	134.7	-28.1%	231.7	549.9	-57.9%
Gross margin	20.5%	44.1%		23.8%		22.2%	41.5%	
Operating margin	16.8%	41.3%		20.3%		18.6%	38.2%	
Net margin	11.1%	0.0%		13.7%		12.5%	21.0%	
EBITDA margin	16.8%	42.5%		20.4%		18.8%	39.7%	
Overburden (mn bcm)	39.9	44.7	-10.8%	37.5	6.4%	77.3	87.3	-11.4%
Production volume (MT)	7.4	8.7	-15.7%	6.9	6.4%	14.3	16.4	-13.2%
Sales volume (MT)	7.4	9.0	-17.3%	7.5	-1.4%	15.0	17.0	-11.7%
Stripping ratio (X)	5.4	5.1	5.8%	5.4	0.0%	5.4	5.3	2.0%
Cash Cost incl royalty (US\$/ton)	64.7	42.9	50.8%	64.7	0.0%	63.2	46.5	35.8%
Cash Cost excl royalty (US\$/ton)	39.2	34.3	14.5%	34.7	13.1%	37.0	33.6	10.3%
Average selling price (US\$/ton)	77.3	91.1	-15.2%	87.3	-11.5%	82.3	81.5	1.1%

### Latest Development

- On 27 May 2023, IMG launched its second electric two-wheeler product, called Alva Cervo. The new model, which adopts a more sporty concept, has some improvements from Alva One such as top speed of 103kph and driving range that can reach up to 125km. Sales price of Alva Cervo starts from Rp 37.75 mn/unit, slightly higher compared to that of Alva One of Rp36.5 mn/unit. To support the distribution, currently IMG has

operated two experience centers in SCBD (Jakarta) and Kuta (Bali) and soon to open 4 more outlets in Kelapa Gading (Jakarta), Surabaya, Bandung and Semarang.

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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** 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) – marine transportation for bulk goods and natural resources (PT Sea Bridge Shipping and PT Cotrans Asia); **Minerals** – gold production (Nusantara Resources Limited); bauxite production (PT Mekko Metal Mining) nickel trading (PT Rockgeo Energi Nusantara); **Digital Ventures** - IT enterprise (PT Xapiens Teknologi Indonesia), digital technology services (PT Zebra Cross Teknologi), **Green Business** - Nature based solution (PT Indika Multi Properti), Renewable Energy (PT Empat Mitra Indika Tenaga Surya), **Electric Vehicle** – E2W (PT Ilectra Motor Group) – E4W commercial (PT Foxconn Indika Motor, PT Energi Makmur Buana); **Healthcare** – (PT Bioneer Indika Group)

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