

FOR IMMEDIATE DISTRIBUTION

31 October 2023

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

**Recorded Net Profit of US\$93.8 million and Spent US\$ 104.9 million CAPEX
in 9M23**

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

Highlights

- **Revenues decreased by 26.6% YoY to US\$2,298.7 million in 9M23**, driven mainly by lower contribution from Kideco and Coal Trading, on the back of lower ASP and lower sales volume. Kideco ASP decreased by 10.1% to US\$75.7/ton in 9M23 with sales volume of 22.6 MT (-14.6% YoY). (ICI-4: US\$64.3/ton in 9M23 vs US\$84.6/ton in 9M22).
- **Gross profit declined 59.5% YoY to US\$439.8 million in 9M23 and consolidated gross margin dropped to 19.1% from 34.7% in 9M22**, driven by much higher royalty rate at Kideco under IUP-K tax regime starting Jan 23; effective rate of 31.6% of ASP (royalty cost: US\$520.0 million) in 9M23 vs. 13.5% based on Gen-1 CCOW (US\$391.8 million) in 9M22.
- **Operating income decreased by 71.2% YoY to US\$269.2 million in 9M23** and operating margin declined to 11.7% from 29.8% in 9M22.
- **The company recorded profit attributable to owners of the company of US\$93.8 million in 9M23.**
- **Adjusted EBITDA totalled US\$300.0 million for the period ending September 30, 2023**, compared to US\$1,013.9 million in the same period previous year. LTM EBITDA was US\$585.3 million as of end of September 2023.
- **The Company spent total of US\$ 104.9 million for Capex**, of which US\$ 81.2 million or 77% for new businesses.

PT Indika Energy Tbk.

Income Statement Highlights 9M23

Descriptions (in USD mn)	9M23	9M22	YoY	3Q22	2Q22	QoQ
Total revenues	2,298.7	3,133.4	-26.6%	625.5	766.4	-18.4%
Kideco	1,706.2	2,216.2	-23.0%	471.6	575.3	-18.0%
Indika Resources	351.1	628.4	-44.1%	75.7	111.2	-32.0%
Tripatra	185.1	219.4	-15.6%	57.9	60.7	-4.6%
Interport	83.5	25.4	228.8%	26.5	36.0	-26.5%
Others	46.8	62.4	-25.1%	16.9	15.6	8.2%
Elimination	(74.0)	(18.4)	302.2%	(23.0)	(32.5)	-29.1%
Cost of contracts and goods sold	(1,859.0)	(2,047.1)	-9.2%	(535.7)	(615.5)	-13.0%
Gross profit	439.8	1,086.3	-59.5%	89.8	150.8	-40.4%
Selling, general and administrative expenses	(170.6)	(151.0)	13.0%	(51.4)	(70.0)	-26.5%
Operating profit	269.2	935.3	-71.2%	38.4	80.9	-52.5%
Equity in net profit of associates	19.2	21.2	-9.3%	4.0	8.0	-50.3%
Investment income	14.9	6.5	127.8%	3.7	6.1	-39.8%
Finance cost	(62.6)	(80.2)	-22.0%	(21.6)	(20.0)	8.1%
Amortization of intangible assets	(36.3)	(102.0)	-64.4%	(1.4)	(1.2)	12.7%
Final tax	(5.2)	(6.0)	-14.0%	(1.2)	(1.9)	-35.0%
Others- net	5.6	(5.0)	-211.7%	4.7	(0.9)	-607.9%
Profit (Loss) Income before tax	204.7	761.2	-73.1%	26.5	70.9	-62.7%
Income tax expense	(62.2)	(374.8)	-83.4%	(11.0)	(23.1)	-52.1%
PNBP government shares	(22.8)	0.0	-100.0%	(4.6)	40.5	-111.4%
Profit (Loss) for the year/period :	119.7	386.5	-69.0%	10.8	40.5	-73.3%
Profit (Loss) attributable to owners of the company	93.8	338.4	-72.3%	4.0	30.9	-86.9%
Profit (Loss) attributable to non-controlling Interest	25.8	48.1	-46.3%	6.8	9.6	-29.1%
Core Profit (Loss) of the Company **	119.7	398.6	-70.0%	5.3	31.7	-83.3%
Adjusted EBITDA*	300.0	1,013.9	-70.4%	49.3	98.8	-50.1%
LTM - Adjusted EBITDA*	585.3	1,409.8	-58.5%	585.3	920.5	-36.4%
EPS (USD/share)	0.0180	0.0649		0.0008	0.0059	
Core EPS (USD/share)	0.0230	0.0765		0.0010	0.0061	
Gross margin	19.1%	34.7%		14.4%	19.7%	
Operating margin	11.7%	29.8%		6.1%	10.6%	
Net margin	4.1%	10.8%		0.6%	4.0%	
Core profit margin	5.2%	12.7%		0.8%	4.1%	
Adjusted EBITDA Margin	13.1%	32.4%		7.9%	12.9%	

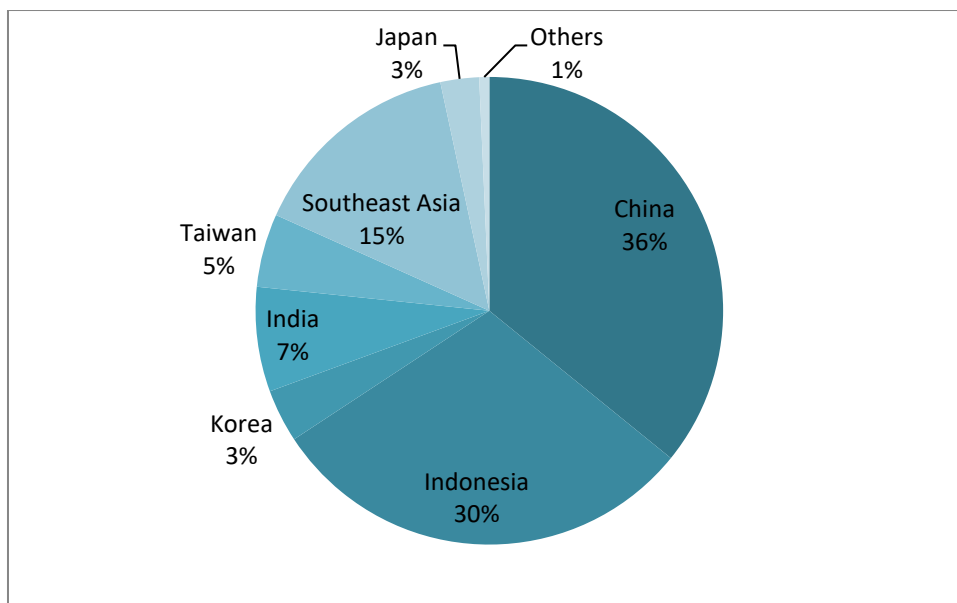
* Includes dividends from associates (last twelve months period ended 30 Sept 2023)

** 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 by 26.6% YoY to US\$2,298.7 million in 9M23 from US\$3,133.4 million in 9M22, mainly due to lower contributions from Kideco and Indika Resources, while consolidation of Cotrans supported higher revenue in Interport.

- a) **Kideco's revenue decreased by 23.0% YoY to US\$1,706.2 million in 9M23** with sales volume declined 14.3% YoY to 22.6 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 in the first few months and 3) heavy equipment constraints at contractors. In terms of market destination, Kideco sold 6.7MT or 30% of 9M23 sales volume to domestic and 15.8MT or 70.4% of sales volume to export market. Realized ASP/ton in 9M23 was US\$75.7 (-10.1% YoY), compared to avg. ICI-4/ton: US\$ 64.3 in 9M23 vs US\$ 84.6 in 9M22 (-24.0% YoY).

Kideco's Sales Volume by Country 9M23



- b) **Indika Resources' revenue decreased by 44.1% YoY to US\$351.1 million in 9M23** from US\$377.3 million in 9M22, driven by lower contribution from coal trading and MUTU. In 9M23, revenue of coal trading declined by 61.3% YoY to US\$153.6 million, as sales volume dropped 60.3% YoY to 2.1MT and ASP declined by 6.3% YoY to US\$70.6/ton. MUTU's revenue decreased by 14.6% YoY to US\$197.5 million, led by 23.9% YoY lower in ASP to US\$148.1/ton with sales volume of 1.4MT, (+20.1% YoY, low-base effect related to export ban in January 2022).
- c) **Interport's revenue increased 217.7% YoY to US\$83.5 million in 9M23** after Interport acquired 56% shares in Cotrans (including 45% shares owned by Tripatra). In 9M23, Interport revenues consisted of Cotrans of US\$54.3m, KGTE (fuel storage) of US\$20.9m, Interport business park (IBP) of US\$6.5m and ILSS of US\$1.9m. KGTE volume increased to 21.2 KBD in 9M23 vs 17.4 KBD in 9M22.
- d) **Tripatra's revenue decreased by 15.6% to US\$185.1 million in 9M23**, mainly driven by lower contribution from BP Tangguh project which decreased by 19.9% YoY to US\$152.8 million in 9M23.

Cost of Contracts and Goods Sold decreased by 9.2% YoY to US\$1,859.0 million in 9M23 from US\$2,047.1 million in 9M22. Kideco's cash costs including royalties increased by 27.3% YoY to US\$61.1/ton in 9M23 compared to US\$48.0/ton in 9M22, mainly due to higher royalty rate under IUP-K tax regime (effective rate 31.6% of ASP in 9M23 vs 13.5% based on Gen-1 CCOW) and higher strip ratio 5.6x in 9M23 vs 5.1x in 9M22.

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Gross profit declined 59.5% YoY to US\$439.8 million in 9M23 from US\$1,086.3 million reported in 9M22. The consolidated gross margin dropped to 19.1% from 34.7% in 9M22, mainly driven by new royalty rate under IUP-K and cut in GP margin in Kideco (19.2% in 9M23 vs 41.7% in 9M22).

SG&A expenses increased by 13.0% YoY to US\$170.6 million in 9M23 from US\$151.0 million in 9M22, mainly led by DMO expenses in MUTU, higher rentals, land & licensing, and professional fees.

Equity in net profit of associates decreased by 9.3% to US\$19.2 million in 9M23 from 21.2 million mainly due to consolidation of Cotrans to Interport in 9M23. The decrease is partly offset with higher contribution from SBS (+US\$2.4m) and CEPR (+US\$0.4m)

Finance cost decreased by US\$17.6 million (-22.0% YoY) to US\$62.6 million in 9M23 mainly due to lower interest on the back of lower bond principal resulting from early retirement of bond (interest saving: US\$13.3m) and reversal of capitalized on interest expenses for Awakmas project cost (US\$3m). The decrease partly offset by higher bank loan interest expenses by US\$2.6m.

Others expenses- net income of US\$5.6 million in 9M23 vs net expenses of US\$5.0m in 9M22 mainly due: 1) to lower demurrage expenses 2) and forex gain of US\$0.8m in 9M23 from forex loss of US\$10.5m in 9M22.

The Company reported Profit Attributable to the Owners of the Company of US\$93.8 million and Core Profit of US\$119.2 million, respectively, in 9M23.

The Company spent US\$104.9 million in 9M23, of which we spent US\$22.8 million for existing business, including for Indika Resources US\$13.2 million and Kideco US\$9.6 million. On new businesses/non-coal, capex mainly spent on Indika Minerals (primarily for Awakmas project) US\$54.4 million, IMG US\$6.6 million and Indika Nature US\$9.5 million.

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PT Indika Energy Tbk.

Balance Sheet Highlights 9M23

Descriptions (in USD mn)	9M23	9M22	YoY	FY22	Change % 9M23 - FY22
Cash balance*	852.8	1,233.5	-30.9%	1,257.4	-32.2%
Current assets	1,452.7	2,011.9	-27.8%	2,002.8	-27.5%
Total assets	3,125.5	3,684.4	-15.2%	3,593.9	-13.0%
Current liabilities	667.2	1,066.5	-37.4%	1,178.9	-43.4%
Total Debt**	1,118.4	1,171.1	-4.5%	1,087.3	2.9%
Shareholder equity	1,363.4	1,235.2	10.4%	1,340.2	1.7%
Current ratio (X)	2.2	1.9		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	0.9		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 9M23

Descriptions (USD mn)	3Q23	3Q22	YoY	2Q23	QoQ	9M23	9M22	YoY
Sales	471.6	831.4	-43.3%	575.3	-18.0%	1,706.2	2,216.2	-23.0%
Gross profit	52.6	349.6	-85.0%	117.8	-55.4%	327.1	923.6	-64.6%
Operating profit	37.7	326.7	-88.5%	96.4	-60.9%	267.8	856.3	-68.7%
Net income	25.1	182.7	-86.3%	63.8	-60.6%	179.3	473.1	-62.1%
EBITDA	38.0	335.7	-88.7%	96.9	-60.8%	269.7	885.6	-69.5%
Gross margin	11.1%	42.0%		20.5%		19.2%	41.7%	
Operating margin	8.0%	39.3%		16.8%		15.7%	38.6%	
Net margin	5.3%	22.0%		11.1%		10.5%	21.3%	
EBITDA margin	8.1%	40.4%		16.8%		15.8%	40.0%	
Overburden (mn bcm)	47.7	44.9	6.3%	39.9	19.8%	125.1	132.2	-5.4%
Production volume (MT)	8.0	9.7	-17.1%	7.4	8.7%	22.3	26.1	-14.6%
Sales volume (MT)	7.6	9.3	-19.1%	7.4	1.5%	22.6	26.3	-14.3%
Stripping ratio (X)	6.0	4.7	28.3%	5.4	10.2%	5.6	5.1	10.8%
Cash Cost incl royalty (US\$/ton)	55.4	50.6	9.6%	61.4	-9.7%	61.1	48.0	27.3%
Cash Cost excl royalty (US\$/ton)	38.4	32.2	19.1%	39.2	-2.2%	38.0	33.1	14.8%
Average selling price (US\$/ton)	62.4	88.9	-29.8%	77.3	-19.2%	75.7	84.2	-10.0%

Latest Development

- On 22 September 2023, the Company through PT Indika Indonesia Resources ("IIR") and Indika Capital Investments Pte. Ltd. ("ICI"), both acting as sellers, has signed a Conditional Sale and Purchase Agreement with PT Petrindo Jaya Kreasi Tbk. ("PJK") to divest 100% ownership in PT Multi Tambangjaya Utama ("MUTU") to PJK ("CSPA").

Based on the CSPA, the Company intends to sell all of its 2,263,030,000 shares in MUTU ("Proposed Transaction") for the amount of USD 218 million, including the associated Marketing Rights owned by ICI. The transaction is expected to be completed with the fulfilment of condition precedents as stated in the CSPA, including approval from the Ministry of Energy and Mineral Resources

- On 21 September 2023 — the Company through Indika Energy Capital III Pte. Ltd. has purchased a portion of its outstanding 5.875% Senior Notes due 2024 in an aggregate principal amount of approximately US\$29.3 million in the open market. The Repurchased 2024 Notes represents approximately 5.09% of the initial principal amount of the 2024 Notes.

After cancellation, the remaining outstanding of the 2024 Notes would be US\$293.6 million, representing approximately 51.05% of the initial principal amount of the 2024 Notes.

- On September 20, 2023, PT Indika Energy Tbk. (the "Company"), a diversified investment company, through PT Kariangau Gapura Terminal Energy ("KGTE"), signed a credit facility agreement in the amount of US\$50 million with PT DBS Indonesia. The loan has tenor of 3.5 year with interest rate of term SOFR + 1.3% p.a., secured by corporate guarantees from PT Interport Mandiri Utama ("IMU"), 100% owned subsidiary of the Company. The use of proceed is to refinance its existing US\$70 million syndication loan from Bank Mandiri, Bank BNI and Bank UOB Indonesia with 5 years tenor and interest rate of SOFR daily + 2.76% p.a., which secured by KGTE's fixed assets. The outstanding balance of this existing loan as of 30 June 2023 was US\$50.1 million.

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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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