

FOR IMMEDIATE DISTRIBUTION

1 April 2024

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2023

**Recorded Net Profit of US\$119.7 million and Spent US\$ 142.7 million CAPEX
in FY23**

Jakarta - **PT Indika Energy Tbk. (IDX: INDY)**, an Indonesia's investment holding company, reported its audited financial statements for the period ended December 31, 2023.

Highlights

- **Revenues decreased by 30.2% YoY to US\$3,026.8 million in FY23**, driven mainly by lower contribution from Kideco and Coal Trading, on the back of lower ASP and lower sales volume. Kideco ASP decreased by 15.7% to US\$72.9/ton in FY23 with sales volume of 30.5 MT (-12.2% YoY). (ICI-4: US\$63.0/ton in FY23 vs US\$86.1/ton in FY22).
- **Gross profit declined 62.0% YoY to US\$552.0 million in FY23 and consolidated gross margin dropped to 18.2% from 33.5% in FY22**, driven by much higher royalty rate at Kideco under IUP-K tax regime starting Jan 23; effective rate of 29.4% of ASP (royalty cost: US\$652.8 million) in FY23 vs. 13.5% based on Gen-1 CCOW (US\$551.1 million) in FY22.
- **Operating income decreased by 74.2% YoY to US\$312.2 million in FY23** and operating margin declined to 10.3% from 27.9% in FY22.
- **The company recorded profit attributable to owners of the Company of US\$119.7 million in FY23.**
- **Adjusted EBITDA totalled US\$395.1 million for the period ending December 31, 2023**, compared to US\$1,299.2 million in the same period previous year.
- **The Company spent total of US\$ 142.7 million for Capex**, of which US\$ 81.2 million or 74% for new businesses.

PT Indika Energy Tbk. Income Statement Highlights FY23

Descriptions (in USD mn)	FY23	FY22	YoY	4Q23	3Q23	QoQ
Total revenues	3,026.8	4,334.9	-30.2%	728.1	625.5	16.4%
Kideco	2,223.3	3,008.8	-26.1%	517.1	471.6	9.6%
Indika Resources	446.3	861.4	-48.2%	95.2	75.7	25.9%
Tripatra	228.6	306.2	-25.3%	43.5	57.9	-24.9%
Interport	114.6	34.7	230.5%	31.1	26.5	17.5%
Others	150.5	166.7	-9.7%	103.8	16.9	515.6%
Elimination	(136.6)	(42.8)	218.8%	(62.6)	(23.0)	172.0%
Cost of contracts and goods sold	(2,474.9)	(2,884.1)	-14.2%	(615.9)	(535.7)	15.0%
Gross profit	552.0	1,450.8	-62.0%	112.2	89.8	24.9%
Selling, general and administrative expenses	(239.8)	(240.7)	-0.4%	(46.3)	(74.3)	-37.7%
Operating profit	312.2	1,210.1	-74.2%	43.0	38.4	12.1%
Equity in net profit of associates	22.9	31.2	-26.6%	3.7	4.0	-7.6%
Investment income	20.2	9.3	117.1%	5.3	3.7	45.2%
Finance cost	(85.6)	(103.5)	-17.4%	(23.0)	(21.6)	6.2%
Amortization of intangible assets	(37.6)	(136.1)	-72.3%	(1.3)	(1.4)	-4.7%
Final tax	(7.6)	(8.9)	-14.9%	(2.4)	(1.2)	95.3%
Fair value changes on embedded derivative of Convertible Loan	1.3	0.0	100.0%	1.3	0.0	100.0%
Fair value changes on contingent consideration obligation	0.0	46.3	-100.0%	-	0.0	0.0%
Others- net	12.6	(38.4)	-132.7%	7.0	4.7	49.0%
Profit (Loss) Income before tax	238.4	1,010.3	-76.4%	33.7	26.5	27.2%
Income tax expense	(87.4)	(499.6)	-82.5%	(25.2)	(11.0)	127.9%
Profit (Loss) for the year/period :	151.0	510.8	-70.4%	31.4	10.8	189.8%
Profit (Loss) attributable to owners of the company	119.7	452.7	-73.6%	25.8	4.0	541.0%
Profit (Loss) attributable to non-controlling interest	31.4	58.1	-46.0%	5.5	6.8	-18.7%
Core Profit (Loss) of the Company **	145.8	521.2	-72.0%	26.2	5.3	395.8%
Adjusted EBITDA*	395.1	1,299.2	-69.6%	95.1	49.3	93.0%
EPS (USD/share)	0.0230	0.0869		0.0050	0.0008	
Core EPS (USD/share)	0.0280	0.1000		0.0050	0.0010	
Gross margin	18.2%	33.5%		15.4%	14.4%	
Operating margin	10.3%	27.9%		5.9%	6.1%	
Net margin	4.0%	10.4%		3.5%	0.6%	
Core profit margin	4.8%	12.0%		3.6%	0.8%	
Adjusted EBITDA Margin	13.1%	30.0%		13.1%	7.9%	

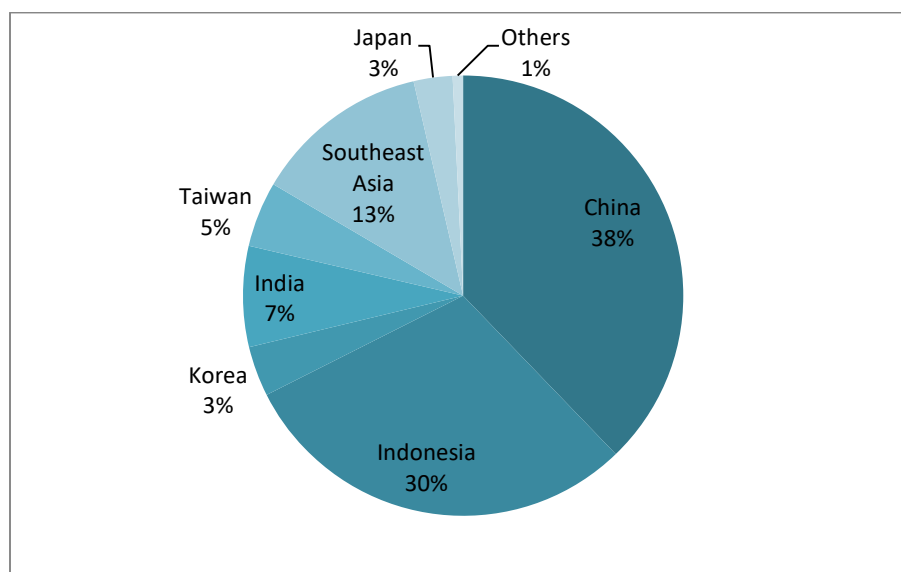
* Includes dividends from associates (last twelve months period ended 31 Dec 2023)

** 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 2023.

The consolidated revenues decreased by 30.2% YoY to US\$3,026.8 million in FY23 from US\$4,334.9 million in FY22, 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 26.1% YoY to US\$2,223.3 million in FY23** with sales volume declined 12.2% YoY to 30.5 MT on the back of 1) lower FY23's production volume target of 31MT (-10.9% YoY, in line with government's approval for FY23 production) 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 9.1MT or 29.8% of FY23 sales volume to domestic and 21.4MT or 70.2% of sales volume to export market. Realized ASP/ton in FY23 was US\$72.9 (-15.7% YoY), compared to avg. ICI-4/ton: US\$ 63.0 in FY23 vs US\$ 86.1 in FY22 (-26.8% YoY).

Kideco's Sales Volume by Country FY23



- b) **Indika Resources' revenue decreased by 48.2% YoY to US\$446.3 million in FY23** from US\$861.4 million in FY22, driven by lower contribution from coal trading and MUTU. In FY23, revenue of coal trading declined by 60.9% YoY to US\$209.3 million, as sales volume dropped 54.6% YoY to 3.2MT and ASP declined by 16.7% YoY to US\$62.9/ton. MUTU's revenue decreased by 27.2% YoY to US\$237.0 million, led by 32.8% YoY lower in ASP to US\$129.7/ton with sales volume of 1.8MT, (+6.4% YoY).
- c) **Interport's revenue increased 230.5% YoY to US\$114.6 million in FY23** after Interport acquired 56% shares in Cotrans (including 45% shares owned by Tripatra). In FY23, Interport revenues consisted of Cotrans of US\$75.4m, KGTE (fuel storage) of US\$28.0m, Interport business park (IBP) of US\$7.1m and ILSS of US\$4.1m. KGTE volume increased to 21.6 KBD in FY23 vs 18.2 KBD in FY22.
- d) **Tripatra's revenue decreased by 25.3% to US\$228.6 million in FY23**, mainly driven by lower contribution from BP Tangguh project which decreased by 30.6% YoY to US\$180.6 million in FY23.

Cost of Contracts and Goods Sold decreased by 14.2% YoY to US\$2,474.9 million in FY23 from US\$2,884.1 million in FY22. The CCOGS did not decrease in parallel with revenue, in which Kideco's cash costs including royalties increased by 18.6% YoY to US\$59.3/ton in FY23 compared to US\$49.9/ton in FY22, driven mainly by much higher royalty rate under IUP-K tax regime (effective rate 29.4% of ASP in FY23 vs 13.5% based on Gen-1 CCOW) and higher strip ratio 5.6x in FY23 vs 5.1x in FY22.

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Gross profit declined 62.0% YoY to US\$552.0 million in FY23 from US\$1,450.8 million reported in FY22. The consolidated gross margin dropped to 18.2% from 33.7% in FY22, mainly driven by new royalty rate under IUP-K and cut in GP margin in Kideco (18.5% in FY23 vs 40.6% in FY22).

SG&A expenses merely decreased by 0.4% YoY to US\$212.8 million in FY23 from US\$240.7 million in FY22, even though marketing expenses decreased 29.9% YoY to US\$45.6 million. As of 2023, we started paying non-tax state revenue (*Penerimaan Negara Bukan Pajak/ PNBP*) to central and local government, pursuant to the terms of Kideco's IUP-K. Hence, we recorded expense of profit-sharing tax of 10% from Kideco's net income in the amount of US\$27.0 million in FY23.

Equity in net profit of associates decreased by 26.6% to US\$22.9 million in FY23 from US\$31.2 million mainly due to consolidation of Cotrans to Interport in FY23, lower contribution from CEP (-US\$4.1m) and CEPR (-US\$0.7m). The decrease is partly offset with higher contribution from SBS (+US\$2.9m)

Finance cost decreased by US\$18.0 million (-17.4% YoY) to US\$85.6 million in FY23 mainly due to lower interest on lower bond principal resulting from early retirement of bond (interest saving: US\$13.0m) and lower amortization of bond issuance and premium resulting from early retirement of bond by US\$5.2m

Others expenses- net income of US\$12.6 million in FY23 vs net expenses of US\$38.4m in FY22 mainly due: 1) gain on disposal fixed asset by US\$8.2m, 2) lower loss on forex by US\$16.2m, 3) lower taxes and dues by US\$36.4m.

The Company reported Profit Attributable to the Owners of the Company of US\$119.7 million and Core Profit of US\$145.8 million, respectively, in FY23.

The Company spent US\$142.7 million in FY23 for Capex, of which we spent US\$37.4 million or 26.2% of total for existing business, including for Indika Resources US\$19.7 million and Kideco US\$17.7 million. On new businesses/non-coal, Capex mainly spent on Indika Minerals (primarily for Awakmas project) US\$66.2 million, IMG US\$14.5 million and Indika Nature US\$14.6 million.

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PT Indika Energy Tbk.

Balance Sheet Highlights FY23*

Descriptions (in USD mn)	FY23	FY22	Change % FY23 - FY22
Cash balance*	696.3	1,257.4	-44.6%
Current assets	1,220.1	2,002.8	-39.1%
Non current asset held for sale	264.0	0.0	100.0%
Total assets	3,113.1	3,593.9	-13.4%
Current liabilities	935.1	1,178.9	-20.7%
Total Debt**	1,087.6	1,087.3	0.0%
Shareholder equity	1,377.1	1,340.2	2.8%
Current ratio (X)	1.3	1.7	
Debt to Ebitda (X)	2.8	0.8	
Net Debt to Ebitda (X)	0.8	Net Cash	
Debt to equity (X)	0.8	0.8	
Net debt to equity (X)***	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 FY23

Descriptions (USD mn)	4Q23	4Q22	YoY	3Q23	QoQ	FY23	FY22	YoY
Sales	517.1	792.6	-34.8%	471.6	9.6%	2,223.3	3,008.8	-26.1%
Gross profit	84.4	299.1	-71.8%	52.6	60.6%	411.5	1222.7	-66.3%
Operating profit	65.1	270.7	-75.9%	37.7	72.6%	332.9	1126.9	-70.5%
Net income	36.3	152.9	-76.2%	25.1	44.7%	215.7	626.0	-65.5%
EBITDA	65.9	289.1	-77.2%	38.0	73.3%	335.6	1174.7	-71.4%
Gross margin	16.3%	37.7%		11.1%		18.5%	40.6%	
Operating margin	12.6%	34.2%		8.0%		15.0%	37.5%	
Net margin	7.0%	19.3%		5.3%		9.7%	20.8%	
EBITDA margin	12.7%	36.5%		8.1%		15.1%	39.0%	
Overburden (mn bcm)	42.6	43.6	-2.3%	47.7	-10.8%	167.7	175.8	-4.6%
Production volume (MT)	7.8	8.7	-9.7%	8.0	-2.0%	30.1	34.8	-13.4%
Sales volume (MT)	8.0	8.4	-5.6%	7.6	5.3%	30.5	34.8	-12.2%
Stripping ratio (X)	5.4	5.0	8.2%	6.0	-8.9%	5.6	5.1	10.1%
Cash Cost incl royalty (US\$/ton)	54.3	56.4	-3.7%	55.4	-2.0%	59.3	49.9	18.8%
Cash Cost excl royalty (US\$/ton)	37.6	37.5	0.3%	38.4	-2.0%	37.9	34.2	11.0%
Average selling price (US\$/ton)	65.0	94.1	-30.9%	62.4	4.1%	72.9	86.6	-15.7%

*) Note on MUTU's transaction: with the signing of CSPA for the divestment of the entire 100% of MUTU, all of the assets and liabilities of MUTU are classified as non-current assets held for sale and are presented separately from asset and liabilities in the consolidated statement of financial position as of December 31, 2023.

Latest Development

- On 27 March 2024, the Company, through PT Indika Multi Properti (“IMP”), has acquired the remaining 54.0% stake in PT Nusantara Aromatik Nusantara (“NAN”), the 4th largest essential oil exporter in Indonesia, for US\$12.7 million (or US\$23.5 million for 100%). Upon closing, NAN financials will be consolidated in the Company’s financial statements.
- On 26 February 2024, the Company, through PT Indika Indonesia Resources (“IIR”) and Indika Capital Investments Pte. Ltd. (“ICI”), has completed the sale of all its 2,263 million shares or 100% ownership in PT Multi Tambangjaya Utama (“MUTU”) to PT Petrindo Jaya Kreasi Tbk. (“PJK”). Execution of the sale of shares is completed following fulfilment of all conditions, including approval from the Ministry of Energy and Mineral Resources of the Republic of Indonesia, as stipulated under the Conditional Sale and Purchase Agreement signed on 22 September 2023. The total transaction value for the share transfer is US\$203.0 million for 100% shares of MUTU and US\$15.0 million for marketing rights, which held by ICI. Upon this closing, MUTU is no longer be consolidated in the Company’s financial statements.
- On 28 December 2023, the Company signed a credit facility agreement in the amount of US\$300 million with Bank Mandiri and BNI. The loan has tenor of 5 year with interest rate of term SOFR + 1.55% p.a., pari passu with its senior notes 2024 and 2025. The use of proceed of this loan will be used for liability management.
- On 22 December 2023 – the Company, as part of a consortium with InfraCo Asia Development Pte Ltd., won the tender for cooperation in building a hybrid solar power plant (PLTS) with batteries for the PLN Phase I De-dieselization Program, with a total generating capacity of 102MWp and 252MWh power storage batteries in Sulawesi, Maluku, Papua and Nusa Tenggara (Cluster II).

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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, Kalista Nusa Armada) - Battery (Industri Baterai Nusantara), **Healthcare** – (PT Bioneer Indika Group)

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