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31 July 2024

INDIKA ENERGY RESULTS
FOR THE PERIOD ENDED JUNE 30, 2024

Recorded Net Profit of US$21.0 million and Spent US$ 47.7 million CAPEX in 6M24

Jakarta - **PT Indika Energy Tbk. (IDX: INDY), an Indonesia's investment holding company,** reported its unaudited financial statements for the period ended June 30, 2024.

Highlights

- **Revenues decreased by 28.5% YoY to US$1,196.7 million in 6M24**, mainly due to lower contribution from Kideco and Indika Resources, on the back of lower ASP and divestment of MUTU. Kideco ASP decreased by 23.9% to US$62.6/ton in 6M24 with sales volume of 14.8 MT (-1.3% YoY). In 2024, MUTU were only consolidated for 2 months, following closing of the divestment by end of February 2024.

- **Gross profit declined 43.0% YoY to US$199.5 million in 6M24 and consolidated gross margin dropped to 16.7% from 20.9% in 6M23**. Kideco recorded gross profit margin of 17.6% in 6M24 vs 22.2% in 6M23.

- **Operating income decreased by 49.6% YoY to US$107.0 million in 6M24** and operating margin declined to 8.9% from 12.7% in 6M23.

- **Although 6M24 YoY performance looked decline, however we saw improvements on quarterly basis in 2Q24** from top line up to operating line, with revenues grew 10.9% QoQ to US$629.4m and operating profit grew 35.5% QoQ to US$61.6m, supported by 11.7% QoQ growth in Kideco's production volume to 7.9MT.

- **Performance was also dragged down by one-off items,** mostly due to costs related to divestment of MUTU and Liability Management (including tender offer of Bond 2025). Furthermore, we also recorded forex loss of US$11.0m, which largely unrealized, because of the weakening of Rupiah against US Dollar.

- **The company recorded profit attributable to owners of the Company of US$21.0 million in 6M24**.

- **Adjusted EBITDA totalled US$134.3 million for the period ending June 30, 2024,** compared to US$250.8 million in the same period previous year. LTM EBITDA recorded at US$278.9 million in 6M24.

- **The Company spent total of US$47.7 million for Capex**, of which US$ 36.9 million or 77% for non-coal businesses**.**

PT Indika Energy Tbk.

Income Statement Highlights 6M24

Descriptions (in USD mn)	6M24	6M23	YoY	2Q24	1Q24	QoQ
Total revenues	**1,196.7**	**1,673.2**	**-28.5%**	**629.4**	**567.3**	**10.9%**
Kideco	926.1	1,234.6	-25.0%	473.5	452.6	4.6%
Indika Resources	133.1	275.4	-51.7%	63.3	69.8	-9.3%
Tripatra	101.8	127.2	-20.0%	70.2	31.5	122.6%
Interport	55.3	53.6	3.2%	27.7	27.6	0.1%
Others	28.4	29.9	-5.0%	18.6	9.8	89.0%
Elimination	(48.0)	(51.0)	-5.9%	(23.9)	(24.1)	-0.9%
Cost of contracts and goods sold	**(997.2)**	**(1,323.3)**	**-24.6%**	**(523.5)**	**(473.8)**	**10.5%**
Gross profit	**199.5**	**349.9**	**-43.0%**	**106.0**	**93.6**	**13.3%**
Selling, general and administrative expenses	(92.5)	(137.4)	-32.7%	(44.4)	(48.1)	-7.8%
Operating profit	**107.0**	**212.5**	**-49.6%**	**61.6**	**45.4**	**35.5%**
Equity in net profit of associates	9.6	15.3	-37.2%	4.4	5.1	-13.7%
Investment income	9.5	11.2	-14.9%	5.3	4.2	25.2%
Finance cost	(45.3)	(40.9)	10.6%	(25.5)	(19.8)	29.0%
Amortization of intangible assets	(0.7)	(34.9)	-98.1%	(0.3)	(0.3)	0.0%
Impairment of assets	(2.1)	0.0	-100.0%	(2.1)	0.0	-100.0%
Final tax	(2.5)	(4.0)	-36.8%	(1.4)	(1.1)	30.1%
Others- net	(7.1)	0.9	-901.2%	(14.4)	7.3	-296.8%
Profit (Loss) Income before tax	**68.5**	**160.0**	**-57.2%**	**27.5**	**41.0**	-33.1%
Income tax expense	34.4	(51.2)	-167.2%	48.5	(14.1)	-443.5%
Profit (Loss) for the year/period :	**34.1**	**108.9**	**-68.7%**	**7.2**	**26.9**	**-73.3%**
Profit (Loss) attributable to owners of the company	**21.0**	**89.8**	**-76.6%**	**0.9**	**20.1**	**-95.5%**
Profit (Loss) attributable to non-controlling Interest	13.1	19.1	-31.5%	6.3	6.8	-7.3%
Core Profit (Loss) of the Company **	**21.0**	**114.4**	**-81.6%**	**0.9**	**20.1**	**-95.5%**
Adjusted EBITDA*	134.3	250.8	-46.4%	71.3	63.0	13.2%
LTM - Adjusted EBITDA*	278.7	920.5	-69.7%	278.7	306.2	-9.0%
EPS (USD/share)	0.0040	0.0172		0.0002	0.0039	
Core EPS (USD/share)	0.0040	0.0220		0.0002	0.0039	
Gross margin	16.7%	20.9%		16.8%	16.5%	
Operating margin	8.9%	12.7%		9.8%	8.0%	
Net margin	1.8%	5.4%		0.1%	3.5%	
Core profit margin	1.8%	6.8%		0.1%	3.5%	
Adjusted EBITDA Margin	11.2%	15.0%		11.3%	11.1%	

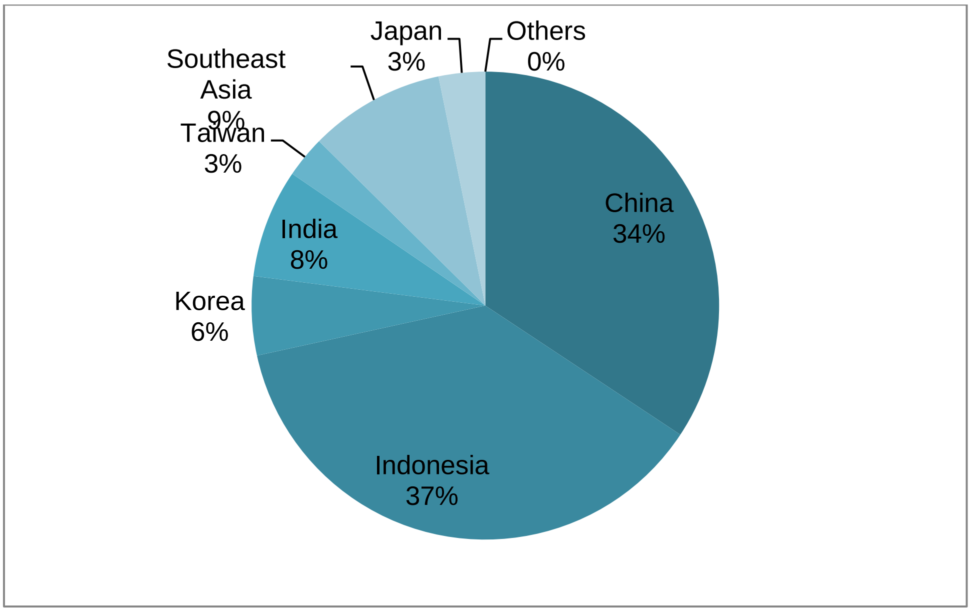
* *Includes dividends from associates (last twelve months period ended 30 June 2024)*

** *Core Profit (Loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding amortization of intangible assets of Kideco and MUTU*

The consolidated revenues decreased by 28.5% YoY to US$1,196.7 million in 6M24 from US$1,673.2 million in 6M23, mainly due to lower contributions from Kideco and Indika Resources.

- **Kideco's revenue decreased by 25.0% YoY to US$926.1 million in 6M24** on the back of lower ASP by 23.9% YoY to US$62.6/ton with sales volume decreased by 1.3% to 14.8MT (in line with RKAB of 29.4MT in 2024). In 2Q24, Kideco increased coal production by 11.7% QoQ to 7.9MT and sold 4.2% QoQ more volume at 7.6MT. In terms of market destination, Kideco sold 5.5MT of coal or 37% of 6M24 sales volume to domestic and 9.3MT or 63% of sales volume to export market. (ICI-1: US$121.9/ton in 6M24 vs US$176.4/ton in 6M23; ICI-3: US$92.8/ton in 6M24 vs US$75.9/ton in 6M23; ICI-4: US$56.1/ton in 6M24 vs US$70.5/ton in 6M23).

Kideco's Sales Volume by Country 6M24



a) **Indika Resources' revenue decreased by 51.7% YoY to US$133.1 million in 6M24** from US$275.4 million in 6M23, as result of by divestment of MUTU in February 2024 and lower contribution from coal trading. In 6M24, revenue of coal trading declined by 10.6% YoY to US$115.0 million, as ASP declined by 29.4% YoY to US$51.2/ton while sales volume increased 33.6% YoY to 2.2MT. On the other hand, MUTU financials were only consolidated for 2 months with revenue of US$18.1 million (-88.0% YoY), following closing of MUTU's divestment.

b) **Interport's revenue increased 3.2% YoY to US$55.3 million in 6M24** mainly due to higher contribution from Cotrans. In 6M24, Interport's revenue consisted of Cotrans of US$36.0m, KGTE (fuel storage) of US$11.8m, Interport Business Park (IBP) of US$4.5m and ILSS of US$3.0m.

c) **Tripatra's revenue decreased by 20.0% to US$101.8 million in 6M24,** mainly as a result of lower contribution from nearly complete project (Tangguh) and have not acquired new big projects. Additional revenue came from Shell, Akasia Bagus, and TPPI.

Cost of Contracts and Goods Sold decreased by 24.6% YoY to US$997.2 million in 6M24 from US$1,323.3 million in 6M23. Kideco's cash costs including royalties decreased by 19.3% YoY to US$51.0/ton in 6M24 compared to US$63.2/ton in 6M23, on the back of lower royalty expense by US$11.2/ton as a result of lower ASP and higher domestic sales volume.

Gross profit declined 43.0% YoY to US$199.5 million in 6M24 from US$349.9 million reported in 6M23. The consolidated gross margin dropped to 16.7% from 20.9% in 6M23, mainly because of lower GP margin in Kideco (17.6% in 6M24 vs 22.2% in 6M23) and MUTU (28.6% in 6M24 vs 31.5% in 6M23).

SG&A expenses decreased by 32.7% YoY to US$92.5 million in 6M24 from US$137.4 million in 6M23 mainly due to 1) lower PNBP related to Kideco and 2) decrease in marketing fee inline with lower revenue from Kideco, and 3) divestment of MUTU.

Equity in net profit of associates decreased by 37.2% YoY to US$9.6 million in 6M24 from US$15.3 million mainly due to lower contribution from CEP, CEPR, and SBS.

Finance cost increased by 10.6% YoY to US$45.3 million in 6M24 mainly due to Liability Management (including premium and acceleration of bond issuance cost related to tender offer on Bond 2025) and higher bank loan interest expenses.

Others - net expenses of US$7.1 million in 6M24 from net income of US$0.9 million in 6M23 mainly due to several one offs: 1) termination of marketing right of ICI of US$4.2m, and (2) loss on MUTU divestment of US$3.9m, as well as 3) impact from depreciation of Rp against US$ on net asset monetary position as of June 30, 2024, wherein FX loss was US$11.0m in 6M24 (approx. 80% of which was unrealized).

The Company reported Profit Attributable to the Owners of the Company and Core profit of US$21.0 million in 6M24.

The Company spent US$47.7 million in 6M24 for Capex, of which we spent US$10.8 million for coal business (Kideco US$8.1m & MUTU US$2.7m). On new businesses/non-coal, Capex mainly spent on Indika Minerals (primarily for Awakmas project) US$28.7m, Indika Nature US$3.1m, IDT US$0.5m, IMG US$2.5m and Kalista US$0.7m.

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Balance Sheet Hightlights 6M24

Descriptions (in USD mn)	6M24	6M23	YoY	FY23	Change % 6M24 - FY23
Cash balance*	863.3	804.5	7.3%	696.3	24.0%
Current assets	1,465.7	1,419.7	3.2%	1,220.1	20.1%
Non current asset held for sale	5.7	0.0	100.0%	264.0	100.0%
Total assets	3,132.5	3,062.7	2.3%	3,113.1	0.6%
Current liabilities	614.0	649.8	-5.5%	935.1	-34.3%
Total Debt**	1,153.7	1,093.6	5.5%	1,087.6	6.1%
Shareholder equity	1,361.3	1,346.7	1.1%	1,377.1	-1.1%
Current ratio (X)	1.4	2.2		1.3	
Debt to Ebitda (X)	3.6	1.2		2.8	
Net Debt to Ebitda (X)	1.1	0.3		0.8	
Debt to equity (X)	0.8	0.8		0.8	
Net debt to equity (X)***	0.2	0.2		0.3	

* 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 6M24

Descriptions (USD mn)	2Q24	2Q23	YoY	1Q24	QoQ	6M24	6M23	YoY
Sales	473.5	575.3	-17.7%	452.6	4.6%	926.1	1,234.6	-25.0%
Gross profit	92.2	117.8	-21.7%	70.3	31.1%	162.5	274.5	-40.8%
Operating profit	67.2	96.4	-30.3%	52.3	28.5%	119.6	230.0	-48.0%
Net income	52.6	63.8	-17.6%	36.2	45.2%	88.7	154.2	-42.5%
EBITDA	70.8	96.9	-26.9%	60.1	18.0%	130.9	231.7	-43.5%
Gross margin	19.5%	20.5%		15.5%		17.6%	22.2%	
Operating margin	14.2%	16.8%		11.6%		12.9%	18.6%	
Net margin	11.1%	11.1%		8.0%		9.6%	12.5%	
EBITDA margin	15.0%	16.8%		13.3%		14.1%	18.8%	
Overburden (mn bcm)	44.2	39.9	10.9%	38.3	15.4%	82.5	77.3	6.7%
Production volume (MT)	7.9	7.4	6.8%	7.0	11.7%	14.9	14.3	4.3%
Sales volume (MT)	7.6	7.4	1.4%	7.2	4.2%	14.8	15.0	-1.3%
Stripping ratio (X)	5.6	5.4	3.8%	5.4	3.3%	5.5	5.4	2.3%
Cash Cost incl royalty (US$/ton)	50.4	61.4	-17.9%	51.4	-2.0%	51.0	63.2	-19.3%
Cash Cost excl royalty (US$/ton)	36.2	39.2	-7.8%	35.8	1.1%	36.0	37.0	-2.8%
Average selling price (US$/ton)	62.7	77.3	-18.8%	62.5	0.4%	62.6	82.3	-23.9%

Latest Development

- On 7 May 2024, the Company announced a successful bond issuance for an aggregate principal amount of US$ 350 million with a 5-year tenor, non-callable in the first 2 years, and a coupon of 8.75%. The bond ratings were assigned BB- by Fitch, and Ba3 by Moody's.
- On 16 May 2024, the Company successfully completed tender offer on the 2025 Notes in the principal amount of US$309 million. Upon the settlement of the tender offer, the remaining outstanding of the 2025 Notes is US$223.7 million.
- Subsequent to the earlier bond issuance, the Company completed a successful Tap issuance on 7 July 2024 for an aggregate principal amount of US$ 105 million bonds with a 5-year tenor, non-callable in the first 2 years, and a coupon of 8.75%.
- On 17 July 2024, the Company through PT Kalista Nusa Armada (KNA), launched Kalista brand in Gaikindo Indonesia International Auto Show (GIIAS). Kalista is a fleets-as-a-service (Faas) company to support business in energy transition through rental service in electric vehicle (4W and 2W). Not only rental, Kalista also provides a comprehensive end-to-end solution to support its client in transition to EV.
- On 18 July 2024, Ilectra Motor Group (IMG) introduced a new 2W product called ALVA N3 which aims at mid-segment with price point of IDR11 million and launched two new variants of ALVA Cervo model in Gaikindo's Indonesia International Auto Show/GIIAS). The new models from Alva Cervo line are Alva Cervo Boost Charge and Alva Cervo Q, both have fast charging capabilities of only 1-hour, an innovation compared to the competitors.
- During May and July 2024, Luwu Regency, the operation area where Awak Mas project located, has experienced a number of flood and landslides. The natural disaster has affected the surrounding community as well as the infrastructure needed for development for the project. At this point of time, the project construction has been gradually resumed. While there are some delays, we still expect the Awak Mas project to start the commercial operation in 2026.

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FURTHER INFORMATION

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